

Canada

Debates of the Senate

OFFICIAL REPORT
(HANSARD)

THE HONOURABLE MAURICE BOURGET,
SPEAKER

1964-65

SECOND SESSION, TWENTY-SIXTH PARLIAMENT
13-14 ELIZABETH II

The Session was opened on February 18, 1964
and was prorogued on April 3, 1965

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1965

20224—A

The Speaker

THE HONOURABLE MAURICE BOURGET

The Leader of the Government

THE HONOURABLE JOHN J. CONNOLLY, P.C.

The Leader of the Opposition

THE HONOURABLE ALFRED JOHNSON BROOKS, P.C.

THE MINISTRY

According to Precedence

April 3, 1965

The Right Honourable Lester Bowles Pearson, M.P.	Prime Minister
The Honourable Paul Joseph James Martin, M.P.	Secretary of State for External Affairs
The Honourable John Whitney Pickersgill, M.P.	Minister of Transport
The Honourable Paul Theodore Hellyer, M.P.	Minister of National Defence
The Honourable Walter Lockhart Gordon, M.P.	Minister of Finance and Receiver General
The Honourable Mitchell Sharp, M.P.	Minister of Trade and Commerce
The Honourable George James McIlraith, M.P.	President of the Queen's Privy Council for Canada
The Honourable William Moore Benidickson, M.P.	Minister of Mines and Technical Surveys
The Honourable Arthur Laing, M.P.	Minister of Northern Affairs and National Resources
The Honourable Maurice Lamontagne, M.P.	Secretary of State of Canada
The Honourable Lucien Cardin, M.P.	Minister of Public Works
The Honourable Allan Joseph MacEachen, M.P.	Minister of Labour
The Honourable Hedard Robichaud, M.P.	Minister of Fisheries
The Honourable J. Watson MacNaught, M.P.	Solicitor General
The Honourable Roger Teillet, M.P.	Minister of Veterans Affairs
The Honourable Judy LaMarsh, M.P.	Minister of National Health and Welfare
The Honourable Charles Mills Drury, M.P.	Minister of Industry and Minister of Defence Production
The Honourable Guy Favreau, M.P.	Minister of Justice and Attorney General
The Honourable John Robert Nicholson, M.P.	Minister of Citizenship and Immigration
The Honourable Harry Hays, M.P.	Minister of Agriculture
The Honourable Rene Tremblay, M.P.	Postmaster General
The Honourable John Joseph Connolly	Member of the Administration
The Honourable Maurice Sauve, M.P.	Minister of Forestry
The Honourable Edgar John Benson, M.P.	Minister of National Revenue
The Honourable Leo Alphonse Joseph Cadieux, M.P.	Associate Minister of National Defence

20224—B

PARLIAMENTARY SECRETARIES

To the Prime Minister	JACK DAVIS, M.P.
To the Minister of Citizenship and Immigration	HUBERT BADANAI, M.P.
To the Minister of Agriculture To the Minister of Forestry	BRUCE S. BEER, M.P.
To the Minister of Finance	LAWRENCE T. PENNELL, M.P.
To the Minister of Labour	JAMES A. BYRNE, M.P.
To the Minister of Transport	JEAN-CHARLES CANTIN, M.P.
To the Postmaster General	ALEXIS CARON, M.P.
To the Minister of Veterans Affairs	CHESLEY W. CARTER, M.P.
To the Secretary of State for External Affairs	STANLEY HAIDASZ, M.P.
To the Minister of Justice	DONALD S. MACDONALD, M.P.
To the Minister of Public Works	G. ROY MCWILLIAM, M.P.
To the Minister of National Health and Welfare	JOHN C. MUNRO, M.P.
To the Minister of Trade and Commerce	JEAN-LUC PEPIN, M.P.
To the Secretary of State of Canada	JOHN B. STEWART, M.P.
To the Minister of Northern Affairs and National Resources	JOHN N. TURNER, M.P.

PRINCIPAL OFFICERS OF THE PRIVY COUNCIL

Clerk of the Privy Council and Secretary to the Cabinet	R. G. ROBERTSON
Assistant Clerk of the Privy Council and Assistant Secretary to the Cabinet	O. G. STONER

SENATORS OF CANADA

ACCORDING TO SENIORITY

April 3, 1965

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

20224—B½

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
ARTHUR WENTWORTH ROEBUCK	Toronto-Trinity	Toronto, Ont.
ALEXANDER NEIL MCLEAN	Southern New Brunswick	Saint John, N.B.
GEORGE PERCIVAL BURCHILL	Northumberland-Miramichi	South Nelson, N.B.
JEAN-MARIE DESSUREAULT	Stadacona	Quebec, Que.
PAUL HENRI BOUFFARD	Grandville	Quebec, Que.
STANLEY STEWART MCKEEN	Vancouver	Vancouver, B.C.
JAMES WILLIE COMEAU	Clare	Comeauville, N.S.
THOMAS H. WOOD	Regina	Regina, Sask.
THOMAS VINCENT GRANT	Montague	Montague, P.E.I.
ALEXANDER BOYD BAIRD	St. John's	St. John's, Nfld.
THOMAS REID	New Westminster	New Westminster, B.C.
J. WESLEY STAMBAUGH	Bruce	Bruce, Alta.
GORDON B. ISNOR	Halifax-Dartmouth	Halifax, N.S.
MICHAEL G. BASHA	West Coast	Curling, Nfld.
MARIANA BEAUCHAMP JODOIN	Sorel	Montreal, Que.
MURIEL MCQUEEN FERGUSSON	Fredericton	Fredericton, N.B.
ALLAN L. WOODROW	Toronto Centre	Toronto, Ont.
FREDERICK GORDON BRADLEY, P.C.	Bonavista-Twillingate	Bonavista, Nfld.
WILLIAM ROSS MACDONALD, P.C.	Brantford	Brantford, Ont.
LEONARD DAVID SWEEZEY TREMBLAY	Lauzon	St. Malachie, Que.
SARTO FOURNIER	De Lanaudière	Montreal, Que.
JOHN J. CONNOLLY, P.C.	Ottawa West	Ottawa, Ont.
NANCY HODGES	Victoria	Victoria, B.C.
DONALD CAMERON	Banff	Edmonton, Alta.
DAVID A. CROLL	Toronto-Spadina	Toronto, Ont.
THOMAS D'ARCY LEONARD	Toronto-Rosedale	Toronto, Ont.
FRED A. MCGRAND	Sunbury	Fredericton Junction, N.B.
CALIXTE F. SAVOIE	L'Acadie	Moncton, N.B.
DONALD SMITH	Queens-Shelburne	Liverpool, N.S.
HAROLD CONNOLLY	Halifax North	Halifax, N.S.
FLORENCE ELSIE INMAN	Murray Harbour	Montague, P.E.I.
HARTLAND DE MONTARVILLE MOLSON	Alma	Montreal, Que.
CHARLES GAVAN POWER, P.C.	Gulf	St. Pacôme, Que.

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
JEAN-FRANÇOIS POULIOT	De la Durantaye	Rivière du Loup, Que.
SYDNEY JOHN SMITH	Kamloops	Kamloops, B.C.
WILLIAM ALBERT BOUCHER	Prince Albert	Prince Albert, Sask.
J. EUGÈNE LEFRANÇOIS	Repentigny	Montreal, Que.
GEORGE STANLEY WHITE, P.C.	Hastings-Frontenac	Madoc, Ont.
JOSEPH A. SULLIVAN	North York	Toronto, Ont.
ARTHUR M. PEARSON	Lumsden	Lumsden, Sask.
LÉON MÉTHOT	Shawinigan	Trois Rivières, Que.
GUSTAVE MONETTE	Mille Isles	Montreal, Que.
JOHN JOSEPH MACDONALD	Queens	R.R. 9, Charlottetown, P.E.I.
GUNNAR S. THORVALDSON	Winnipeg South	Winnipeg, Man.
JAMES GLADSTONE	Lethbridge	Cardston, Alta.
LIONEL CHOQUETTE	Ottawa East	Ottawa, Ont.
JOHN ALEXANDER BUCHANAN	Edmonton	Edmonton, Alta.
JOHN HNATYSHYN	Saskatoon	Saskatoon, Sask.
FREDERICK MURRAY BLOIS	Colchester-Hants	Truro, N.S.
OLIVE LILLIAN IRVINE	Lisgar	Winnipeg, Man.
JOHN MICHAEL MACDONALD	Cape Breton	North Sydney, N.S.
ALFRED JOHNSON BROOKS, P.C.	Royal	Sussex, N.B.
JOSIE ALICE DINAN QUART	Victoria	Quebec, Que.
LOUIS PHILIPPE BEAUBIEN	Bedford	Montreal, Que.
MALCOLM HOLLETT	Burin	St. John's, Nfld.
HARRY ALBERT WILLIS	Peel	Toronto, Ont.
J. CAMPBELL HAIG	River Heights	Winnipeg, Man.
M. WALLACE MCCUTCHEON, P.C.	Gormley	Toronto, Ont.
M. GRATTAN O'LEARY	Carleton	Ottawa, Ont.
ALLISTER GROSART	Pickering	Ottawa, Ont.
EDGAR FOURNIER	Madawaska-Restigouche	Iroquois, N.B.
CLEMENT AUGUSTINE O'LEARY	Antigonish-Guysborough	Antigonish, N.S.
FRANK C. WELCH	Kings	Wolfville, N.S.
JACQUES FLYNN, P.C.	Rougemont	Quebec, Que.
DAVID JAMES WALKER, P.C.	Toronto	Toronto, Ont.

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
RHEAL BELISLE	Sudbury	Sudbury, Ont.
PAUL YUZYK	Fort Garry	Winnipeg, Man.
ORVILLE HOWARD PHILLIPS	Prince	Alberton, P.E.I.
MAURICE BOURGET (Speaker)	The Laurentides	Lévis, Que.
LOUIS P. GÉLINAS	Montarville	Montreal, Que.
ROMUALD BOURQUE	De la Vallière	Outremont, Que.
AZELLUS DENIS, P.C.	La Salle	Montreal, Que.
ERIC COOK	St. John's East	St. John's, Nfld.
DANIEL AIKEN LANG	South York	Toronto, Ont.
NELSON RATTENBURY	Saint John	Saint John, N.B.
JOHN B. AIRD	Toronto	Toronto, Ont.

See Index for Senators deceased during Session

SENATORS OF CANADA

ALPHABETICAL LIST

April 3, 1965

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
AIRD, JOHN B.	Toronto	Toronto, Ont.
ASELTINE, WALTER M., P.C.	Rosetown	Rosetown, Sask.
BAIRD, A. B.	St. John's	St. John's, Nfld.
BASHA, MICHAEL G.	West Coast	Curling, Nfld.
BEAUBIEN, ARTHUR L.	Provencher	St. Jean Baptiste, Man.
BEAUBIEN, L. P.	Bedford	Montreal, Que.
BELISLE, RHEAL	Sudbury	Sudbury, Ont.
BISHOP, CHARLES L.	Ottawa	Ottawa, Ont.
BLOIS, FRED. M.	Colchester-Hants	Truro, N.S.
BOUCHER, WILLIAM A.	Prince Albert	Prince Albert, Sask.
BOUFFARD, PAUL H.	Grandville	Quebec, Que.
BOURGET, MAURICE (Speaker)	The Laurentides	Lévis, Que.
BOURQUE, ROMUALD	De la Vallière	Outremont, Que.
BRADLEY, F. GORDON, P.C.	Bonavista-Twillingate	Bonavista, Nfld.
BROOKS, A. J., P.C.	Royal	Sussex, N.B.
BUCHANAN, JOHN A.	Edmonton	Edmonton, Alta.
BURCHILL, G. PERCIVAL	Northumberland-Miramichi	South Nelson, N.B.
CAMERON, DONALD	Banff	Edmonton, Alta.
CHOQUETTE, LIONEL	Ottawa East	Ottawa, Ont.
COMEAU, J. W.	Clare	Comeauville, N.S.
CONNOLLY, HAROLD	Halifax North	Halifax, N.S.
CONNOLLY, JOHN J., P.C.	Ottawa West	Ottawa, Ont.
COOK, ERIC	St. John's East	St. John's, Nfld.
CRERAR, T. A., P.C.	Churchill	Winnipeg, Man.
CROLL, DAVID A.	Toronto-Spadina	Toronto, Ont.
DAVIES, W. RUPERT	Kingston	Toronto, Ont.
DENIS, AZELLUS, P.C.	La Salle	Montreal, Que.
DESSUREAULT, J.-M.	Stadacona	Quebec, Que.

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
DUPUIS, VINCENT	Rigaud	Montreal, Que.
FARRIS, J. W. DE B.	Vancouver South	Vancouver, B.C.
FERGUSSON, MURIEL McQ.	Fredericton	Fredericton, N.B.
FLYNN, JACQUES, P.C.	Rougemont	Quebec, Que.
FOURNIER, EDGAR	Madawaska-Restigouche	Iroquois, N.B.
FOURNIER, SARTO	De Lanaudière	Montreal, Que.
GÉLINAS, LOUIS P.	Montarville	Montreal, Que.
GERSHAW, F. W.	Medicine Hat	Medicine Hat, Alta.
GLADSTONE, JAMES	Lethbridge	Cardston, Alta.
GOUIN, L. M.	De Salaberry	Montreal, Que.
GRANT, THOMAS V.	Montague	Montague, P.E.I.
GROSART, ALLISTER	Pickering	Ottawa, Ont.
HAIG, J. CAMPBELL	River Heights	Winnipeg, Man.
HAYDEN, SALTER A.	Toronto	Toronto, Ont.
HNATYSHYN, JOHN	Saskatoon	Saskatoon, Sask.
HODGES, NANCY	Victoria	Victoria, B.C.
HOLLETT, MALCOLM	Burin	St. John's, Nfld.
HUGESSEN, A. K.	Inkerman	Montreal, Que.
INMAN, F. ELSIE	Murray Harbour	Montague, P.E.I.
IRVINE, OLIVE L.	Lisgar	Winnipeg, Man.
ISNOR, Gordon B.	Halifax-Dartmouth	Halifax, N.S.
JODOIN, MARIANA B.	Sorel	Montreal, Que.
KINLEY, JOHN J.	Queens-Lunenburg	Lunenburg, N.S.
LAMBERT, NORMAN P.	Ottawa	Ottawa, Ont.
LANG, DANIEL A.	South York	Toronto, Ont.
LEFRANÇOIS, J. EUGÈNE	Repentigny	Montreal, Que.
LEONARD, T. D'ARCY	Toronto-Rosedale	Toronto, Ont.
MACDONALD, JOHN J.	Queens	R.R. 9, Charlottetown, P.E.I.
MACDONALD, JOHN M.	Cape Breton	North Sydney, N.S.
MACDONALD, W. ROSS, P.C.	Brantford	Brantford, Ont.
MCCUTCHEON, M. WALLACE, P.C.	Gormley	Toronto, Ont.
MCGRAND, FRED A.	Sunbury	Fredericton Junction, N.B
MCKEEN, STANLEY S.	Vancouver	Vancouver, B.C.

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
McLEAN, A. NEIL	Southern New Brunswick	Saint John, N.B.
MÉTHOT, LÉON	Shawinigan	Trois Rivières, Que.
MOLSON, HARTLAND DE M.	Alma	Montreal, Que.
MONETTE, GUSTAVE	Mille Isles	Montreal, Que.
O'LEARY, CLEMENT A.	Antigonish-Guysborough	Antigonish, N.S.
O'LEARY, M. GRATTAN	Carleton	Ottawa, Ont.
PATERSON, NORMAN McL.	Thunder Bay	Fort William, Ont.
PEARSON, ARTHUR M.	Lumsden	Lumsden, Sask.
PHILLIPS, ORVILLE H.	Prince	Alberton, P.E.I.
POULIOT, JEAN-FRANÇOIS	De la Durantaye	Rivière du Loup, Que.
POWER, C. G., P.C.	Gulf	St. Pacôme, Que.
QUART, JOSIE D.	Victoria	Quebec, Que.
RATTENBURY, NELSON	Saint John	Saint John, N.B.
REID, THOMAS	New Westminster	New Westminster, B.C.
ROBERTSON, WISHART McL., P.C.	Shelburne	Truro, N.S.
ROEBUCK, ARTHUR W.	Toronto-Trinity	Toronto, Ont.
SAVOIE, CALIXTE F.	L'Acadie	Moncton, N.B.
SMITH, DONALD	Queens-Shelburne	Liverpool, N.S.
SMITH, SYDNEY J.	Kamloops	Kamloops, B.C.
STAMBAUGH, J. WESLEY	Bruce	Bruce, Alta.
SULLIVAN, JOSEPH A.	North York	Toronto, Ont.
TAYLOR, WILLIAM H.	Norfolk	R.R. 3, Brantford, Ont.
THORVALDSON, GUNNAR S.	Winnipeg South	Winnipeg, Man.
TREMBLAY, LEONARD D. S.	Lauzon	St. Malachie, Que.
VAILLANCOURT, CYRILLE	Kennebec	Lévis, Que.
VENIOT, CLARENCE J.	Gloucester	Bathurst, N.B.
VIEN, THOMAS, P.C.	De Lorimier	Outremont, Que.
WALKER, DAVID, P.C.	Toronto	Toronto, Ont.
WELCH, FRANK C.	Kings	Wolfville, N.S.
WHITE, GEORGE S., P.C.	Hastings-Frontenac	Madoc, Ont.
WILLIS, HARRY A.	Peel	Toronto, Ont.
WOOD, THOMAS H.	Regina	Regina, Sask.
WOODROW, ALLAN L.	Toronto Centre	Toronto, Ont.
YUZYK, PAUL	Fort Garry	Winnipeg, Man.

SENATORS OF CANADA

BY PROVINCES

April 3, 1965

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	SENATORS	DESIGNATION	POST OFFICE ADDRESS
	THE HONOURABLE		
1	NORMAN P. LAMBERT	Ottawa	Ottawa.
2	SALTER ADRIAN HAYDEN	Toronto	Toronto.
3	NORMAN MCLEOD PATERSON	Thunder Bay	Fort William.
4	WILLIAM RUPERT DAVIES	Kingston	Toronto.
5	WILLIAM HORACE TAYLOR	Norfolk	R.R. 3, Brantford.
6	CHARLES L. BISHOP	Ottawa	Ottawa.
7	ARTHUR WENTWORTH ROEBUCK	Toronto-Trinity	Toronto.
8	ALLAN L. WOODROW	Toronto Centre	Toronto.
9	WILLIAM ROSS MACDONALD, P.C.	Brantford	Brantford.
10	JOHN J. CONNOLLY, P.C.	Ottawa West	Ottawa.
11	DAVID A. CROLL	Toronto-Spadina	Toronto.
12	THOMAS D'ARCY LEONARD	Toronto-Rosedale	Toronto.
13	GEORGE STANLEY WHITE, P.C.	Hastings-Frontenac	Madoc.
14	JOSEPH A. SULLIVAN	North York	Toronto.
15	LIONEL CHOQUETTE	Ottawa East	Ottawa.
16	HARRY A. WILLIS	Peel	Toronto.
17	M. WALLACE MCCUTCHEON, P.C.	Gormley	Toronto.
18	M. GRATTAN O'LEARY	Carleton	Ottawa.
19	ALLISTER GROSART	Pickering	Ottawa.
20	DAVID JAMES WALKER, P.C.	Toronto	Toronto.
21	RHEAL BELISLE	Sudbury	Sudbury.
22	DANIEL AIKEN LANG	South York	Toronto.
23	JOHN BLACK AIRD	Toronto	Toronto.
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QUEBEC—24

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

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

NEW BRUNSWICK—10

THE HONOURABLE		
1 CLARENCE JOSEPH VENIOT	Gloucester	Bathurst.
2 ALEXANDER NEIL MCLEAN	Southern New Brunswick	Saint John.
3 GEORGE PERCIVAL BURCHILL	Northumberland-Miramichi	South Nelson.
4 MURIEL MCQUEEN FERGUSSON	Fredericton	Fredericton.
5 FRED A. MCGRAND	Sunbury	Fredericton Junction.
6 CALIXTE F. SAVOIE	L'Acadie	Moncton.
7 ALFRED JOHNSON BROOKS, P.C.	Royal	Sussex.
8 EDGAR FOURNIER	Madawaska-Restigouche	Iroquois.
9 NELSON RATTENBURY	Saint John	Saint John.
10		

PRINCE EDWARD ISLAND—4

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

BRITISH COLUMBIA—6

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
1 JOHN WALLACE DE B. FARRIS	Vancouver South	Vancouver.
2 STANLEY STEWART MCKEEN	Vancouver	Vancouver.
3 THOMAS REID	New Westminster	New Westminster.
4 NANCY HODGES	Victoria	Victoria.
5 SYDNEY JOHN SMITH	Kamloops	Kamloops.
6		

MANITOBA—6

THE HONOURABLE		
1 ARTHUR L. BEAUBIEN	Provencher	St. Jean Baptiste.
2 THOMAS ALEXANDER CRERAR, P.C.	Churchill	Winnipeg.
3 GUNNAR S. THORVALDSON	Winnipeg South	Winnipeg.
4 OLIVE LILLIAN IRVINE	Lisgar	Winnipeg.
5 J. CAMPBELL HAIG	River Heights	Winnipeg.
6 PAUL YUZYK	Fort Garry	Winnipeg.

SASKATCHEWAN—6

THE HONOURABLE		
1 WALTER M. ASELTINE, P.C.	Rosetown	Rosetown.
2 THOMAS H. WOOD	Regina	Regina.
3 WILLIAM ALBERT BOUCHER	Prince Albert	Prince Albert.
4 ARTHUR M. PEARSON	Lumsden	Lumsden.
5 JOHN HNATYSHYN	Saskatoon	Saskatoon.
6		

ALBERTA—6

THE HONOURABLE		
1 FRED WILLIAM GERSHAW	Medicine Hat	Medicine Hat.
2 J. WESLEY STAMBAUGH	Bruce	Bruce.
3 DONALD CAMERON	Banff	Edmonton.
4 JAMES GLADSTONE	Lethbridge	Cardston.
5 JOHN ALEXANDER BUCHANAN	Edmonton	Edmonton.
6		

NEWFOUNDLAND—6

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

THE SENATE

Officers and Chiefs of Principal Branches

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CANADA

Debates of the Senate

OFFICIAL REPORT

Tuesday, February 18, 1964

OPENING OF SECOND SESSION TWENTY-SIXTH PARLIAMENT

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

The Senate met at 11.30 a.m.

Prayers.

COMMUNICATION FROM GOVERNOR GENERAL'S SECRETARY

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

GOVERNMENT HOUSE
Ottawa
3rd February 1964

Sir,

I have the honour to inform you that His Excellency the Governor General will arrive at the main entrance of the Parliament Buildings at 3.00 p.m. on Tuesday the 18th February, 1964, and when it has been signified that all is in readiness, will proceed to the Chamber of the Senate to open formally the Second Session of the Twenty-sixth Parliament of Canada.

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

The Honourable
The Speaker of the Senate.

NEW SENATORS

The Hon. the Speaker: Honourable senators, I have the honour to inform the Senate that the Clerk has received certificates from the Secretary of State of Canada showing that:

Hon. Azellus Denis, P.C.
Daniel Aiken Lang, Esquire
Nelson Rattenbury, Esquire,

respectively, have been summoned to the Senate.

NEW SENATORS INTRODUCED

The Hon. the Speaker having informed the Senate that there were senators without, waiting to be introduced:

The following honourable senators were severally introduced; presented Her Majesty's writs of summons, which were read by the Clerk Assistant; took the legally prescribed oath, which was administered by the Clerk, and were seated:

Hon. Azellus Denis, P.C., of Montreal, Quebec, (Electoral Division, La Salle), introduced between Hon. Mr. Connolly (Ottawa West) and Hon. Mr. Dupuis.

Hon. Daniel Aiken Lang, of Toronto, Ontario, introduced between Hon. Mr. Connolly (Ottawa West) and Hon. Mr. Macdonald (Brantford).

Hon. Nelson Rattenbury, of Saint John, New Brunswick, introduced between Hon. Mr. Connolly (Ottawa West) and Hon. Mr. Burchill.

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

On motion of Hon. Mr. Connolly (Ottawa West), the Senate adjourned until 2.45 p.m.

SECOND SITTING

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

The Senate adjourned during pleasure.

SPEECH FROM THE THRONE

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

Honourable Members of the Senate:

Members of the House of Commons:

I welcome you to the Second Session of the Twenty-Sixth Parliament of Canada.

This is a time when it is possible, despite our many problems, to deliberate on Canadian and world affairs in a spirit of reasoned hopefulness.

My Government will attempt to make its full contribution to the maintenance of peace and the improvement of international relations; to the strengthening of our national unity through a co-operative federalism; to fostering the full employment of our people and the efficient growth of our economy; and to broadening the opportunities for a good life which should be open to all Canadians.

We are looking forward to the visit this autumn of Her Majesty Queen Elizabeth. The presence of the Queen of Canada will mark for our country the historic occasion of the interprovincial conferences on confederation; it will also re-emphasise the importance we attach to the Commonwealth, through which so much can be done to advance understanding and co-operation in this increasingly interdependent world.

We recently had great pleasure in welcoming to Ottawa the Prime Minister and the Foreign Secretary of the United Kingdom, with whom many matters of mutual concern were fruitfully discussed.

Since the close of the last session of Parliament, my Prime Minister has visited France and the United States. His friendly discussions with the President of the Republic of France will help to encourage an increasingly intimate relationship between France and Canada.

The unique partnership of Canada and the United States was symbolized in the signing by the President and the Prime Minister of an agreement by which the two countries become, for the first time, joint owners of property in what is to be the Roosevelt-Campobello International Park. You will be asked to approve legislation implementing this agreement.

A protocol signed during the Prime Minister's visit to Washington will make the Columbia River Treaty a basis for developments of great advantage to both countries. This was made possible by successful negotiations between my ministers and the Government of British Columbia. You will be asked to examine and approve the Columbia River Treaty and the protocol.

Canada will this year be taking part in important trade and tariff negotiations. My ministers will negotiate for the expansion of markets for Canadian exports through the liberalization of world trade.

In the conduct of external affairs, my Government will continue to work for the conciliation of international differences and for practical steps toward adequately controlled disarmament. Such steps depend on keeping the defences of the free world strong. My Government will submit for your approval a statement of a new defence policy designed to maintain an effective Canadian contribution to keeping the peace in co-operation with our allies.

At home there has been a heartening expansion of the economy. Employment has increased at an accelerated rate and the number of Canadians seeking work has fallen. More progress is, however, required. My ministers will propose a variety of measures which will further increase employment and raise the standard of living by strengthening and expanding the primary and secondary industries of Canada.

Comprehensive proposals to reform public regulation of the railways, and to facilitate the adaptation of the railway system to present and future needs, will be submitted for your consideration.

A measure will be placed before you to establish minimum wages, maximum working hours, statutory holidays and other labour standards for work under federal jurisdiction.

A measure will be placed before you to establish a comprehensive system of contributory pensions.

You will be asked to authorize, after consultation with the provinces, arrangements whereby university students requiring such assistance will be able to secure loans without payment of interest during the years of study.

Major amendments to the National Housing Act will be proposed.

You will be asked to approve the changes in fiscal arrangements with the provinces, decided upon at the Federal-Provincial Conference last November, which implement the principle of equalization in provincial revenues from the shared tax fields. It is my ministers' policy to continue the series of federal-provincial conferences which last year achieved considerable progress in improving federal-provincial co-operation.

A measure will be placed before you to provide for a minister responsible for Rural Development, in order that my Government may carry further its policy of giving increased attention to the needs of agriculture in both eastern and western Canada. You will be asked to consider other measures to assist in the improvement of farms and of farm income.

A measure will be placed before you to establish a twelve-mile limit for the use of Canadian fisheries. In co-operation with

the provinces, my Government will undertake a national fisheries development program reflecting the outcome of the Federal-Provincial Conference on Fisheries held last month.

You will be asked to consider measures to strengthen the position of periodicals published in Canada.

A measure to provide for the redistribution of electoral districts will be placed before you.

My Government intends to institute an inquiry to advise on the best practicable way to set enforceable limits to expenditures in election campaigns.

A measure to establish an age of retirement from the Senate will be placed before you.

You will be asked to consider amendments to the Citizenship Act which will ensure full equality of rights for all Canadian citizens wherever they were born.

You will be asked to consider measures to facilitate the reorganization of government in the interests of more effective and more efficient administration. In particular, a measure will be proposed to establish the Treasury Board under the presidency of a separate minister, who will devote his full attention to the increasingly urgent problems of the management of the public service and government expenditures. The President of the Treasury Board will be responsible for implementing other recommendations of the Royal Commission on Government Organization.

You will be asked to consider other legislative proposals.

Members of the House of Commons,

You will be asked to appropriate the funds required for the services and payments authorized by Parliament.

You will be asked to agree to the re-establishment of committees on defence and on the procedures and organization of Parliament, and to establish other special committees.

Honourable Members of the Senate,

Members of the House of Commons,

May Divine Providence guide you in your deliberations.

The House of Commons withdrew.

His Excellency the Governor General was pleased to retire.

The sitting of the Senate was resumed.

RAILWAYS BILL

FIRST READING

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

Bill read first time.

SPEECH FROM THE THRONE

CONSIDERATION ON FEBRUARY 25

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

Honourable senators, when shall the speech be taken into consideration?

(Translation):

Hon. Mr. Vaillancourt moved, seconded by Hon. Mr. Leonard:

> That the speech of His Excellency the Governor General be taken into consideration on Tuesday, February 25, 1964.

Motion agreed to.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, February 19, 1964

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

Prayers.

THE LATE SENATORS CAMPBELL AND TURGEON

TRIBUTES

Hon. John J. Connolly: Honourable senators, I regret to have to announce officially to the Senate that since we last met here before Christmas we have lost two of our colleagues by death, Senator Peter Campbell and Senator Gray Turgeon.

Senator Peter Campbell of Toronto was not vouchsafed the Biblical three score years and ten. He died at the age of 65. Yet in his time he accomplished much. Indeed, he accomplished much more than many men who have lived longer. And because of this he will be long remembered and greatly missed in the life of his home community and of his country.

For some twenty years he was a senator. Here, as in every other facet of his career, his integrity was luminous. In committee he was precise and realistic; in the house he was direct and effectively brief. Favour he never sought; fear he did not understand; and the gallantry of his last few years here, when he knew he was afflicted with a relentless cancer, was inspiring.

Peter Campbell was a brilliant colleague, and his monument in Parliament is his significant contribution to the recast Income Tax Act. The industrial development of Canada could not have pushed on steadily during and since the late war if that legislation had not come into being.

Even before he became a senator, he influenced the review of the Canada Shipping Act, and he appeared here before committees as counsel for parts of that industry. For twenty years prior to his coming to the Senate, and, of course, thereafter, he practised the profession of law in the City of Toronto. In those earlier twenty years he schooled himself for this later contribution to the financial, the insurance, the industrial, and the shipping enterprises in which he was later to engage. In all of his business undertakings he was a leader. His advice was sound and his influence was sought. As a result he had a prominent and direct part in our national economic development which, in his day, was so great. He used that experience to help shape and direct the nation's economic policies, particularly in his work here in the chamber. Peter Campbell was a living example of the mutual help that business and government can be to each other.

During his first twenty years while he was a student at school he did well, and it is interesting to observe that his participation in athletics then—in track and field, baseball and winter sports—found its counterpart in his later life in sailing, skiing and golf. Much of the credit for the development of the Collingwood area as a ski center belongs to him.

The charities of Toronto knew him, especially the Salvation Army and St. Michaels Hospital, and, as so many on both sides of this house can testify, so did the political life of his country.

Peter Campbell was an informed and staunch Liberal. He enjoyed the confidence of all the contemporary leaders of his party although, perhaps, he was closest to the late Right Honourable C. D. Howe. But his integrity and capacity were such that he enjoyed at all times the respect and affection of his political opponents as well.

Senator Campbell's passing leaves a great void in this house, but that void is greatest in his nome and for his beloved wife and his affectionate children and grandchildren.

Honourable senators, in the course of a lifetime—and perhaps especially so in public life—one meets people who can best be described as beloved. Gray Turgeon was such a man. Every one of his Senate colleagues was his friend, and his quiet demonstration of friendship, never overdone but always warm and sincere, was a joy to all of us here. His mother was a Baldwin, and this mixture of the Gallic and the Gaelic in the blood of his heart gave him a head start over most other mortals.

The Turgeon family was of New Brunswick, though the late senator's father was born in Levis and educated in Quebec. It was a family which was to contribute much to the service of Canada. Onesiphore Turgeon, our late colleague's father, represented Gloucester, New Brunswick, in the House of Commons for the first 23 years of this century. For 21 years thereafter he was a respected member of this chamber. And when he died in 1944, in his 95th year, Senator King, then Government leader in the Senate, referred to the high public estate to which Senator Onesiphore Turgeon had succeeded by coupling his name with some of his great contemporaries, Sir George Foster, A. G. Blair, H. R. Emmerson, L. P. Farris, Sir Douglas Hazen and Senator King's own father. "Not all of these men", said Senator King on that occasion, "were of the same political stripe—but they held one another in very high respect."

Our late colleague's brother, Honourable Alphonse Turgeon, now in retirement from the Supreme Court of Saskatchewan, has been distinguished on the bench, in the diplomatic service and as chairman of important royal commissions.

Senator Gray Turgeon made his career in western Canada. He sat in the Legislature of Alberta for eight years after 1913. Between 1935 and 1945 he represented the people of the riding of Cariboo, British Columbia, in in the House of Commons. His designation here for his 17 years with us was "Cariboo". And, although he lived latterly in Vancouver, his heart and his interests were always with the people to the north. He spoke here often of those earlier days, praising the men and women who spent their lives opening up its vast resources. It never seemed to occur to him that he too had played a worthy part in that development.

During his parliamentary time in both houses, the work of the United Nations Organization on behalf of refugees, displaced persons, and underdeveloped countries became Gray Turgeon's avocation. And his special qualities of mind and heart became focused upon the urgent problems of underprivileged people.

He was a strong party man, a strong Liberal, and he gave generously of himself to the party's work. He was grateful, too, for the opportunities his party afforded him for public service.

A son of New Brunswick, a son of Alberta, a son of British Columbia, he was truly Canadian throughout his career. And more, he was, in his own way, a symbol of the emerging status of our country in the councils of the nations. Without him, we are poorer here; but because of him, we are richer. Our sense of loss, as well as our pride in his accomplishments, we share with his beloved wife and family.

Hon. A. J. Brooks: Honourable senators, I wish to join with the honourable Leader of the Government (Hon. Mr. Connolly, Ottawa West) who has so eloquently paid tribute to our late colleagues, Senator Gordon Peter Campbell and Senator James Gray Turgeon. I am sure it is most regrettable to all of us that we should have to start this new session on such a sad note, although unfortunately this is not a new experience.

The late Senator Campbell was a most valuable member of this house, having served his country with distinction in Parliament for 21 years. He had an outstanding career as a lawyer and as a businessman, and as such was well known not only in the City of Toronto, but throughout Canada and in the United States. Senator Campbell took a very active part in the deliberations of this house. The contributions he made have been well catalogued, and I do not need to mention them again. He had been ill for some time before his decease; indeed, he was ill when he attended the last session of the Senate. In spite of that, he continued to take an active part in the proceedings right up to the very end. To me, as I am sure to all other members of the Senate, that was an indication of the courage of this great man.

Honourable senators, may I add that I had not the good fortune of knowing Senator Campbell very well, for I only met him shortly after I first came to the Senate a few years ago, although, of course, I knew of his outstanding career. I know that other members of this chamber who were associated with him in business in the City of Toronto would like to join in paying tribute to his memory.

We mourn the passing of Senator Campbell. I join with the Leader of the Government in extending heartfelt sympathy to Mrs. Campbell and her three children.

Senator James Gray Turgeon passed away a few days ago. He also was greatly dedicated to public service. The Leader of the Government referred to the late senator's distinguished career, and also mentioned that he had been a member of the legislature of Alberta and that his parliamentary career had a span of over fifty years—truly a wonderful career in this country.

I met Senator Turgeon first in 1935, when he and I came to the House of Commons together, each from different parts of the country, he from British Columbia and I from New Brunswick. We became close personal friends, and that friendship continued until the end of last session.

Senator Turgeon was respected and admired by all his colleagues in both chambers. All of us in the Senate were particularly interested in his extensive and outstanding service to Canada in the capacity of representative on various special committees of the United Nations and of the International Labour Organizations. In this connection his speeches in this chamber and elsewhere showed a wide knowledge and understanding of international affairs, and we often hear him quoted.

On behalf of my colleagues and myself, I extend our sincere sympathy to his widow and to the members of the family.

May I say that coming as I do from the Province of New Brunswick I was pleased to hear the Leader of the Government mention the fact that we in that province are very proud indeed of the Turgeon family, French-speaking Canadians who took root in and contributed greatly to the life of New Brunswick, the father having been for many years one of the outstanding men of the province in that list of prominent men mentioned by the Leader of the Government. The sons

went to other parts of Canada and took their high place, on the bench, in the Senate, and in diplomatic circles. I repeat, we were indeed proud of the Turgeon name and the Turgeon family in the Province of New Brunswick.

May I say to the honourable Leader of the Government, who mentioned the fact that these two distinguished senators belonged to his party, that we extend our sympathy to that party. Its members have suffered a great loss, as indeed has Canada, in the passing of these men.

Hon. Salter A. Hayden: Honourable senators, may I add a few words to what has been said in expressing our sense of loss in the death of Senator Campbell and Senator Turgeon.

Senator Campbell was appointed to the Senate in 1943. I have known him for all the years I have been in professional life. He was at law school when I was there, although not in the same year; and over the years afterwards, in politics, in professional life, in business, we were almost daily in communication. A great sense of camaraderie existed between us, and that, of course, increased substantially when he came to the Senate. Thus, when Senator Campbell passed away, as you will appreciate, my feeling of loss was very strong. I had been talking to him some seven or eight days before he died, and in the course of the discussion we talked about the plans for the next session of Parliament, although I believe he knew, as I knew, that time for him was running out quickly, that he might not be able to attend another session. Therefore, I have a real sense of personal loss.

There is also the loss which we feel as senators: his presence, his judgment, his ability are no longer available to us. Then there is the great loss suffered by his family, his widow and his children.

The other day I went back and read again the *Hansard* report of the committee meetings in December of last year on the income tax amendments. The statements made and the questions asked by Senator Campbell in the course of that study stand out for their clarity of thought and expression and forcefulness, and nowhere in them do you find even a whisper of surrender to this fatal illness which he had and which I am sure he knew he had. He knew even then there was not much longer to go, yet he carried on.

I remember the late senator expressing his philosophy to me—I think it was only in December of last year—when he said, "You know, if you waited until you felt 100 per cent well all the time before undertaking things you would never get them done. So I just carry on to the fullest extent that I can, as though there was no ailment of any kind bothering me, and that is the way I hope I can continue until the final bell rings." That was typical of Peter Campbell.

Reference has been made to the income tax study which took a period of about two years after the close of the last war. Senator Campbell was the one who introduced that resolution in the Senate; he was a most active, alert and conscientious member of that committee, and contributed much to its success. As you know, its report produced a complete revision of the approach to the whole question of income tax in this country, which was much needed after the war.

I should like also to refer for a moment to the fact that following the war, when many regulations and orders in council were being passed into legislation, Senator Campbell was one of the many senators who took a very strong position with respect to the carrying into statute law the restraints on the economic freedom and the operation of business such as had been found necessary to give full play to during the war years. So every piece of legislation that came before us during the several years following the end of the war was closely scrutinized, and Senator Campbell was devoted in his attention to these measures, to see to it that only a minimum of restraint was perpetuated in the legislation that was introduced in those days to give statutory effect to what had formerly been orders in council and regulations.

I believe I can say of Senator Campbell that his concern in all legislation was for the national interest. His thinking in support or in opposition to proposed legislation was dictated by an independence of judgment; his political affiliations did not colour or abridge his judgment and its application to legislation that came before us. In the practice of his profession he achieved a high standing; in business his judgment was much sought after; yet, he found time for public service in many directions.

I close my reference to the late Senator Campbell by saying that many of us have lost a very dear friend, the Senate has lost a most able member, and the country is poorer because of his passing.

May I say a few words about Senator Gray Turgeon. He was appointed to the Senate in 1947, and senators who were appointed subsequently did not see the Gray Turgeon we saw in the early years that he was in the Senate. This was before he suffered impairment of health. He took part in the debates, he was active in committee work, he attended United Nations meetings.

The late senator spoke on many occasions in the Senate, and I went back recently to read some of what he had said. Throughout it all one could see that he was an excellent

speaker, forceful and, at times, oratorical. Indeed, I understand that across the country he had a reputation for being an excellent public speaker. We saw that in the first few years he was in the Senate, when he was an active member, and this is apparent from a reading of Senate *Hansard* reports of those years. Later, his health became impaired and he could not take a vigorous part in the debates, yet you will recall his faithful attendance in the Senate and at meetings of its committees. Our leader described him very well when he used the word "beloved". There are several other words one could use in the same connotation: wholesome, kindly, a real friend who was deeply interested in all those about him.

It is sad that time marches on, that our humanity has to give way, and that ultimately impediment of faculties develops which leads to the passing of people who in their time made great contributions to the welfare of our country. But we can remember them for the greatness which existed in them; we can remember them for their warm personal charm, thoughtfulness and hopefulness; and we can wish them well now they are at rest.

Hon. Arthur W. Roebuck: Honourable senators, it is said that there are certain advantages in growing old. One's judgment is supposed to increase or improve. I do not know whether or not that is true. However, there are also disadvantages in growing old, one of those being that your friends of long ago have disappeared one after the other. They drop off like leaves in winter weather. That is the situation with me today, and with so many of my colleagues here.

I knew Peter Campbell a very long time ago when we as young lawyers were both practising law in the City of Toronto. In the debates during the last session, when we were considering the Maritime Unions Trustee bill, I recalled our coming in contact in the first maritime strike on the Great Lakes. I was representing the union we were discussing last session, long before the communists took over, and he was the solicitor for some of the shipping companies, and between the two of us we devised a system which resulted in an agreement that we were both able to accept. I sold it to the men and he sold it to the companies, and we settled the strike in a very few days.

That of course brought me close to Peter Campbell and gave me some appreciation of his great ability, and his persuasiveness that flowed not so much from words as from character. He was a lovely person. Later on I had still closer contact with him when he and I managed the Liberal campaign in the Province of Ontario for the federal election of 1945. Mention has been made of his integrity. I can tell my political opponents across the aisle that his integrity was never questioned even by his opponents. Absolutely honest, always kind, always displaying good common sense, he played a most effective part not only in his party but in his country's affairs.

I was present when Senator Campbell introduced his amendments to the Income Tax Act some years ago. It is true that by doing so he played a part that will not soon be forgotten in this chamber or outside, because he brought common sense and loyalty into the legislation of Canada.

I also know the late senator's family, and have for them a deep sympathy. I extend to them my condolences in the loss of a good, a distinguished, and a generous husband and father.

I have known Gray Turgeon for a long time; indeed I knew his father before him. I met his father in political struggles back in the early part of this century.

Gray Turgeon was a likeable man, a very charming person, and one whom I was proud to call my friend. He did not come from my own city, as did Senator Campbell, but nevertheless he was very close to me and I regret most sincerely his passing.

Hon. W. Rupert Davies: Honourable senators, I should like to add a few brief words to what has already been said in respect to our two colleagues who have passed away, and to endorse all that has been said about them.

When Senator Turgeon first came to the Senate he was, as has been said, a very able and forceful speaker. In later years he was less forceful, but he always had sound ideas. I got to know him very well because for the past two or three years we were deskmates. I had the opportunity of making several visits to his office where we had long talks about his career and I learned how he had started in a humble way. He was quite a force in this house, and now that he has gone he will be greatly missed.

Senator Peter Campbell came into the Senate a few months after I did. He was born in Kent County, where I had spent ten years of my life running a weekly newspaper in a small community about ten miles from the town where the father of Peter Campbell ran a large and prosperous hotel. Senator Campbell started his law career in that county, entering the law office then operated by one Mr. Warner Murphy who later practised in Sarnia and represented Sarnia as a member of Parliament. Senator Campbell entered his office as a young man and got considerable rural experience because, among other things, he had to visit several small villages each week,

spending a day here and a day there doing business for his firm. After he came to the Senate we became warm friends. We used to discuss many things about Kent County, and then I learned what a prominent part he had taken in athletics in his native county.

Senator Campbell was a man of courage. He knew he was a sick man. Although undergoing treatment in hospital during the Christmas holidays of 1963, he came out on Christmas Day to spend that day with his family. Then, too, on New Year's Day he came out again, although still a patient in hospital and still receiving treatment, to attend the Lieutenant Governor's reception. He moved around there chatting with this person and that person, enjoying himself and making himself pleasant to others, and no one knew he was seriously ill. He showed his courage in trying to do so much to make the Lieutenant Governor's reception a success.

I should like to express my regret that both these senators have passed away, to extend my sincere sympathy and condolences to their families, and to endorse what has been said about them by previous speakers.

Hon. Harry A. Willis: Honourable senators, I should like to reiterate and re-emphasize what Senator Connolly (Ottawa West), Senator Brooks and other senators have said with respect to the late Peter Campbell.

As has been said, he had a rural background, as have most of us. He came to Toronto and became a great corporation lawyer. His wise counsel and advice were sought by many corporations. In his obituary there were mentioned some 25 or 30 companies of which he was a director. Many others sought his services as a director, but he did not have the time for all of them. He and I were co-directors of the Royal Agricultural Winter Fair, although one might think that a man of his capacity and ability in business would not have time for services to a non-profit organization such as that. But the fact is he did, and he made valuable contributions to it.

Furthermore, as Senator Hayden has said, Senator Campbell was an adviser to the Government on much legislation concerning shipping, and also respecting financial matters such as revisions to the Income Tax Act.

Those of us who knew him well were aware that for several years it was occasionally necessary for him to take one or two days off to attend hospital for treatment. Despite this, he never divulged that he was a sick man. I have reason to believe that he knew precisely when his time was coming.

The Leader of the Government has said that Peter Campbell was interested in the Collingwood skiing area. I might say he was the founder of that skiing development. He made it his business years ago, and invested his own money in it to make it the success it is today. It is my view that had it not been for Senator Peter Campbell, skiing would not now be as popular a sport as it is in the Province of Ontario.

Had Senator Campbell lived until this month he would have been a member of the Senate for 21 years. He was appointed at the age of 44, the same age as our new colleague, Senator Lang. I trust that Senator Lang will make the contribution to this chamber that Senator Campbell did.

He was a wise counsellor. He was a friend of everyone. I have often said that if there was one Liberal senator that I would like to see move over to this side of the chamber it would be Senator Campbell. It may be that there are others I would like to include in that category, but Senator Campbell was non-partisan to the fullest degree.

I was interested in Senator Roebuck's remarks to the effect that he and Senator Campbell together managed a Liberal campaign in Ontario. I chaired the Conservative campaign alone, and if I had realized that I was up against so formidable an opposition as that I think I would have stopped right there.

I do not want to digress in my tributes to the memory of Senator Campbell, but I should mention that those of us who attended his funeral knew that he was an eminent churchman. He had been a member of all the committees of his church, which is located at King and Simcoe streets in Toronto. I mentioned to Senator Croll as we came away that I had never seen a church so filled with people from all walks of life who came to pay tribute to one man. It has been said of such a man that when our Maker made him He must have thrown away the mould. We may never again see such a man.

Hon. T. D'Arcy Leonard: Honourable senators, it is with a sense of deep sorrow that I add my voice to those of my colleagues who have paid their tributes to our deceased colleagues, and expressed their sympathy to their families. They have spoken so feelingly, eloquently and comprehensively that my remarks can be brief; they are, nevertheless, very sincere.

Peter Campbell will long be remembered by all who knew him. He was not only an able lawyer, not only a man of wise and sound judgment in the affairs of business and of state, not only a conscientious public servant in the discharge of his duties as a member of the Senate, but he was more. He was a very human person. He was kind, courteous, generous and thoughtful of others. Consequently, he endeared himself to a host of

friends. It is significant that it was those who knew him best who loved him most.

During the last several years, as has been said here, he lived under the shadow of death but he carried on with tremendous courage, with a smile, with never a word of complaint, and with never an admission of his impending fate.

Senator Davies has referred to his seeing the late Senator Campbell on New Year's Day. I too saw him just a few days before he died, at a gathering in down-town Toronto. He was gay, bright and cheery, and at that time he never indicated for a moment that that morning he had taken a blood transfusion in order to give himself enough strength to meet and greet his friends. So, in Peter Campbell's passing we have lost a very brave and good man.

I would like also to express the sorrow that I share with all other members of the Senate in the death of Gray Turgeon. Senator Turgeon was a gentle man. He was a quiet and unassuming man, but underneath the modesty of his outward manner there was a very keen and perceptive mind and great strength of character.

As has been mentioned, first by the Leader of the Government (Hon. Mr. Connolly, Ottawa West) and then by the Leader of the Opposition (Hon. Mr. Brooks) and others, Gray Turgeon belonged to a distinguished Canadian family. He, with his brother the former Chief Justice of Saskatchewan, and their father who was a member of the Senate, made the name of Turgeon widely known, greatly respected and highly honoured throughout Canada from sea to sea—from his birthplace in New Brunswick to where he died in British Columbia.

Peter Campbell and Gray Turgeon have gone, but they have left behind very precious memories. We in this chamber will treasure those memories for many years to come.

Hon. Sydney J. Smith: Honourable senators, I find it most difficult to add to what has already been said about our two late colleagues. As a comparatively junior senator I did not have the privilege of becoming as closely acquainted with Senator Campbell as I would have liked, and as many honourable senators were. He was entering the first stages of his affliction when I came here so I did not have the opportunity of knowing him well. However, as a colleague of the late Senator Turgeon I want to speak briefly of him, as one senator of another from my own province, and as an old and close friend of many years standing.

When the sad news of the passing of Senator Turgeon became known it was tempered for me by an awareness of the release that came to him—a release from a serious illness, a release from restricted activities for some time past.

From the first time I met Gray Turgeon, which was about 30 years ago when he was a member of the House of Commons for Cariboo in my province, we became very close and understanding friends. When I came into this honourable house he automatically became my sponsor, adviser and guide. I always felt that Senator Gray Turgeon was a beneficiary rather than a victim of circumstances of life that would have been discouraging to most men. He accepted his problems as challenges, and in his efforts to meet and beat them he developed the characteristics for which he was well known. I always thought that if these problems had not been so acute in his case we probably would have missed a great deal of what we gained from our friendship and acquaintanceship with him.

I have always compared the many fine characteristics of the man who was Gray Turgeon with a profusion of exquisite threads of gold and silver woven into a tapestry with a relatively drab background that served to bring out their beauty and brilliance.

I know I speak for a multitude of friends of the Turgeon family—and I know his immediate family very well—when I say that the sorrow of saying farewell at this time is assuaged by a profound faith and understanding of the spiritual values of life. I hope that that understanding and faith will strengthen and aid them in meeting the challenge they are facing today.

Hon. W. Ross Macdonald: Honourable senators, over the years I have had a close personal association with our two deceased colleagues, and I should like to add a word to the so-well-deserved and eloquent tributes that have been paid to their memories this afternoon.

It seemed to me that some of the glamour and gaiety of the colourful ceremony of the opening of Parliament was somewhat dimmed yesterday by the thought which was present in our minds from time to time that Senator and Mrs. Campbell, who were known to many of us with affection and admiration, were not with us. They had missed few openings of Parliament since Senator Campbell's elevation to the Upper House, and their friendly greeting added much to the pleasure of these opening ceremonies over the years.

As has been said, Senator Campbell's passing was not unexpected. I will not repeat and emphasize how he had resisted this illness and had kept going, in spite of what he knew he was facing. One thing always struck me: never did he bring up the subject of sickness,

never did he discuss his own illness, unless someone pressed him and asked him about his condition.

As has so well been said, in the Senate he took an active part, both in the chamber and in committees. He spoke from a wealth of experience and with a clarity which is equalled by few. Everyone listened intently to what he said and his views were not passed over lightly, because we knew that he knew what he was talking about.

Honourable senators, I rise today to refer, as I said, to my personal association with Senator Campbell. Since coming into this house, and as leader from time to time over the years, on one side or the other, I have had problems to face and frequently I turned to Senator Campbell for advice. Although he was busy and, as has been mentioned, corporations were calling for his advice, he never failed to discuss my problems with me. In fact, at times, I can tell you that when he could not be in Ottawa I consulted him by telephone. On one occasion I recall, he left his summer home and had to travel a considerable number of miles to get to a telephone to discuss a problem with which we were faced at that time.

We did not always agree on the solution but we always parted as friends. I shall never forget his personal loyalty to me. He was indeed a dear friend.

To Mrs. Campbell and to their son and daughter and to the grandchildren, I join with all who have spoken in expressing deep sympathy.

Senator Gray Turgeon was also a close personal friend of mine. Along with the Leader of the Opposition, I too entered the Commons with him in 1935. He had come to Ottawa a few days before I had arrived. I remember that he greeted me in the chamber of the House of Commons.

Last year, when Senator Turgeon was in hospital, I visited him one night—it was the night before he was to return to British Columbia—and I, along with Senator Sydney Smith, were probably the last two senators to see him. I was quite sure he would not return to Ottawa, and the thought came to me at that time, that Gray had greeted me when I entered the chamber of the House of Commons, and here I was saying goodbye to him at the hospital.

Gray Turgeon was indeed a true friend to us all. He was considerate. I remember the days in the House of Commons when he spoke convincingly and with force. His views were highly respected. I visited him in New York when he was on our delegation to the United Nations.

He did indeed come from a distinguished family and he, along with the members of his family, have rendered a great service to Canada.

(*Translation*):

Hon. Cyrille Vaillancourt: Honourable senators, listening to our fellow members pay tribute to our two colleagues who have recently passed away reminded me of my own career.

It was pointed out a few moments ago that if Senator Campbell had lived one month more he would have been a senator for 21 years. Looking back, I find that in a month's time I shall have been a member of this chamber for 20 years. All this makes us realize that some day our turn will come. Some comfort is to be found in the thought that the members of our family will then be able to hear words of praise such as have been expressed about our two late colleagues.

I met Senator Campbell here in the Senate and even though I was not one of his close friends, I always listened carefully whenever he spoke, because I appreciated his clear mind and his sound judgment. That is why I took him as a model.

I grieve more at the death of Senator Turgeon because every year since his appointment to the Senate we used to get together one evening for dinner and to talk of old times. His forebears came from Levis and, in addition, his grandfather had received his education at the College de Lévis, as well as his brother, the former ambassador.

Consequently, it was quite natural for me to meet with Senator Turgeon and to discuss with him not only things of the past but also current events because, like his brother, he was associated with several major international organizations, especially since the war when he visited practically every country in the world as a representative of Canada.

On several instances I had the opportunity of meeting prominent persons from Europe and other countries who had worked with Senator Turgeon and who told me that his dynamic speeches certainly helped in promoting justice, considering that there always were divisions after a war. Senator Turgeon was always bent not on destroying but on building in the best interests of present and future generations so that everyone could live in peace.

We have just been told that Senator Turgeon was a great speaker. Not only was he a great speaker uttering words or sentences, but he was a dynamic speaker saying important things.

To our two colleagues, the country, yes the country, owes a debt of gratitude because

both served it with much devotion and loyalty, and I am sure that divine Providence will now grant them the rest they have so well earned.

(Text):

LIBRARY OF PARLIAMENT

REPORT OF LIBRARIAN TABLED

The Hon. the Speaker: Honourable senators, I have the honour to present to the Senate the report of the Parliamentary Librarian to the Second Session of the Twenty-Sixth Parliament, 1964.

Ordered: That the report do lie on the Table.

DOCUMENTS TABLED

Hon. John J. Connolly: Honourable senators, I have for tabling a list of thirteen documents, which are required to be tabled under various statutes, and I would ask consent to allow the list to be tabled and printed in the *Minutes of the Proceedings* of today.

If I have consent, I would like to draw to the attention of honourable senators one or two of the documents that are to be included. One is certain amendments to the rules of the Supreme Court of Canada; another is a statement required by the Bank Act showing the operating earnings and expenses of the chartered banks for the year 1963; a third one deals with the abridged report of the Public Accounts of Canada; a fourth is a report of the Auditor General for the year ending March 31, 1963.

With consent, I now table the documents without reading the list.

Hon. Senators: Agreed.

The following documents were tabled:

Reports of the Department of Veterans Affairs and of the Canadian Pension Commission for the year ended March 31, 1963, pursuant to section 9 of the Department of Veterans Affairs Act, chapter 80, and section 4(2) of the Pension Act, chapter 207, R.S.C. 1952, including the Report of the War Veterans Allowance Board for the same period. (French text).

Report of Operations under the Export and Import Permits Act for the year ended December 31, 1963, pursuant to section 26 of the said act, chapter 27, Statutes of Canada, 1953-54. (English and French texts).

Order in Council P.C. 1963-1875, dated December 20, 1963, authorizing, under section 21 of the Export Credits Insurance Act, a contract of insurance by the Export Credits Insurance Corporation for shipment of 3.7 million pounds of unmanufactured Ontario flue-cured tobacco to Bulgaria, pursuant to section 21B of the said act, chapter 105, R.S.C., 1952, as amended 1960-61. (English text).

Capital Budget of the Export Credits Insurance Corporation for the year ending December 31, 1964, pursuant to section 80(2) of the Financial Administration Act, chapter 116, R.S.C., 1952, together with a copy of Order in Council P.C. 1964-146, dated January 30, 1964, approving same.

Statement concerning Refunds under The Refunds (Natural Resources) Act for the period May 17, 1963, to February 18, 1964, pursuant to section 3 of the said act, chapter 35, Statutes of Canada, 1932. Nil Statement.

Report of the Operations under the International River Improvements Act for the year ended December 31, 1963, pursuant to section 11 of the said act, chapter 47, Statutes of Canada, 1955. (English and French texts).

Estimates of Expenditures and Capital Budget (Revised) of the Northern Canada Power Commission for the year ending March 31, 1964, pursuant to section 80(2) of the Financial Administration Act, chapter 116, R.S.C., 1952, together with a copy of Order in Council P.C. 1964-43, dated January 14, 1964, approving same. (English text).

General Order of the Judges of the Supreme Court of Canada, dated December 12, 1963, amending the Rules of the Supreme Court of Canada, pursuant to section 103(4) of the Supreme Court Act, chapter 259, R.S.C., 1952. (English and French texts).

Report of a Loan made out of the Consolidated Revenue Fund to the St. Lawrence Seaway Authority, pursuant to section 26(4) of the St. Lawrence Seaway Authority Act, chapter 242, R.S.C., 1952. (English and French texts).

Statement, prepared in the form of Schedule Q to the Bank Act, showing Composite Current Operating Earnings and Expenses of the Chartered Banks of Canada for the financial years ended in

1963, pursuant to section 119(1) of the said act, chapter 48, Statutes of Canada, 1953-54. (English text).

Public Accounts of Canada for the fiscal year ended March 31, 1963, pursuant to section 64(1) of the Financial Administration Act, chapter 116, R.S.C., 1952 (English and French texts), in three volumes, as follows:

Volume I—Summary Report and Financial Statements;

Volume II—Details of Expenditures and Revenues; and

Volume III—Financial Statements of Crown Corporations and Auditors' Reports thereon.

Public Accounts of Canada (Abridged Report) for the fiscal year ended March 31, 1963. (English and French texts).

Report of the Auditor General to the House of Commons for the fiscal year ended March 31, 1963, pursuant to section 70(2) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French texts).

REVISED STATUTES OF CANADA BILL

FIRST READING

Hon. Mr. Connolly (Ottawa West) presented Bill S-2, respecting the Revised Statutes of Canada.

Bill read first time.

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

Hon. Mr. Connolly (Ottawa West) moved that the bill be placed on the Orders of the Day for second reading on Tuesday next.

Motion agreed to.

COMMITTEE ON ORDERS AND CUSTOMS

APPOINTMENT

Hon. Mr. Connolly (Ottawa West) moved, seconded by Hon. Mr. Vaillancourt:

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

Motion agreed to.

COMMITTEE OF SELECTION

APPOINTMENT

Hon. Mr. Connolly (Ottawa West) moved, seconded by Hon. Mr. Vaillancourt:

That pursuant to Rule 77, the following senators, to wit: the Honourable Senators Beaubien (Provencher), Brooks, Choquette, Connolly (Ottawa West), Fergusson, Lefrançois, Macdonald (Cape Breton), Monette, Smith (Kamloops), Taylor (Norfolk) and Thorvaldson be appointed a Committee of Selection to nominate senators to serve on the several Standing Committees during the present session; and to report with all convenient speed the names of the senators so nominated.

Motion agreed to.

SPECIAL COMMITTEE ON AGING

MOTION TO APPOINT COMMITTEE TO CONDUCT STUDY

Hon. Mr. Connolly (Ottawa West): Honourable senators, may I preface what I have to say about the next motion with a few remarks.

The Special Committee of the Senate on Aging sat during the last session of Parliament, and its staff was at work during the recess. At the same time as it was preparing material for the use of the committee it was also arranging for hearings of the committee to begin early in this session, and a number of such hearings have already been scheduled. It has therefore been thought desirable to have this committee set up with the same personnel as constituted the committee during the last session. I have already spoken to the Leader of the Opposition (Hon. Mr. Brooks) about this matter.

I would therefore move, seconded by the honourable Senator Brooks, with leave of the Senate:

"That a Special Committee of the Senate be appointed to examine the problem involved in the promotion of the welfare of the aged and aging persons, in order to ensure that in addition to the provision of a sufficient income, there are also developed adequate services and facilities of a positive and preventive kind so that older persons may continue to live healthy and useful lives as members of the Canadian community and the need for the maximum co-operation of all levels of government in the promotion thereof;

That the said committee be composed of the Honourable Senators Blois, Brooks, Croll, Dessureault, Fergusson, Gershaw, Grosart, Haig, Hollett, Inman, Jodoin, Lefrançois, Macdonald (Brantford), McGrand, Pearson, Quart, Roebuck, Smith (Kamloops), Smith (Queens-Shelburne) and Sullivan.

That the committee have power to engage the services of technical, clerical

and other personnel as may be necessary for the purpose of the inquiry;

That the committee have power to send for persons, papers and records, to sit during sittings and adjournments of the Senate;

That the evidence taken on the subject during the preceding session be referred to the committee; and

That the committee be instructed to report to the house from time to time its findings, together with such recommendations as it may see fit to make.

Motion agreed to.

DIVORCE

APPOINTMENT OF COMMITTEE

Hon. Mr. Connolly (Ottawa West): Honourable senators, may I also preface the motion I am about to make in respect of the Divorce Committee with a few remarks. There are some urgent matters that this committee must attend to at this time, and it is desirable to re-establish the Divorce Committee today. With leave, it is proposed that personnel of that committee for this session be the same personnel which served on the committee during the last session.

Therefore, with leave, seconded by the honourable Senator Roebuck, I move:

That the Honourable Senators Aseltine, Baird, Blois, Bradley, *Brooks, Burchill, Cameron, *Connolly (Ottawa West), Croll, Farris, Gershaw, Gladstone, Haig, Hnatyshyn, Hollett, Horner, Inman, Irvine, Isnor, Kinley, Lambert, Robertson (Kenora-Rainy River), Roebuck, Smith (Kamloops), Smith (Queens-Shelburne), and Taylor (Westmorland) be appointed to constitute the Standing Committee on Divorce, to inquire into and report upon such matters as may be referred to them from time to time.

Ex officio members.

The Hon. the Speaker: Is it your pleasure, honourable senators, to adopt the motion?

Hon. Jean-François Pouliot: Honourable senators, I have not the least objection to the appointment of members to the Divorce Committee, and I have already praised their work, but last session, at the eleventh hour, a bill passed three readings, in three lines in the House of Commons *Hansard*, to be smuggled into the Senate. On that occasion the then Leader of the Senate (Hon. Mr. Macdonald, Brantford) objected to that kind of procedure and said that with only twenty-one senators in attendance, in the last hours of the last day of the session, we should not adopt that legislation at once.

At the present time the divorce commissioner is in a false position, and the bill that was brought before us was to give him the salary and the compensations of a judge of the Exchequer Court. I have no objection to the commissioner, whom I do not know but to whom I give the benefit of the doubt, being appointed a judge—a full judge, a judge who is independent from the Divorce Committee, and who has to report not to the committee, but to the Senate. One should not be called a judge when he is only the messenger boy of a committee. This is not at all a reflection on the members of the Divorce Committee, because it could act on appeal from the decisions of the commissioner if he has all the powers of a judge. But I do not agree that a judge of the Exchequer Court, or any other court, should have to report to any committee of the Senate, except in this case the judge should report to the Senate itself, and then the Senate might decide what it deems reasonable to do.

We had some complaint from three members of the House of Commons who said that the Senate was unfair in not passing that legislation. You will remember, honourable senators, that there was no number to the bill when it was presented to us, and that we only received the text of the bill two or three days after it was presented to us on the last day of the session. Is it reasonable? Then the leader of one of the groups in the House of Commons and two of the members of his group declared that the Senate was unfair because it had not swallowed that legislation.

Honourable senators, we are not children; we are not here to be tricked in that manner. We have the right to see the legislation that is presented to us, and to debate it before we adopt it.

Hon. Mr. Connolly (Halifax North): Hear, hear.

Hon. Mr. Pouliot: I remember when such an important piece of legislation as that was to be introduced in the House of Commons years ago concerning both railways. It was a long time ago. It was in the Bennett regime, and Mr. Manion was the Minister of Railways and Canals. Because there was not a French translation of the railway bill the debate was adjourned. The House of Commons waited until both the English and French texts of the legislation were before the chamber. Now, in this instance, the House of Commons passed this bill at the last minute of the last day, without any explanation and without any debate. If you look at the House of Commons *Hansard* for the last day of last session, December 21, you will see that the three readings are reported in three lines. And we were supposed to

close our eyes, open our mouths and swallow that. I thought that the manner in which that legislation was passed in the House of Commons—and I say this for all parties and groups in that house—was unreasonable. That kind of legislation should never come before Parliament.

The judges should be independent. I mean that they should not be the messenger boys of any man, of any committee, or any group. To be respected, a judge should have his complete independence; yet, with the kind of legislation that was brought before the House of Commons at the last moment last session, the one who would have been called a judge would have been just a messenger with all the privileges of a judge but without what is needed to fulfil his duty.

I am very sorry to have to say this at the beginning of the session. I have profound respect and loyalty for my present leader, as I had for his predecessor. If the commissioner is made an independent judge, it will be for the good of Parliament, for the good of the commissioner himself, and for the good of all those who will have to appear before him.

Before closing, I must remind you of the provisions of the Exchequer Court Act, which is chapter 98 of the Revised Statutes of Canada.

I hope I have made myself clear, and I shall not insist any more about it until the position of the Divorce Commissioner is rectified. However, there is another matter I should like to refer to before closing.

I have tried to be as fair as possible to the members of the committee and I have said I appreciate their work, but we must not forget that there are men who called themselves divorce investigators who are now in jail because they perjured themselves. A very useful thing that the Divorce Commissioner could have done would have been to take into consideration the cases in which these culprits who have perjured themselves gave evidence, and see what divorces have been granted upon that perjured evidence by these men who are now in jail. It would have been an illustration of what could happen, and how the good faith of some gentlemen who are of the utmost integrity can be played upon and how they can be deceived by so-called investigators who have exploited the public to the limit.

Furthermore, if you look at the regulations concerning the Divorce Committee you will see nothing with regard to costs, as appears in the regulations of all other courts. You can examine the regulations concerning the Supreme Court of Canada or any other tribunal and see what is said with respect to costs; but here there is nothing, and the lawyers who appear before the Divorce Committee can charge anything to their clients. They can, in fact, exploit them.

Hon. Cyrille Vaillancourt: Honourable senators, I do not agree with Senator Pouliot. According to the British North America Act, divorce is the responsibility of the Divorce Committee of the Senate, a responsibility of Parliament. In both Quebec and Newfoundland a divorce court has been refused. If we nominate a judge we are constituting a divorce court. We agreed last session that the commissioner would examine the witnesses and so on, and make his recommendation to the Senate Committee on Divorce. That is my argument, because in Quebec and Newfoundland a divorce court has been refused under the provisions of the British North America Act.

Motion agreed to.

ADJOURNMENT

Hon. John J. Connolly: Honourable senators, with leave of the Senate, I move that when the Senate adjourns today it do stand adjourned until Tuesday, February 25, at 8 o'clock in the evening.

Motion agreed to.

The Senate adjourned until Tuesday, February 25, at 8 p.m.

THE SENATE

Tuesday, February 25, 1964

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

Prayers.

NEW SENATOR

The Hon. the Speaker informed the Senate that the Clerk had received a certificate from the Secretary of State of Canada showing that Eric Cook, Esquire, Q.C., had been summoned to the Senate.

NEW SENATOR INTRODUCED

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

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

Hon. Eric Cook, of the City of St. John's, in the Province of Newfoundland, introduced between Hon. Mr. Connolly (Ottawa West) and Hon. Mr. Baird.

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

DOCUMENTS TABLED

Hon. John J. Connolly: Honourable senators, I have in my hand a list of twelve documents to be tabled. They are documents required to be tabled by various statutes, and again I ask permission of the house to dispense with reading the list.

I draw the attention of honourable senators to the report made by the Tariff Board relative to an investigation ordered by the Minister of Finance respecting machinery and equipment used in the mining industry and in the oil and gas industries. I think the other documents constitute rather routine tablings, and of list of them will appear in the *Minutes of the Proceedings* of today.

The Hon. the Speaker: Honourable senators, is it agreed to dispense with the reading of the list?

Hon. Senators: Agreed.

[The following documents were tabled:]

List of Apportionments and Adjustments of Seed Grain, Fodder for Animals and Other Relief Indebtedness, for the period from May 17, 1963 to February 18, 1964, pursuant to section 2 of An Act respecting Certain Debts due the Crown, chapter 51, Statutes of Canada, 1926-27. (English text).

Capital Budget of The Seaway International Bridge Corporation, Ltd., for the calendar year ending December 31, 1964, pursuant to section 80 of the Financial Administration Act, chapter 116, R.S.C., 1952, together with a copy of Order in Council P.C. 1964-101, dated January 23, 1964, approving same (English text).

Capital Budget of The St. Lawrence Seaway Authority for the year ending December 31, 1964, pursuant to section 80(2) of the Financial Administration Act, chapter 116, R.S.C., 1952, together with a copy of Order in Council P.C. 1963-1840, dated December 12, 1963, approving same (English text).

Capital Budget of the National Harbours Board, for the year ending December 31, 1964, pursuant to section 80(2) of the Financial Administration Act, chapter 116, R.S.C., 1952, together with a copy of Order in Council P.C. 1963-1897, dated December 21, 1963, approving same. (English text).

Report of the Department of Forestry for the fiscal year ended March 31, 1963, pursuant to section 12 of the Department of Forestry Act, chapter 41, Statutes of Canada, 1960. (English and French texts).

Annual Report of the Commissioner of Penitentiaries for the fiscal year ended March 31, 1963, pursuant to section 14 of the Penitentiary Act, chapter 206, R.S.C., 1952. (English and French texts).

Report of the Department of External Affairs, for the year ended December 31, 1963, pursuant to section 6 of the Department of External Affairs Act, chapter 68, R.S.C., 1952. (English and French texts).

Capital Budget of Polymer Corporation Limited for the calendar year 1964, pursuant to section 80(2) of the Financial Administration Act, chapter 116, R.S.C., 1952, together with a copy of Order in Council P.C. 1964-255, dated February 13, 1964, approving same (English text).

Report, dated December 16, 1963, of the Restrictive Trade Practices Commission, under the Combines Investigation Act, concerning an Alleged Combine in the Matter of a Call for Tenders by the

Town of Duvernay for the Construction of Sewers and Water Mains. (English and French texts).

Report on the Operations of the Municipal Improvements Assistance Act, for the year ended December 31, 1963, pursuant to section 11 of the said act, chapter 183, R.S.C., 1952. (English and French texts).

Order in Council P.C. 1964-282, dated February 20, 1964, authorizing under section 21A of the Export Credits Insurance Act, long-term financing by the Export Credits Insurance Corporation, for the purchase of capital equipment from Canadian suppliers and procurement services from Aluminum Company of Canada, Limited, Montreal, Quebec, in an amount of up to $900,000 by the President of India, pursuant to section 21B of the said act, chapter 105, R.S.C., 1952, as amended 1960-61. (English text).

Report by the Tariff Board, relative to the investigation ordered by the Minister of Finance respecting machinery and equipment used in the mining industry and in the oil and gas industries, Volume II, Mining Equipment-Reference No. 130 (English and French texts), together with copy of the transcript of the evidence presented at public hearings (English text), pursuant to section 6 of the Tariff Board Act, chapter 261, R.S.C., 1952.

FINANCE CHARGES (DISCLOSURE) BILL

FIRST READING

Hon. David A. Croll presented Bill S-3, to make provision for the disclosure of information in respect of finance charges.

Hon. Mr. Choquette: Is that something new?

Hon. Mr. Croll: It is not new, but it is back again.

Bill read first time.

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

Hon. Mr. Croll moved that the bill be placed on the Orders of the Day for second reading on Thursday next.

Motion agreed to.

SPECIAL COMMITTEE ON AGING

REPORT OF COMMITTEE ADOPTED

Hon. David A. Croll, Chairman of the Special Committee on Aging, presented the following report:

The Special Committee of the Senate on Aging make their first report, as follows:

Your committee recommends:

1. That their quorum be reduced to seven (7) members.

2. That they be authorized to print 1,000 copies in English and 400 copies in French of their day to day proceedings.

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

Hon. Mr. Croll: I move, with leave, that the report be adopted now.

Report adopted.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE ADJOURNED

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

Hon. Eric Cook moved, seconded by Hon. Azellus Denis:

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

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

May it please Your Excellency:

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

He said: Honourable senators, as you are aware, I have not been a member of the Senate for any prolonged period of time, so I trust you will not think me too presumptuous in addressing you so shortly after the event.

You will forgive me, I hope, if I begin by making a few personal references.

First, I wish to thank most sincerely the Right Honourable the Prime Minister for the great honour he has done me by recommending my appointment to the Senate of Canada. For my part, I can only pledge that I will do all things that lie within my ability, to discharge as best I can my duties as one of your colleagues.

To succeed Senator Calvert C. Pratt will indeed be a difficult task. Senator Pratt was

outstanding in the business life of Newfoundland. In addition, he was a most far-thinking leader who promoted many advances in the educational and welfare systems of Newfoundland. Very many good works were started and carried on in several instances, solely due to his ever-ready and generous support. It will not be easy to fill his place.

The other Newfoundland senator who is greatly mourned is, of course, Senator John G. Higgins, Q.C. Senator Higgins was a brilliant and distinguished lawyer, and a most delightful individual. He, too, will be sorely missed.

I would like also to thank the Honourable the Leader of the Government (Hon. Mr. Connolly, Ottawa West), for the confidence he has placed in me by entrusting this important motion to me.

Before making any reference to the Speech from the Throne itself, I would like to make a few remarks about my native province. During the past 40 years, Newfoundland has survived a number of forms of government. Up until the year 1934, we had full responsible government. In that year, the constitution was suspended, and the system known as Government by Commission was introduced. The members of the Commission of Government were appointed by the Dominions Office in London, and "party politics" ceased for a period.

Then in 1949 we joined Canada and now, like the Eskimos and the majority of other Canadians, we enjoy the dual blessings of not one but two governments, one federal and one provincial.

However, in the great depression of the 1930's it is unfortunately only too true that Newfoundlanders suffered more severely than probably any other group of people in North America. Up to the onslaught of the depression the economy of Newfoundland was largely based on the catching and sale of salt codfish. With the disastrous fall in the value of all natural resources, and particularly the price decline in fish, the people of Newfoundland, who had never enjoyed a high standard of living, were reduced to terrible poverty.

When the depression was still only half over the Government found it lacked the revenue to function. Therefore, the Constitution was suspended, and the Commission of Government system was introduced.

Under some 15 years of Government by Commission, Newfoundland was given sound and good but not very active or inspired government.

However, during the war years Newfoundland again prospered, and when in 1949 Commission of Government was replaced it left behind it in the island's treasury a surplus of some $40 million.

The real achievement of Commission of Government was that it bequeathed to Newfoundland a well trained, dedicated and capable civil service. The province is indeed fortunate that many of our senior civil servants who served under the Commission of Government are still serving, and that they have in turn trained other capable and able young men to carry on.

Nevertheless, partly because of the fact that during the war years so much of all planning and of all effort was devoted to the war effort, little was accomplished in the way of improving public services or in establishing any system of social welfare or social security. Indeed, beyond the fact that Newfoundlanders had some eight or ten years of being gainfully employed, we practically "stood still" between 1929 and 1949.

I have related all these facts, even at the risk of tiring you, so that you might be better able to understand that in 1949 Newfoundland was a tiny country whose people, despite a few short years of comparative prosperity, had endured very great hardships and faced the future with virtually no social capital whatsoever, and where, generally speaking, public services were on a level other countries had enjoyed at the turn of the century.

How far we could have gone on our own, in the light of possible new developments and with a surplus of $40 million—which used to be a lot of money—no one can tell. There was one Newfoundlander in particular who felt Newfoundland could not do it alone. I refer, of course, to the present Premier, the Honourable Joseph R. Smallwood. In the teeth of the fiercest opposition, almost on his own he convinced Newfoundland that her future was with Canada.

And now, after being part of Canada for nearly 15 years, what is the result? I believe if the question had to be decided again today the answer would read like a Russian election—99 per cent would be in favour of Union with Canada.

Having said this, I do hope no one will think that Newfoundlanders are merely sitting back and enjoying the various social benefits and payments which all Canadians now receive. Far from it! The Government of the province, spurred on by the ceaseless drive of the Premier, has accomplished much. But it would not all have been possible nor could Newfoundland have gone so far and so fast except as a part of Canada. And I can assure you that Newfoundlanders are deeply grateful and very happy to be Canadians.

I would like to stress the fact that every effort is being made to develop the natural resources of the province. It is the earnest

hope of all Newfoundlanders that the province will, in the not too distant future, become one of Canada's "have provinces," and be in a position to contribute to the great future that is Canada's.

However, having indicated Newfoundland's satisfaction with the union and her hopes for the future, I must caution that in the meantime when the Premier of Newfoundland meets with the Right Honourable the Prime Minister of Canada he will probably greet him by using the classic line of Oliver Twist, "Please, Sir, I want some more."

I regret I cannot speak to you with authority on any subject. I am merely an ordinary "general practitioner" in the ranks of the legal profession.

While, therefore, I welcome the proposal to introduce a national fisheries policy, I will not now attempt to make any extended comment on this suggestion. Every second Newfoundlander is an expert on some aspect of the fisheries, and being a highly vocal people, no doubt much more will be heard on this subject.

Among the many other important matters mentioned in the Speech, the one which I think will be the most beneficial, and which will promote the greatest happiness of the greatest number, is the Canada Pension Plan. In my opinion, the pension plan will be a major step forward in Canada's welfare legislation, and will guarantee to many more Canadians some share at least of the "good life".

It is a very big undertaking, and like all big undertakings will, of course, require careful study and consideration. It is difficult, however, to appreciate anyone having any serious objections to the plan in principle. Many of those who have expressed concern have done so because they fear it will adversely affect private plans now in force. Surely they do not seriously think the Government hopes to do some measure of justice to the 70 per cent now without any protection by creating injustice for the 30 per cent who now enjoy some protection.

I feel confident it is not beyond the ability of men of good will to work out a formula to meet each particular case without imposing unnecessary hardship on any group.

It would, however, be unfortunate if those who now make available this type of protection, and those who now have this type of protection, which in a very limited way the legislation seeks to provide for all, should object to the enactment of this legislation.

I understand that some people oppose the Canada Pension Plan because of its costs, and because of the burden it will impose on the economy. This makes me think of the objections raised against the Earl of Shaftesbury's efforts to achieve some reforms. For 14 years Shaftesbury led the fight in Parliament against child slavery in factories, and he was as responsible as any man for the passing of the Ten Hours Act of 1847, in the face of bitter opposition from such mill owners as the Quaker stalwart John Bright, who argued that it was in the last two hours of the working day— nay, in the last half-hour of the last two hours—that they made their profits.

Honourable senators, I thank you for your patience in listening to me. I have already been overlong, and will not therefore weary you by making any further references to the contents of the Speech from the Throne, particularly as an opportunity will be given us to debate each proposal in due time.

(Translation):

Hon. Azellus Denis: Honourable senators, my first words will be to thank the Leader of the Government in the Senate (Hon. John J. Connolly) for the privilege he bestowed upon me in asking me to second the address in reply to the Speech from the Throne. I also want to extend to him my best wishes in the discharge of his new and important duties, which his predecessor, Senator Ross Macdonald, fulfilled so competently.

It is with a great deal of attention and interest that we listened to the magnificent speech of our new colleague, Senator Cook, and I wish to offer him my most sincere congratulations.

Being new in this chamber myself, I want to take this opportunity to extend my special thanks to the Right Honourable Prime Minister, who is mainly responsible for my appointment.

By bestowing this honour on me, he intended no doubt to acknowledge the undying loyalty of the electors of St. Denis riding to the Liberal party and its leaders. To the people of St. Denis who are thus being honoured, I wish to convey my deepest gratitude.

It is a great pleasure for me to meet once more my good and still youthful friend, the honourable senator who presides with such dignity and efficiency over the proceedings of the Senate. We sat together in the other place for over twenty years. I hope he will continue to fill his important office for a long time, and I extend to him my congratulations and my best wishes.

As I look around me, I recognize familiar faces from the years 1960, 1955, 1950, 1945, 1940 and even 1935, and among others, the genial Leader of the Opposition, Senator Brooks. I feel younger when I look back over the wonderful years I spent in the House of Commons with the former colleagues I am happy to find here. It proves that the Senate does not kill anyone.

Honourable senators, I want to say how proud I am to be among you. I am grateful for the warm welcome you gave me and I intend to show myself always worthy of such a distinguished company. I will try to emulate my predecessor from the electoral division of LaSalle, the lamented Senator Mark Drouin, a real gentleman whose charm was well known.

Honourable senators, the text of the Speech from the Throne which is before us is the logical result of the efforts made by the present Government since last April to give the Canadian economy a dynamic expansion, to bring a solution to the important problems of today, such as unemployment, trade, federal-provincial relations, social security and national unity.

During the last general election, the Government had made pledges to the Canadian people, as stated in the program which is now being implemented.

I have here a copy of this program and I should like to quote a few items to show you that those commitments are included in the Speech from the Throne or are already incorporated in legislative measures passed last session. I quote, for instance, page 7 of this program:

> Equal partners in confederation. To ensure in Canada the equality of French and English languages and cultures.

You all know that a fact-finding commission has already been appointed and that it is now at work, that its presidents are visiting the various provinces of the country in order to reach a conclusion which should normally result in a better understanding of national unity.

A little further on, I read:

> Complete elimination of disparity between the provinces in the yield of direct taxes.

This item appears almost word for word in the Speech from the Throne:

> You will be asked to approve the changes in fiscal arrangements decided upon at the Federal-Provincial conference last November.

On the following page, I read:

> Setting up of a federal department of Industry.
>
> The Department will consider the necessary steps to take in order to promote economical manufacturing of new products in Canada.

You know that this department has been set up and that the Speech from the Throne contains a measure aimed at expanding primary and secondary industries.

On the following page I read:

> Loans for municipal services.

A commission has been established for that purpose and already more than $4.5 million has been lent to municipalities to enable them to improve municipal services. This had the salutary effect of giving work in wintertime and also of decreasing the unemployment rate.

In the next page, we read the following:

> Improvements to the National Housing Act.

It is not necessary to tell you what are the measures that will be considered in this connection.

Allow me simply to draw your attention to a measure taken last year which had the effect of granting a bonus to anyone wishing to become a homeowner this winter. You know that some 32,000 applications were accepted and granted. That is another measure which is bound to help check unemployment.

A little further, I read:

> Setting up of a national economic council—designed to create new industries and provide for regional and community development—in order to provide the 250,000 new jobs needed by the country every year...

Statistics show that by mid-January 275,000 new jobs had been created. The same statistics show that unemployment declined by 75,000. Of course, we are not yet satisfied as regards the elimination of that plague affecting the country, but every effort is being made to achieve full employment.

On the following page, I read this:

> Creation of a loan fund for students.

That item is almost textually announced in the Speech from the Throne.

A little further on, we find the following:

> Federal contributory retirement fund.

There again we will have to consider legislation in view of establishing that federal contributory retirement fund.

On the next page, we also read this:

> A minimum pension of $75 a month to help those who have already retired . . .

That legislation has been applied since last October.

On the next page, I read:

> Old age assistance increased to $75 a month. Old age assistance of $75 to widows and single women at 60 years of age. Allowance of $75 a month to blind and disabled persons.

Everybody knows that these measures have already been passed and that, by April next, all these persons will be in receipt of the promised increase.

On page 17, I read that a federal labour code will be proposed; that it will apply to industries coming under federal jurisdiction as well as works undertaken by virtue of federal contracts. A minimum wage, a maximum work week of 40 hours, two weeks of holiday with pay and seven statutory holidays will be put into effect.

That was, almost verbatim, the wording of the Speech from the Throne.

I skip some of it and I come to page 21 from which I quote:

> Extension of the fishing zone to twelve miles from the coast.

Other items of the Liberal program are also included in the Speech from the Throne, for instance, Canada's defence policy, that is one that will enable us to fulfil our commitments to our allies and the securing of defence nuclear arms, as well as the establishment of a parliamentary committee on defence.

Those are numerous items which are already in effect. Moreover, this year the Speech from the Throne points out that the parliamentary committee on defence will be reconvened.

In short, honourable senators, a very large part of this program will be carried out before the end of the present session. Indeed, that program was to be implemented over the full duration of a Parliament.

I will not mention the other important measures contained in the Speech from the Throne and which we will study as they are presented to us.

Honourable senators, I did not refer to that program as a member of the Liberal party but only to point out that any political party which makes workable commitments and carries them out will always have the confidence of the electorate in Canada and will thus contribute to the maintenance of a sound democracy.

As long as those who hold the reins of power take such an attitude we have nothing to fear from extremists or utopic movements which, for the most part, base their action on opportunism or demagogy and which play on the most sacred feelings of the various groups which make up a country. That being the case, they will never gain the support of the majority in Canada, because our people are moderate and sound-minded.

The results of the last by-election in the ridings of St. Denis and Laurier bear witness to that fact; the separatist party and the Caouette group combined did not even get the support of 7 per cent of registered voters.

I speak of votes cast for both the separatists and the Caouette group because the former did not enter any candidate in the race and the latter stated during the campaign that they would become separatists.

Therefore, that 7 per cent of the vote represents both the Caouettistes and the separatists.

St. Denis and Laurier proved to the rest of the country that Quebec is and always will be part of Canada. Quebec believes that the constitutional adjustments which are essential to a co-operative federalism can only be brought about by men without prejudice, serious and responsible men, and not by a bunch of radicals, be they of English or French origin.

Honourable senators, unfortunately, certain newspapers give a big spread as well as their headlines to those movements. In that way, they propagate and create resentments and rancour by giving to those movements an importance they do not have. I have just proved it.

Unfortunately also, certain influential persons, through their ambiguous attitudes and statements, condone or encourage those extreme ideologies.

Honourable senators, the Prime Minister of Canada has just made another appeal to reason, level-headedness and understanding for a united and prosperous Canada. May he find in every province of our country many Canadians who will respond to that appeal and thus contribute to maintain national unity within Canada.

(Text):

Honourable senators, I have the honour to second the motion of my colleague, honourable Senator Cook, for an address in reply to the Speech from the Throne. I ask for your approval.

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

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, February 26, 1964

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

Prayers.

DOCUMENTS TABLED

COLUMBIA TO FRASER RIVER DIVERSION PROJECT REPORT, 1956—STATEMENT

Hon. John J. Connolly: Honourable senators, I have thought that on occasion when important Government statements of general interest are being made in the other place it might be a service to the members of this honourable house to have those statements made at the same time here. So far as it is possible to do so—it will not always be possible or perhaps appropriate—I would like to follow this practice, and I have a statement of that character today.

From time to time there have been requests for the tabling of a report that was commissioned in 1955 on a possible diversion of water from the Columbia River to the Fraser River. As the report was related to the negotiations which had been undertaken with the United States relating to the Columbia River Treaty, it was the policy of the previous Government not to make the report public. The present Government has also felt that the report should not be released before negotiations by the Government were completed relative to co-operative development of the Columbia River in Canada.

Now that these negotiations have reached successful completion with the signing of the agreements on January 22, 1964, I desire to table one copy of the report which bears the title "Report on an Investigation of Columbia to Fraser River Diversion Project, 1956," which was prepared by the B.C. Engineering Company Limited. I also table a copy of a paper which summarizes the findings contained in the report.

Shortly put, the report is not optimistic with regard to the cost at which power could be produced on the Thompson and lower Fraser Rivers—either with or without a diversion from the Columbia. Without such a diversion the production cost is estimated at 9.7 mills per kilowatt hour for firm energy, and 6.75 mills for firm plus secondary energy. With the Columbia diversion the cost is estimated at 8 mills for firm energy and 6.95 mills for firm plus secondary energy. The increment of energy actually provided by the diversion is estimated to cost 7.1 mills per kilowatt hour when delivered to loads in Vancouver. In arriving at this cost the report does not charge the diversion proposal for any portion of the cost of dams on the Columbia River which are required for the regulation and diversion of the water. The report does not go into the fishery problem, which is a major one, although it does deal with the cost of fish passages at the proposed dams.

As the report is a very bulky one, I regret that it is not possible to provide copies of it to individual members. However, they will be able to have access to it among the papers of the House.

Hon. Mr. Roebuck: I wonder if the honourable leader could give us some idea of the comparision between those costs per kilowatt hours and those of the St. Lawrence River project?

Hon. Mr. Connolly (Ottawa West): I regret I cannot answer that; but I will try to get the information for the honourable senator.

Hon. Mr. Roebuck: Thank you.

Hon. Mr. Thorvaldson: The honourable leader referred to a summary in the statement he made. I understand that summary is being made available to members of the other house, and I am wondering if it—not the report—could be made available to the members of this house.

Hon. Mr. Connolly (Ottawa West): The answer, of course, is yes. I am looking at it now to see if there is something which might be added to the report of our proceedings today. I notice that it contains several maps which might make reproduction of the summary difficult. However, I will make inquiries, and I am sure that a copy of the summary and the maps can be made available to all honourable senators.

Hon. Mr. Thorvaldson: Thank you.

Hon. Mr. Brooks: Will a copy of the summary and the maps appear in the Commons *Hansard*?

Hon. Mr. Connolly (Ottawa West): I am unable to answer that question. I am in doubt about it because I do not think there is any provision for reproducing a map, even as an appendix to our *Hansard*.

Hon. Mr. Brooks: The reason I ask is that the Commons *Hansard* is available, of course, to all members and senators, and to reproduce this in our *Hansard* would duplicate what may be available in the Commons *Hansard*. I think that is a point that should be considered.

Hon. Mr. Isnor: Could the honourable Leader of the Government tell us whether there is any provision in the agreement which would provide energy to private companies, other than the two mentioned, such as the grid line in other parts of Canada?

Hon. Mr. Connolly (Ottawa West): At the moment I cannot answer that question. If after the summary and report are made available to honourable senators there are further questions to which I can provide answers, I would be happy to do so.

BLUE WATER BRIDGE AUTHORITY BILL

FIRST READING

Hon. Mr. Connolly (Ottawa West) presented Bill S-4, respecting the International Bridge over the St. Clair River known as the Blue Water Bridge.

Bill read first time.

Hon. Mr. Connolly (Ottawa West) moved, with leave of the Senate, that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

PRIVATE BILL

THE GENERAL COUNCIL OF THE CANADIAN BRANCH OF THE ST. JOHN AMBULANCE ASSOCIATION—FIRST READING

Hon. John J. Kinley presented Bill S-5, respecting The General Council of the Canadian Branch of the St. John Ambulance Association.

Bill read first time.

Hon. Mr. Kinley moved that the bill be placed on the Orders of the Day for second reading on Tuesday next.

Motion agreed to.

DIVORCE

REPORT OF COMMITTEE

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

Your committee recommend:

1. That they be granted leave to sit during adjournments of the Senate, and also during sittings of the Senate.

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

Hon. Mr. Roebuck moved that the report be placed on the Orders of the Day for consideration at the next sitting.

Motion agreed to.

INDIAN AFFAIRS

VISIT TO OTTAWA OF BLOOD TRIBE DELEGATION

Hon. James Gladstone: Honourable senators, I would like to inform the Senate that the Chief of my own Reserve and three of his councillors have been visiting Ottawa for the past three days as delegates at a meeting to consider various problems. I would have liked to have them present in the gallery this afternoon, but they are leaving on the afternoon train for home to attend to urgent business of their own. They have received kind consideration from the former and present Minister of Citizenship and Immigration, whose department deals with Indian Affairs. I believe the delegates are going home very happy with the meetings they have had, not only with the minister but with the officials of the Indian Affairs Branch.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

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

Hon. A. J. Brooks: Honourable senators, I am sure we were all pleased to have the report from Senator Gladstone concerning the distinguished group who have been attending Parliament and visiting the officials of the Government. We regret very much that they are not now in the gallery so that we could welcome them. In saying this I know I am speaking also for the honourable Leader of the Senate.

Honourable senators, we have now entered on another session of Parliament, one which I am sure we all hope will be more fruitful and productive than the past two sessions have been. The last session of Parliament was a long one but, unfortunately, like the previous session, it closed leaving long lists of unfinished but necessary legislation. I am

sure all honourable senators will agree with me that government business cannot be satisfactorily carried on unless the party in power has a working majority. As happened in a certain sporting event last night, it is also possible for a government, particularly a minority government, to be defeated at any time. Such a situation is certainly not for the country's benefit, nor is it good for Parliament.

Honourable senators, I feel, and I know you will agree with me, that the sooner we get back to the two-party system in this country, doing away with the splinter parties we have today, the better it will be for Parliament and for the country.

We are sometimes told that these Throne Speeches, of which I have heard a great number, together with many speeches in reply, are not always enlightening. This is I think, quite an understatement. In fact, they are seldom enlightening. And the one we have now before us is certainly no exception. Such speeches are considered to be a rough guide to legislation which is to come. From past experience we know that some of the legislation forecast will never reach the statute books. We also know, or at least we hope, that some most important matters not mentioned in the Throne Speech will be brought forward and put into legislation as the session progresses.

Before going further, honourable senators, I wish to take this opportunity to congratulate the mover and the seconder of the address in reply. I liked the easy manner in which the mover of the address spoke. He had a very short time in which to become acquainted with this chamber, having been introduced here only a very few minutes previous, but he acquitted himself well and I am sure we were all pleased with his remarks.

I was particularly pleased with Senator Cook's statement to the effect he was certain that today 99 per cent of the people of the Province of Newfoundland are in favour of Confederation. I was a member of the House of Commons 15 years ago when the admission of Newfoundland to the Confederation was before Parliament. One hundred per cent of the members of the House of Commons at that time were in favour of Newfoundland's admission, and I am quite satisfied that had a plebiscite been taken across the country it would have been found that nearly all people were pleased to have Newfoundland as a sister province.

I listened also with considerable pleasure to my good friend, the seconder of the motion (Hon. Mr. Denis). He and I have much in common. We entered the House of Commons the same year, 1935, and we have been friends ever since. He made a good speech, as we would expect from him. If I had any criticism to make of it I would say that it sounded a little political, but perhaps we should not be surprised at that because I am sure he took a very prominent part in the election campaign in the constituency of St. Denis, and I have no doubt that he gathered much material for his speech of yesterday from the stump speeches he made there.

I was particularly pleased with the latter part of his speech in which he condemned some of our newspapers for obtaining their material from what he called radicals and trouble makers, and not always publishing the remarks or statements of more serious and responsible people. He said that that was one reason for our having so much misunderstanding in this country at the present time. I agree entirely with what the honourable senator said in that connection.

As I said a moment ago, there is considerable legislation to be presented to Parliament during this session. When it appears before us in concrete form we will then have an opportunity of examining it and of expressing our opinions on it. That, of course, is the best time at which to discuss legislation. However, in this debate an opportunity is provided to participate in extending our thanks to His Excellency for his Speech. It gives us an opportunity also of reviewing conditions in the country and of offering some criticism of the manner in which the Government is meeting its obligations, and of stating what improvements might be made. This applies more particularly to the House of Commons, of course, but I am sure honourable senators will say what they have to say about these matters.

I do not intend, except very briefly, to go into the different items mentioned in the Speech from the Throne because I know that there are very able colleagues of mine on both sides of the house who are going to speak, and I am sure they will go into these matters very thoroughly.

As I look across the floor of the chamber, honourable senators, I see that there has been a change. I miss the face of my very good friend of many years, the Honourable Ross Macdonald. He also entered the House of Commons at the same time as I did, back in 1935. From his first entrance into Parliament he showed his leadership. I remember at that time that we had a veterans' organization to which some very distinguished members of Parliament belonged. Its membership included half a dozen or more cabinet ministers, and men like Sir Eugene Fiset. Later on I think Lord Tweedsmuir and also Lord Alexander were members. When that organization decided to select a chairman the

man they chose was my good friend, Senator Ross Macdonald from Brantford, Ontario.

Senator Macdonald has received many honours. I suppose there are few men in Parliament at the present time who have had as many. He has been a minister of the Crown. He was Speaker of the House of Commons for many years. He was Leader of the Government in the Senate for a number of years. He was for a time Leader of the Opposition. I know that all senators share with me a deep feeling of regret that it was necessary for Senator Macdonald to relinquish his position as Leader of the Government in the Senate. We congratulate him again on the honours that have been accorded him, but we also congratulate him on the great ability and success with which he filled these difficult positions. I want to thank him personally for the kind assistance he gave me on different occasions when I was for a short time Leader of the Government in this chamber and afterwards when I became Leader of the Opposition.

While I am congratulating the former Leader of the Government, and while we are regretting that it was necessary for him to give up that position, we realize that in Parliament, as in life, there are many compensating features. One of the great compensating features today is the fact that the Prime Minister saw fit to appoint in Senator Macdonald's place Senator John J. Connolly, the present Leader of the Government in the Senate. I predict he will have great success. He has had considerable experience in the Senate. We all know that he is an eminent lawyer and an able debater, but, best of all, he has much common sense and he is a worker. I advise him, though, not to plan on staying in his present position too long because the winds of change are already blowing quite strongly through the country. We are told, and I believe it is a fact, that the writing is on the wall. But he need not worry, because while he will make a good Leader of the Government in the Senate he will make an equally good Leader of the Opposition when the time comes for him to take over that office.

Honourable senators, I wish to offer other congratulations. During the recess just before Christmas the former Speaker of this house became one of Her Majesty's Privy Councillors. I am sure that that gave great pleasure to all honourable senators on both sides of this chamber. It is an honour that is given to former Speakers of this house. I must say that since I have been a senator we have been most fortunate in the men who have held the high office of Speaker. There have been three of them, and all have been excellent appointments. I want to say to my good friend, Senator White, that it is a great honour to be one of Her Majesty's advisers. It is not probable, perhaps, that Her Majesty will be asking him for any advice, but if she does have need of it I am sure the advice he will give will be of the very wisest.

We have four new senators. With the exception of Senator Denis, of whom I have already spoken, they are more or less strangers to me, except by reputation. I knew of Senator Lang from Toronto because of his being a very outstanding businessman and lawyer in that city.

As to Senator Rattenbury from Saint John, while we live in the same province, our paths have not often crossed. He seemed to be travelling in an entirely different direction—what I always thought was the wrong direction. However, I am pleased to see him here; I am satisfied that he will enjoy the Senate and will make a great contribution to it.

We listened yesterday to Senator Cook. He comes to the Senate with a very high recommendation as a lawyer and businessman in his own province.

Statements were made in the newspapers regarding the three senators of whom I speak. In the case of Senator Lang, it was stated that he was organizer in the Liberal party in the last two general election campaigns. It was stated of Senator Rattenbury that he was president of the Saint John Liberal Association and an active organizer for the Liberal party. Of Senator Cook, it was stated that he was president of the Newfoundland Liberal Federation and an active campaigner for the party in that province. The road to senatorship seems to be through the gateway of being an organizer for the Liberal party.

Hon. Mr. Connolly (Ottawa West): That applies to other parties.

Hon. Mr. Brooks: Not so noticeably.

Hon. Mr. Connolly (Ottawa West): Not now.

Hon. Mr. Brooks: Honourable senators, may I say a little now about the new members of the cabinet, although they are in the other place. When I was speaking last year, I mentioned that there were more cabinet ministers than ever before in the history of this country. Now we find that their number has been added to again. We have all heard the criticism made that we have quantity but not quality.

I know that people in many parts of this country were disappointed when the new cabinet was announced. It was expected that some of those whose weaknesses had appeared would have been moved to other portfolios, or other changes would have been made. Nothing was done in this connection.

We have 26 ministers and 16 parliamentary assistants. That represents almost 50 per cent

of the number of Liberal members in the other house. The thought does occur to us: is this what the Liberal party means, what this Government means, by implementing the Glassco Report?

Honourable senators, in reading over the Speech from the Throne one of the first paragraphs to catch my eye referred to the signing of an agreement with Washington on the joint ownership of the Roosevelt-Campobello International Park. The Speech stated that legislation would be brought before the house soon to implement the agreement.

This is not a world-startling bit of news. However, to the people in the Province of New Brunswick, and I am sure to the people in the rest of Canada, it is very interesting news.

Honourable senators may not know that Campobello Island is one of the little group of islands off the southern coast of New Brunswick, in the Bay of Fundy. Here in Campobello, President Roosevelt for years made his summer home. He became extremely fond of that part of New Brunswick and he made many friends. I think my honourable friend Senator McLean was one of them. I have heard many people from that section speak of knowing the late President Roosevelt, of having gone swimming and boating with him, and so on. We are pleased indeed that this development is taking place.

I have perhaps a little claim to assisting in making it possible for this island to be made a great national park. In 1960 a delegation from Campobello Island came to my Town of Sussex in New Brunswick. They heard that the Minister of Public Works, the Honourable Mr. Howard Green, was going to be there, and I with the delegates persuaded Mr. Green to build a bridge from Campobello Island to Eastport. I think it is about 100 yards or less—one could throw a stone across it—and the island was connected up with the mainland of the United States. If that had not been done I doubt very much that there would have been a park there today.

This part of New Brunswick is near the great Passamaquoddy Bay. I do not intend to start a controversy now with my good friend Senator McLean from New Brunswick. However, there are people, not only in the United States but in the Province of New Brunswick, who believe that there is a terrific power potential in the harnessing of the tides of the Passamaquoddy Bay. The United States is greatly interested in this. Despite what my friend from Charlotte County many say, I believe that the people of New Brunswick are anxious indeed to see this power developed. It would be paid for mostly by American funds. I understand the money for this work can be borrowed by the Americans very cheaply, at 3 per cent, while we would have to pay 5 or 6 per cent. Speaking personally, I hope that this power will be developed. If there is one thing that we in the Maritime provinces desire more than another, it is cheap electric power in order to encourage industry in that part of the world.

There was at one time, and there still is, I believe, some doubt about the fisheries. However, as to whether it would affect the fisheries in that part of the Bay of Fundy, this has been investigated a number of times and I think it is generally understood now that no damage would be done.

Honourable senators, I heard on the radio the other day mention of something of which I had heard rumors earlier, that there has been discovered now in this part of New Brunswick, very near the Passamaquoddy development, the one and only tin mine anywhere in North America. English industrialists and financiers have stated that they believe a smelter could be constructed there and that a valuable industry could be established in that part of our province.

Reference was made in the Speech from the Throne to the signing of the protocol with the United States on the Columbia River Treaty, following the agreement with the Government of British Columbia. For two years I was on the Columbia River Committee of the House of Commons; for two years I carried in loads of books about two feet high; for two years we heard more at every meeting about the development of the Columbia River, and I would come away from the meetings—and I hope I was no exception—knowing less about the subject than when I started. However, I am glad that this has been settled now.

There has been a great change in policy. One of the strong objections was to the large export of electric power to the United States. The Canadian policy under Premier R. B. Bennett consisted of an objection to the export of power. We all remember that the Honourable C. D. Howe objected very strongly. I have heard him speak about it. He was not usually a passionate speaker, but I have heard him grow quite passionate in his objection to the export of power, saying that once you allowed power to be exported, it built up industries and towns in the United States, and if you wanted to withdraw it you could never do so; he also said that we ourselves needed more power.

I do not think that needs to worry our people so much today, because Canada has enormous potential power. I understand that the sale of power to the United States from the Columbia River will be in the neighbourhood of $300 million or $400 million a year

in American currency. We have also the Peace River in British Columbia, the international Nelson River in Manitoba, as well as the great Hamilton River in Newfoundland; and I am sure, as the honourable Senator Cook said yesterday, in the not-too-distant future Newfoundland will become one of Canada's "have" provinces, bearing in mind the development of its potential power and its use for the development of the great iron mines and other minerals of that province. I am pleased, therefore, honourable senators, that the Columbia River Treaty is apparently in the process of being settled.

The Speech from the Throne dealt with the very important matter of trade and tariff negotiations. On this subject alone, honourable senators, I could devote an hour or more. Trade, of course, is most important to Canada, as indeed it is to every other country. Probably it is more important to Canada than to many other countries. These negotiations, generally known as the "Kennedy round of talks", are aimed at what the speech referred to as the liberation of world trade. We are told that negotiations will be conducted under the terms of the General Agreement on Tariffs and Trade—bearing the short name GATT. This is very important indeed to Canada, coming at a time when the general trading picture here is bright. It is recognized, and I do not deny it, that we are now producing more at home and selling more abroad than at any other time in our history. Our economy is indeed going ahead. We must hold our markets, and if possible open new ones.

In making the foregoing statement I am proud to say that this general improvement in the trade picture is largely the result of policies instituted by the previous Government. Pegging the Canadian dollar resulted in a boost of our exports and in a restraining influence on imports, which made Canada more competitive in world markets. That is a fact which is well borne out by statistics, and I do not think it can be successfully contradicted.

A second factor influencing the improved trading picture has been the accelerated and extensive sales campaign embarked upon by the Government in co-operation with manufacturers and producers. Honourable senators will recall the extensive sales campaign which was inaugurated a few years ago, when trade commissioners from all parts of the world were brought to Ottawa, and the trade situation was studied. On other occasions the Government sent merchants and manufacturers to other countries to see what trade could be obtained. I am happy to say that this campaign has been continued by the present Government.

Part of the improvement in the over-all pattern has arisen through sales of wheat to eastern Europe and China. That was also started by the previous Government, and the present Government has very wisely continued the policy. However, substantial as the wheat deals have been, they have accounted for only a fraction of the entire improvement in the trading picture; although, of course, we would not like to be without the resultant sales.

I would review shortly a few figures from the Dominion Bureau of Statistics. Export sales of manufactured goods and commodities more than doubled in the last three years. Fabricated materials increased 52 per cent. Exports of raw materials or crude materials increased by 63 per cent. Exports of end products increased 94 per cent over what they stood at in 1953. It is interesting to note that some of these substantial increases have resulted in increased sales of industrial equipment and machinery; electronic equipment, farm machinery, motor vehicles, and so on. Today Canada is becoming a manufacturer of a great deal of very heavy equipment which she did not manufacture a few years ago. One of the most beneficial results of improvement in export trade is an increase in foreign exchange reserves—a general improvement in our balance of payment situation. This has been a great relief and satisfaction to our economy.

As we approach these important trade and tariff negotiations which will be coming up soon, it is well to remember that in order to sell we must be prepared to buy. This applies particularly to our trade with Great Britain and other Commonwealth countries.

It may be of interest if I read from an editorial which appeared in the Ottawa *Journal* of January 13 last:

> In the first 11 months of 1963, the Canadian deficit in trade with the United States was $500,900,000 but this was almost entirely covered by a surplus of $485,700,000 in trade with Britain.

A little further on the editorial continues:

> The point is being reached when Britain can talk to Canada as forcefully as Canada talks to the United States about trade being a two-way street.

While the general economic situation has improved very substantially, we are still faced with that old enemy of ours—unemployment, in various parts of the country.

In the Ottawa *Journal* of February 20 last appears the following headline:

> Government now views unemployment as a regional problem and not a national problem.

This approach is unrealistic. If our economy is to remain strong we must be able to maintain a high level of employment all year round in all parts of Canada. It is not enough to say that more Canadians are working today than at any other time in our history. Certainly that is true, because more Canadians are coming into the labour market, both from the ranks of our younger people and also through immigration. Jobs must be provided for this increased number of people. I repeat, it is not enough just to say that more persons are employed than at any other time in our history. The fact remains that large numbers of Canadians from various parts of Canada are still unemployed. The latest reports show that in the Atlantic provinces 12.6 per cent of the work force is unemployed; in Quebec 9.1; in Ontario and the Prairie Provinces, the average is under 5 per cent.

Honourable senators, this brings me to a report which was submitted at the last Parliament, and should be before Parliament this session. It is known as the Gill Report. I think there was general disappointment that the Gill Report was not mentioned in the Speech from the Throne. We know what the state of the unemployment insurance fund has been. People were looking for some action and hoping for some implementation of the recommendations made by that report. Some of the members of the present Government had a great deal to say about this report when the previous Government was in office. There is no objection to that; that is their right and privilege; and criticism has gone the other way, as we know. However, now they are strangely silent, but we do hope that the situation will be corrected.

I would like to read a few reported remarks of one of the commissioners:

> According to C. A. L. Murchison, commissioner of the unemployment commission, the unemployment insurance fund would benefit to the tune of about $125 million a year if six major Gill committee recommendations were implemented.

The question we ask ourselves is why the Government is not taking this under consideration and implementing these recommendations. They may or may not be practical; I do not know.

Another report which I understand is going to receive consideration is the MacPherson Report. I will have more to say about this when it comes before us. I know there will be legislation implementing it. I am not speaking for the Maritime provinces particularly, but in those provinces we are possibly more concerned about transportation than any other part of Canada. Transportation is the lifeblood of the Atlantic provinces, and if we are not given what we think is fair treatment regarding transportation it is practically impossible for us to introduce new industries or maintain those we are already operating.

Speaking of another report—and we seem to have many important reports and commissions to deal with—I wish to refer to the O'Leary Report. Its distinguished author is now a member of this house. I will say nothing about it now but, like all honourable senators, will wait until the legislation is before the house. I know it will be a treat for us to hear from our distinguished colleague at that time.

Some Hon. Senators: Hear, hear.

Hon. Mr. Brooks: The Speech from the Throne dealt quite extensively with the fisheries situation. We were happy to note the Throne Speech made mention of the Government's intention to undertake a national fisheries development program in conjunction with the various provinces. This arose out of the conference which was held with the ten provinces in Ottawa on January 24 of this year. Included in this was the Government's intention to proceed with the extension of Canada's territorial waters from three to twelve miles for the purpose of fishing, using the principle of straight base line from headland to headland. The honourable Senator Cook from Newfoundland mentioned this yesterday. It is not a new subject; it has been discussed a good many times. In 1960 the former Government was almost successful in having it effectively considered at the Geneva Conference in Europe.

The fishing situation is becoming more serious. Russian trawlers are robbing our fishermen of their rights, not only in Newfoundland but in other provinces, including, I assume, British Columbia.

We were interested in a statement released by the Minister of Fisheries on January 24 following the fisheries conference referred to in the Speech from the Throne. Since new fisheries development policy is to be based on the conference, indications of what the Government has in mind are to be found on page 2 of the report. I quote:

> Such a program will include measures to expand the available resource, measures to improve techniques of catching and processing and facilitate their adoption, measures to diversify products and improve quality, measures to expand markets and reduce price uncertainty—in short, measures to bring about greater productivity and efficiency in all phases

of the fishing industry. The program must also take account of the increasingly important sport fishery.

I believe it is found that Canada is lagging behind many other countries in her fisheries development. When we read of these great floating factories which countries like Russia and Japan have, where they process the fish from the time they take it out of the water until they put it in tin cans and sell it in different parts of the world, we realize just how far we have to go to catch up to them.

Honourable senators, I was going to say something about federal-provincial relations, but I will leave that for another time.

We are glad to see that the Canada Pension Plan is still around, and that the Government has signified its intention to proceed with it shortly, this in spite of the doubts that have been raised by the Government of Ontario. We believe the Canada Pension Plan was conceived with great haste. It first appeared on form of a resolution in July, 1963, just a few months after the present Government took office. Since then Quebec has indicated that it is going ahead with its own plan and will not be participating, as it feels the federal plan is an intrusion into provincial rights.

The Government of Ontario has expressed misgivings. The Premier of Ontario, in a letter to Prime Minister Pearson, as reported in the *Globe and Mail* of February 15 last, said:

> While appreciating the willingness of the Government of Canada to entertain changes, the Government of Ontario regrets that they fall short of what we had hoped. While changes have been made they are little in accord with the representations that we have made.

Ontario has its own scheme, which is based on existing private plans. The Government of Ontario is concerned that the federal plan will upset existing pension plans in Ontario and, of course, in the rest of Canada. The Government of Ontario is also concerned with the magnitude of the reserve fund to be built up, estimated to be $2.5 billion. Since Quebec would not be participating, most of this fund would come from the people of Ontario. Premier Robarts maintains that the provinces should have 90 per cent of the reserve fund available for their own investment purposes, leaving 10 per cent for the federal Government. Of course, this is a very small amount.

It now seems that the plan will have to undergo still further changes if it is to be acceptable to the Government of Ontario. Such a plan is not possible without Ontario's participation. May I say that we in the other provinces outside Ontario and Quebec are anxious that a satisfactory plan be implemented as soon as possible.

I would like now to say just a few words on foreign affairs. We were interested in the recent visit of the Prime Minister of the United Kingdom and his Foreign Secretary to this country. Sir Alec Douglas-Home, on his first official visit to Canada, came at a time when his Government had been called upon to try to keep the peace in Cyprus and East Africa, not to mention Malaysia. It is apparent that Canada is being thought of to participate in a peace-keeping force for Cyprus—that is, if any agreement can be reached, and President Makarios of Cyprus seems to be a very hard man with whom to negotiate and from whom to obtain agreement.

Conditions for the dispatching of such a force from Canada were outlined by the Prime Minister a few days ago. He made it clear that any Canadian force would only serve under the United Nations, and for a limited period. Canada has been called upon by the United Nations on other occasions, and each time, as we all know, has met such requests in an able manner. We have sent our troops to the Congo, the Gaza Strip, the Far East and other parts of the world.

Speaking of the general situation, I do not think there is the same worry in the world today over nuclear war that there was perhaps a year ago. The United States and Russia seem to be getting closer together as far as the reduction of arms is concerned. They both claim to have a sufficient deterrent in the case of nuclear war to blow the other off the face of the earth, indeed to destroy the entire earth, so there is not much point in worrying too much over that situation. But the small bush wars in the African countries and in other parts of the world are the ones which are claiming most of our attention.

At this time when we hear so much talk of separatism we are pleased to know that Her Gracious Majesty the Queen, on the invitation of the Government of Canada, will visit us during the coming year. She will be visiting Charlottetown and Quebec City to participate in ceremonies marking the 100th anniversary of the historic conferences held in these cities and which led to Confederation.

As a Maritimer I am proud of the part the Maritime provinces played in Confederation. I am sure Her Majesty will receive a tremendous reception in Charlottetown, just as I am sure she will also receive a wonderful welcome in the old City of Quebec.

We should be particularly happy that Her Majesty should visit us at this time for, whatever our differences may be, the bonds that unite all Canadians are, in my opinion,

much greater than any differences we may have. These bonds are symbolized and embodied in the Crown, the Crown not as a symbol of a foreign state, but symbolizing, as it does, the sovereignty of our country.

I should like to read a quotation from Sir Wilfrid Laurier. In 1908, speaking along these lines, he said:

> As I advance in years I appreciate more the wisdom of that British Constitution under which I was born and brought up, and under which I have grown old, which has given to the various portions of the Empire their separate free governments. It is our proud boast that Canada is the freest country in the world. It is our boast that in this country liberty of all kinds, civil and religious liberty, flourishes to the highest degree. To those who look only on the surface of things this may not be apparent. The inferiority which may be implied in the word "colony" no longer exists. We acknowledge the authority of the British Crown, but no other authority.

I might say that there is, in fact, no empire, but a commonwealth of free and independent states. Sir Robert Borden made clear the status of Canada many years ago.

To my mind, one of the highlights of the last session of Parliament was the debate which took place in the Senate on Bill C-107, "An Act to amend the National Centennial Act," which can be found in Senate *Hansard* of December 18, 1963. The purpose of the bill was not in itself important, in that it dealt merely in semantics, but the underlying reasons behind the bill were of tremendous importance. To honourable senators who were not here at that time I would commend all of the speeches made in that debate, but particularly those of Senator Blois, Senator Grattan O'Leary, Senator Vaillancourt, and my good friend Senator Gouin. These were speeches made in the best traditions of Macdonald, Cartier and Laurier. To many it is regrettable that this debate was not more widely reported by the press. These men spoke of their pride of heritage, of their faith in Canada and its future, of the things that unite us and make us what we are.

Not long ago I was reading Senate *Hansard* of 1926, and I came across the speech of the great Leader of the Senate for many years, Senator Dandurand. Speaking of the difficulties and misunderstandings existing at that time, he had this to say:

> I think we are right in never losing our courage, or giving way to pessimism. Canada is a big country, rich in resources, with a hard-working population, as shown by its production in the field, the mines, the forests, the fisheries and in industry. I believe we have the admiration of the outside world, and yet we pass our time criticising each other and asking ourselves if there will be brighter days for Canada. I would point out that we have succeeded much faster than most countries of the world in re-establishing confidence in Canada, and with the help of Providence, good crops continuing, and the strong will of our people to go forward, our future is assured.

That was in 1926. We realize there will still be difficulties, and apropos of this I read a very apt statement some days ago which said no matter what we try to do, we cannot make an Englishman of a Frenchman, and we cannot make a Frenchman of an Englishman, but we can make good Canadians of both, and there are millions of them in Canada today. It also said that so far as the other ethnic groups are concerned, we cannot change their ethnic group except to make good Canadians of them.

I am satisfied that by all working together, Canada will be a great and prosperous country when we hold our Centennial celebrations in 1967, and if we continue working together Canada will be great and prosperous for many years to come.

(Translation):

Hon. John J. Connolly: Honourable senators, I am sure that I speak for all of you when I say how happy we were to see Her Majesty's distinguished representative in Canada, the gallant General Vanier, preside once more with such dignity at the opening of Parliament.

We all deplored the absence of his gracious wife, Her Excellency Mrs. Vanier, who is recovering from a recent operation. We wish her a complete and early recovery.

(Text):

At the outset, Mr. Speaker, I should like to welcome all honourable senators to this new session of Parliament, and to say to each of them how much the good wishes and good will shown by them has fortified their untried leader as he assumes his new duties, and I ask you all to continue to help me in my onerous task with your advice and your co-operation.

I too join with the Leader of the Opposition (Hon. Mr. Brooks) in welcoming the new additions to our assembly.

(Translation):

Senator Denis has been a member of the Canadian Parliament for almost 30 years. He comes from the great city of Montreal. He speaks the language of our first discoverers and pioneers. He comes to us with a vast experience and we will know how to put it to good use.

(Text):

Two of our new colleagues already have had distinguished careers in the great profession of the law. The practice which Senator Cook conducted in St. John's has given him a deep understanding of the commercial and social problems of Newfoundland.

Senator Lang, like his distinguished father, is a member of the Upper Canada Law Society, and his firm and partners are well known in Parliament and are highly regarded in many parts of this country. He is, indeed, richly endowed to enhance that fine tradition here.

Senator Rattenbury comes to us from the dynamic Province of New Brunswick. There he has combined in close association the experience of business and the public life of his own community. Here he will join and fortify the distinguished group of New Brunswick senators who contribute so much to the work of this chamber. I thank Senator Cook and Senator Denis for their fine contributions to this debate. Their speeches are an indication of the effective parts they can play in our work here.

I am sure that honourable senators will allow me the privilege of saying that I am deeply conscious of the honour the Prime Minister of Canada, the Right Honourable L. B. Pearson, has paid me in appointing me to be the Leader of the Government in this honourable house. We have had a good number of years of close association in important aspects of the public life of Canada. It is gratifying to be asked to continue that valued association in the cabinet of Canada.

As the Leader of the Opposition has pointed out, the vicissitudes of politics are a mirror of life itself, and this change to which I have alluded has bleak aspects, because in this case the Senate, Parliament and the country are to lose the distinguished services, as leader, of a great Canadian, through the resignation of the Honourable W. Ross Macdonald. His career at the bar of Ontario, his outstanding military record, his long years in Parliament, his speakership in the House of Commons, his leadership in the Senate, both in Government and in Opposition, and his work in other fields of public endeavour —and they have been many—have put Canadians everywhere in his debt. Senator Macdonald's opportunities for public service have been matched only by the excellence and the devotion of his performance. Throughout his career he was encouraged and supported by a great lady whose memory we here shall always revere. Senator Macdonald will always enjoy the affection and esteem of all senators, and the Senate hopes it will long have the benefit of his advice.

If I am permitted another personal reference, I should like to thank him deeply for the opportunities he gave me to share in the work of the Senate, and for the patience he showed as he trained me for it. It has been one of the rewarding experiences in my membership in this honourable house.

Honourable senators, the satisfaction in the country which greeted the addition of the name of the Honourable George White to the rostrum of the Privy Council of Canada, as the Leader of the Opposition has said, is shared by every member of this house. We remember with gratitude his work as Speaker, and with affection all that he and Mrs. White meant to us in those days. Her Majesty has a fine new adviser and the Senate looks forward to many years of solid counselling from him.

But, of course, we are generously endowed with experience in the leadership of this chamber. In addition to Senator Macdonald we have the senator from Shelburne, the Honourable Wishart Robertson, the senator from Rosetown, the Honourable Walter Aseltine, and the senator from Royal, the Leader of the Opposition. This is a formidable array of successful leaders, and I pay my sincere tribute to what they have meant and will continue to mean to this institution. The Leader of the Opposition always has a most constructive approach to our common problems. This has grown out of a distinguished parliamentary and ministerial career, as well as gallant service in the nation's armed forces. He is a commanding figure in this house. We all feel safer and surer because he is here.

I endorse, of course, as we all do, what he said this afternoon about the importance of stable government, and of stable government responsibly undertaken in this country. His mentioning that perhaps the winds of change are blowing prompts me to say to him that I have not noticed the draught particularly. Perhaps I am living in a very sheltered kind of atmosphere. I will say to him that I thought I used to notice it when I was on the other side, but I could never be sure whether the wish was father to the thought or not.

Hon. Mr. Brooks: It is a little more noticeable over here.

Hon. Mr. Connolly (Ottawa West): That is what we found.

I think it appropriate, honourable senators, as I embark upon my new duties, to say a few things about the Senate. The constitution and functions of a second chamber within free assemblies have engaged the attention of political scientists and of practising politicians since the dawn of democracy. Of this John Morley said:

> There is no branch of political industry that men approach with hearts so light and yet that leaves them in the end so dubious and melancholic as the concoction of a second chamber.

In varying forms, second chambers are provided in the constitutions of the great democracies of the west. They are found in the United Kingdom, the United States, France, Italy, Belgium, Ireland and other countries. With the exception of New Zealand, they are found in the larger Commonwealth countries, and New Zealand is considering the re-establishment of a second chamber. There are some unitary states like Israel, Luxembourg and Turkey which dispense with them.

When our federal establishment was founded nearly a century ago the British pattern was followed with modifications suitable to the Canadian requirement. I would think too, from a reading of the *Confederation Debates,* that what John Stuart Mill once said was in the minds of our political forefathers. Mill said:

> Bicameralism has been regarded as a sort of touchstone which distinguishes the partisans of limited democracy from those of uncontrolled democracy.

Although it is largely unaltered in its constitution since 1867, the Senate, I think it fair to say, has performed most of the functions intended for it. Certainly it has been a chamber to devise and improve legislation. The Criminal Code, the Income Tax Act, the Bankruptcy Act and other such measures are outstanding examples of accomplishments in this field. The Senate committees have reworked legislation with a thoroughness not always possible in the other place. The Senate has provided a forum for the study of important public questions—a forum not otherwise available in Parliament, and, perhaps, not otherwise available in the country. It has conducted studies on manpower and employment, on drug addiction and on land use. It is now studying the problem of aging. These and many similar undertakings have proved to be a credit to its committees and a value to the country.

In addition, our Senate house procedures have allowed for debates on important national and international problems, and over the years there have been many fruitful debates inaugurated in this way. As one reads the *Hansards* of this house it seems clear that the Senate's best work has been done in an atmosphere devoid of partisan considerations. The Leader of the Opposition has pointed out that a very small percentage of our work has significant political overtones. I think it is useful to recall what the late Senator Haig, the father of the present Senator Haig, once said in a speech at London, Ontario:

> My experience has taught me that at first, when a new member comes into the Senate, his political leanings are very marked. But as time goes on he realizes that his duty as a senator is so important that he should forget his politics and put his country first.

In 1922 when Senator Dandurand became Leader of the Government here he put the issue on a higher plane still. He said this:

> For my part, from the moment I entered this Chamber, I felt reluctant to call the leader who sat opposite the Government representative the "Leader of the Opposition". That term was somewhat repugnant to me because it implied a systematic official Opposition, and I did not see the role of the Senate in that light. It seemed, according to the dictum of the founders of Confederation, that the function of the Upper House was to tender sympathetic advice to the Government, and to postpone or oppose or modify the measures of the Government according to its own good judgment without any party bias.... In assuming the direction of the legislation in this Chamber, I disliked the idea of crossing the floor, having been last Session at your left, Mr. Speaker, and now coming to sit at your right.

Senator Dandurand's whole speech on that occasion deserves the careful study of every honourable senator. The objectives he sets are noble, and even though at times the Senate may fall a little short of realizing them, we must try again and again to do so.

The fact, of course, is that the parliamentary system works best when there is a government party to propose, and an opposition to criticize. On the walls of the chamber of the Speaker of this house there is enshrined a maxim from Horace reading *Sapere aude*—"Dare to be prudent". I would venture the view that at this time in this country an impressive display of reasonable restraint in debate here would find a warm response in Canadian public opinion.

It is not my purpose to labour this issue, but it is useful, I think, to refer often to what is generally considered the classic statement on the role of second chambers. This statement was done in England in 1918 by a royal commission presided over by Viscount Bryce. The four main functions of second chambers as described by Viscount Bryce can be summarized in this way:

1. The revision of bills passed by the Commons;

2. The initiation and examination of non-contentious legislation;

3. The interposition of such delay as may be needed to secure an adequate expression of popular opinion on contentious bills;

4. Full and free discussion at any time on matters of public policy.

I have taken much time upon matters of special concern to this honourable house because here we are faced with a new set of circumstances. For years many of our colleagues have been engaged in the increasingly onerous work of the Divorce Committee under the leadership of the learned senator from Toronto-Trinity (Hon. Mr. Roebuck). With the appointment of a Commissioner to hear the evidence in divorce, the exhaustive burden of that work has been lifted from the shoulders of honourable senators. In passing, may I again praise the devotion which the chairman and committee members have brought to their task in the interests of the country and to the credit of the Senate through the years.

As a result of all this, we now have the opportunity to review and reactivate the work of many of our Standing Committees. If I may say so, we might with profit, and making adaptions appropriate to Canadian conditions, consider the procedure and some of the work done by committees of the Senate of the United States.

Our Committee on Banking and Commerce, under the distinguished chairmanship of the learned senator from Toronto (Hon. Mr. Hayden), and our Committee on Transport and Communications, sitting under his equally learned and distinguished colleague from Inkerman (Hon. Mr. Hugessen), have been great committees. They have brought lustre to the Senate and to Parliament. Our Committee on Finance, under several outstanding chairmen, and perhaps especially under the venerated senator from Churchill (Hon. Mr. Crerar), have performed with great distinction on many occasions. The demands of time and availability of honourable senators have made it difficult for other committees to do all they would have liked.

Let me illustrate. There is an ever-increasing capacity among our colleagues here in the field of international affairs. Honourable senators have been serving at the United Nations, on delegations to meetings of NATO Parliamentarians, Commonwealth Parliamentarians and other international parliamentary groups. Their reports to the Senate on this work are both informative and impressive. I believe our Standing Committee on External Relations can provide a useful forum to pursue this vital work. The Secretary of State for External Affairs has informed me he would be delighted to assist this purpose by addressing the committee on occasion. I would like to think that distinguished Canadian experts from outside Parliament in the field of foreign affairs could be invited to appear before the committee and to provide information which would be of value to Parliament and the country.

In the Public Service of Canada, and in the Crown companies, there are men and women who have reputations both national and international. There are distinguished Canadians in many other walks of life who could make a public contribution to projects which I feel certain our Senate committees could initiate. We have 19 standing committees. The Public Health and Welfare Committee can initiate studies in that field. There is always a great interest in the field of trade relations. With the advent of the centenary of Confederation and with the prospect of a World's Fair opening in Canada shortly, it seems to me that our committee on the tourist industry might perform a most useful function by a study in respect of these events. The Natural Resources Committee, with the co-operation of the appropriate department, could engage in productive study. I hope we can mobilize to exploit our opportunities in these various fields. I would encourage committee chairmen when they are appointed to consider initiatives along these lines.

Now if I point to the work of the committees of the Senate of the United States as possible guides in one direction, may I say also we can help ourselves in the work of the chamber itself by looking in another direction. We would do well to know much about the doings and methods of the House of Lords. That body may be low in the scale of power since the Parliament Acts of 1918 and 1948, but it is high in prestige. Indeed, one may be the result of the other. I believe, however, it approaches closely the important role described for second chambers by Viscount Bryce. We have done as well here at times. We can continue along these lines and with profit learn from them.

In his speech in 1922, Senator Dandurand questioned the wisdom of the Leader of the Government party in the Senate, and indeed of any senator, being a member of the cabinet. There is something to be said for that view; and at times it has been said in this chamber. In the meantime, however, we must recognize that conditions in Parliament have changed since 1922. The industrialization of the country, the advent of the age of automation, indeed, too, the development of the welfare state, have been powerful forces to influence the lives of our people. Modern legislation dealing with these problems reaches more and more into areas which were thought to

be sacrosanct from such influences. But it is important to remember that Canada is a new country.

It is only a few generations removed from the frontier. It is a land where enterprise and initiative should be encouraged. The phrase "the free enterprise system" may mean too much, but the encouragement of initiative consistent with the public welfare must be an important goal for Government and for Parliament. It is important, I think, for both legislative branches of Parliament to contain people who are in touch with Government policy and trends in legislation in these important aspects of our national life to which I have just alluded.

In the Senate we have had leaders of the Government who were of the ministry. We have also had leaders of the Government who were not. We have had periods in which there was no member of the Government in this chamber. In the House of Lords there is a much wider contact with the Government through ministers of state, under-secretaries, and, indeed, ministers with portfolios at times. I think it is to the advantage of that chamber that this is so; but it may be too much to claim that as much Government representation even proportionately is required here. I think, however, it is helpful for the Senate to have at least one minister.

But there is also another aspect. A senator who is sworn of the Privy Council is bound by the principle of cabinet solidarity. As such, he shares responsibility for Government decisions and Government policy, and he must defend both as required; but he is also a senator with all the attributes and all the independence which his status implies. To reconcile the two, to strike a reasonable balance without impaling himself on either horn of the dilemma, if there is one, requires the exercise of judgment. I ask for the help of all honourable senators as I undertake this exercise.

Of special concern to this honourable house, of course, is the proposal in the Speech from the Throne to provide for a retiring age for members of the Senate. This is not the time to discuss details of substance or of procedure. Perhaps it would be helpful, however, if I were to indicate some aspects of the plan. It is thought that newly-appointed senators should retire, as judges do, upon attaining their seventy-fifth birthday, and that upon retirement they should receive a pension to which they would contribute. This pension will probably be comparable in amount to the pension available to a retired member of the House of Commons. For senators appointed for life, there will be an option to retire on or after their seventy-fifth birthday, with an appropriate pension.

It is not my intention to discuss in detail now the work of the session forecast in the Speech from the Throne. Honourable senators who participate in this debate will, no doubt, as the Leader of the Opposition indicated, cover much of that ground. I hope the debate will move along steadily to a conclusion within the next few weeks. I hope also that many honourable senators will take part in it.

In addition, as each bill reaches us, we will have a general discussion on second reading. Again, at the committee stage I know that each bill will be subjected to the close scrutiny of both principle and of draftsmanship, for which our committees are noted. As I have already stated, the forum we provide here is unique. It is the safety valve of the Parliamentary system—and the work is performed at its best in an objective and detached way.

I should tell the house that as of the opening day of this session, nearly a dozen private bills were ready for presentation. With a view to the efficient use of parliamentary time, the Senate will also initiate a considerable number of public bills. Those with financial implications cannot, of course, start here, and there are other measures without financial implications but which are more appropriate for introduction in the other place. The public bills we introduce and those which will come to us from the House of Commons will provide a very full program for the session.

In addition, some of our committees I hope will be engaged upon the special study to which I have already alluded. All in all, this session should be an interesting and a busy one. But when our work is up to date, I think, following the traditional practice of the Senate, we should adjourn if the schedule in the other branch of Parliament falls behind; but the emphasis will be upon the efficient dispatch of the business before us, and not upon adjournments.

Hon. Mr. Hnatyshyn: Hear, hear.

Hon. Mr. Connolly (Ottawa West): The Speech from the Throne is traditionally an instrument to outline the general policy of the Government and to set up an immediate work plan for a new session of Parliament. This Speech contemplates in the international field a Canadian policy to promote peace through the most effective agencies organized by the nations of the world for that purpose. We will continue to do our utmost to assist the prevention of the outbreak of war and to provide personnel and facilities to strengthen the deterrents.

The Speech reaffirms the proposition that the defence policy of Canada should be geared to the strategic requirements of the NATO

alliance. NATO has been the shield of the West. It assured the integrity of the West when its survival was imperilled. NATO continues to play that vital role. And peace and its preservation is its purpose—not imperial ambition, not the fomenting of political and social unrest. The strength of the West—its capacity for good in the world—is overwhelming, if the western nations act in concert; but divided, it is weak and its parts become pawns in the hands of the doctrinaire revolutionary. That is why Canada is ready to take her place with her western allies and devote so much of her substance to this great purpose. The West, however, must also be strong economically. For this reason, as the Leader of the Opposition well said, the Kennedy round of tariff negotiations to be held in Geneva this year is of very great importance.

Hon. Mr. Roebuck: Hear, hear.

Hon. Mr. Connolly (Ottawa West): The late great President of our southern neighbour saw this clearly. He had before him, as we have, the example of the transformation of Europe in an economic way from weakness to strength. This was accomplished mainly through the operation of the principles of the Treaty of Rome, and the basis for this instrument originated in the leadership which came from the Marshall Plan. We hope these negotiations will succeed. We hope the barriers to freer trade will be weakened. We hope that the newer, underprivileged countries will have a practical and progressive share in this development. We hope that good will and a determination to succeed will prevail in these difficult negotiations. We hope that Canada can give support and leadership to this great purpose. Canadians believe in these objectives, and Canadians are aware, too, as the leader opposite has said, that their own economic strength and growth are direct factors of the volume of their international trade. Canada's economy becomes stronger, the economies of the West become stronger, as the trading lanes become freer.

Honourable senators, if I may venture another Latin quotation—

Hon. Mr. Choquette: Translate it, though.

Hon. Mr. Connolly (Ottawa West): I will. I did before, but perhaps you did not understand the translation. This one I am sure my honourable friend will understand and recognize, because he heard it from the lips of the same professor of philosophy as I had:

Video Meliora, proboque; deteriora sequor—I see the heights ahead but my feet are in the mire.

This aphorism is so tragically true. Our idealism for co-operation in world affairs often gets bogged down—often for reasons which are only excuses. But we must with patience, with infinite patience, pick ourselves up again and again and go on. And the mote in our own eye should not distort our assessment of our own position. At home, all is not sweetness and light. Like so many other countries, new and old, we too have our share of social, political and economic unrest. Sometimes our democratic institutions—free speech, free assembly, and a free press—allow an extreme position to be over-emphasized. That is part of democracy. But so, too, is the good sense of so many of our people who dare to be as prudent as senators have been enjoined to be.

Our political forefathers dared as much almost a century ago, and under great stress they fashioned for us not a unitary state but a confederation. They gave us a federal establishment, now with ten members. Each has social, political, economic and cultural conditions peculiar to itself. The common bond of unity under the Crown still prevails. A stronger Canadianism has been forged through years of war and peace, through years of depression and prosperity. A mutual interdependence has emerged and this has added to the strength and the character of the national fabric.

But conditions now are not what they were in 1867. Today the fiscal responsibilities of provincial governments for education, for roads, for social services and for many other matters are enormous. In the federal field almost a quarter of our spending is to safeguard Canada's vital position in a contracting, interdependent world. Federal expenditures on social services are great and growing, and the new demands continue.

I believe the problems affecting provincial jurisdiction and responsibility can be solved without weakening the vital authority of the federal Government. I believe that in the face of these problems reason, good judgment and co-operation will prevail. Call it what you will—call it co-operative federalism, call it provincial-federal or federal-provincial amity—but, honourable senators, let us do it in the interests of national unity, and not only for the survival of the parts but for the progressive well-being of the whole.

Hon. Senators: Hear, hear.

Hon. Mr. Connolly (Ottawa West): I abhor cliches, so do we all, but we must occasionally remind ourselves that with the kind of people we have and with the great resources with which Providence has endowed us, we in Canada are singularly fortunate on our part of this tremendous continent.

How wealthy, too, are we in our cultural heritage. The tongues of the Saxon and of the Norman are officially recognized—and,

what is more important, freely used. They influence our institutions profoundly. They affect the developing genius of our people, especially our young people. And each element shall continue to develop its own ideals and achieve its own aspirations alongside the other. To this original establishment has been added, from Europe especially but in increasing numbers from many other countries of the world, other peoples with other tongues, with other national and ethnic traditions, all of them born of centuries of sophisticated cultural development.

(Translation):

Honourable senators, I sincerely believe that the cultural heritage of the citizens of Canada is of great value. Allow me to add that my own experience as a lawyer strengthens that conclusion.

I have been a member of the Bar of the province of Ontario for 30 years. Nevertheless, in the first place, I am a member of the Bar of the province of Quebec. I will always be proud of the fact that I read civil law in French at the University of Montreal. Consequently, I have a deeper appreciation of Quebec, its people, its institutions and its aspirations. I have many friends among the French Canadians.

When I became a member of the Bar in Ontario, I found that the intellectual wealth of civil law and common law was one of our wonderful national resources. I would like to believe that a great number of our young compatriots—of our students—French and English, could benefit throughout their lives from such a training, not only in the study of law but also of science and the humanities.

(Text):

Honourable senators, in McGee's time our people spoke the language of Shakespeare and Bossuet. Now in our cities, as a commonplace, we hear the tongues of Goethe, Dante, Shevchenko, Patoki, Bialik, van der Vondel, Ibsen, Stiernhielm, Halberg, Sturluson and many others. What a boon to a new country these are! What an earnest they can be for our future stability! People we have always needed and we shall continue to need. Space and resources and opportunity we have. Let us together, then, dare to be prudent as we plan and manage a promising present for a beckoning future.

On motion of Honourable Mr. Willis, debate adjourned.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, February 27, 1964

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

Prayers.

DOCUMENT TABLED

Hon. John J. Connolly tabled:

Capital Budget of Central Mortgage and Housing Corporation for the year ending December 31, 1964, pursuant to section 80(2) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French texts).

HON. ARTHUR W. ROEBUCK

BIRTHDAY FELICITATIONS

Hon. John J. Connolly: Honourable senators, I desire to draw the attention of the Senate to a special anniversary. We should not do this on every occasion, and perhaps for some of us it might be embarrassing, but on this occasion I think it is well worth doing.

I would like to draw the attention of the Senate to the fact that tomorrow one of our esteemed members, the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck), will observe his 86th birthday.

I am sure I express the good wishes of all senators present for the success of this memorable anniversary, and perhaps I can even say that a good many of us look upon him with a green eye as he approaches this very significant day.

Hon. A. J. Brooks: Honourable senators, although the Leader of the Government (Hon. Mr. Connolly, Ottawa West) has spoken for all of us, I would like to add my own personal congratulations. Of course, 86 years is a long time, and few of us really expect to reach that age.

Senator Roebuck neither looks nor acts 86. While he is not given to boasting, a year ago I asked him how his golf game was and he said that he played his age for 18 holes. So, if at 85 years he played his age for 18 holes, he is a wonder. I am happy indeed to offer to him my congratulations.

Hon. Arthur W. Roebuck: I feel I should address you as friends, rather than as honourable senators. Your words have touched me very deeply. One of the happy circumstances we enjoy here is the friendship, the comradeship and the mutual sympathy that we senators have for one another. I am delighted with the kind remarks that you have made. I thank you, and I am hoping to be with you for a good many more years to come.

Hon. Senators: Hear, hear.

Hon. Mr. Roebuck: If I may, I should like to say that the other day, as I was being measured for a suit of clothes, I told the tailor to make it loose in case I might expand. He looked at my measurements of six years ago and said there was nothing in that argument at all, that the measurements were just the same. However, I said to him, "Don't forget this—I am a young fellow and I may grow."

PRIVATE BILL

BANK OF WESTERN CANADA—FIRST READING

Hon. T. D'Arcy Leonard presented Bill S-6, to incorporate Bank of Western Canada.

Bill read first time.

Hon. Mr. Leonard moved that the bill be placed on the Orders of the Day for second reading on Tuesday next.

Motion agreed to.

STANDING COMMITTEES

REPORT OF COMMITTEE OF SELECTION

Hon. Arthur L. Beaubien presented the first report of the Committee of Selection.

He said: Honourable senators, the Committee of Selection appointed to nominate senators to serve on the several standing committees for the present session have the honour to report herewith the following list of senators selected by them to serve on each of the following standing committees. It is a lengthy report, and it will be printed in the *Minutes of the Proceedings.*

The Clerk Assistant (reading):

The Committee of Selection, appointed to nominate senators to serve on the several standing committees—

Some Hon. Senators: Dispense.

For text of report see Appendix to today's Hansard, *pp. 43-44.*

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

Hon. Mr. Beaubien (Provencher): Honourable senators, I move that the report be considered on Tuesday next.

Motion agreed to.

ADJOURNMENT

Hon. John J. Connolly: Honourable senators, with leave of the Senate, I move that when the Senate adjourns today it do stand adjourned until Tuesday next, March 3, 1964, at 8 o'clock in the evening.

Motion agreed to.

DIVORCE

REPORT OF COMMITTEE ADOPTED

Leave having been given to proceed with Order No. 2:

The Senate proceeded to consideration of the first report of the Standing Committee on Divorce.

Hon. Arthur W. Roebuck: Honourable senators, I understand my granddaughters have been to the five and ten cent store in preparation for tomorrow, and so I am going to have to leave fairly early for an important engagement.

I move, seconded by Senator Hollett, that this report be adopted.

Report adopted.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

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

Hon. Harry A. Willis: Honourable senators, if I may I would ask permission to take some parts of my speech out of context. The 4.40 train for Toronto senators leaves at 4.40, and since I have a special reference to make to at least two of them I should like to do so now. I may say that the Government Leader of the Senate (Hon. Mr. Connolly, Ottawa West) and the Opposition Leader (Hon. Mr. Brooks) have stolen some of my thunder, because I wanted to speak about Senator Roebuck first.

Honourable senators, Arthur Wentworth Roebuck was born on February 28, 1878, and I have figured out that if he had been born on February 29 of that year he would have his nineteenth birthday tomorrow, and I must say that he looks 19 years old.

My first encounter with Senator Roebuck was when I was a student of law at City Hall in Toronto, and he was defending an eminent physician on a charge of abortion. I had never heard such an eloquent and learned plea as he made at that time. I was impressed by him then as I always have been since, although we differed in politics. He was born in Hamilton and lived for a time in Arthur, which is not far from my own home in Belfountain. I followed his career with the utmost interest and, quite apart from politics or anything else, he was the best attorney-general Ontario ever had. Furthermore he was a man of principle; he resigned from a Liberal cabinet in Ontario because of principle, and I give him credit for that.

Senator Roebuck then went on to fight in a federal riding for the Liberal party, and eventually he was called to this house where, as Chairman of the Divorce Committee, he has done tremendous service to Canada, and I, being also from the Toronto area, want to pay tribute to him today. I am glad to hear that his grandchildren are going to meet him tonight for his birthday tomorrow.

The other senator I want to mention is Senator William Taylor. In looking through the Speech from the Throne I could not find anything about tobacco because having regard to our present Minister of National Health and Welfare and her ideas about smoking, I really feel sorry for him. I note that Senator Taylor is the senator from Norfolk County. In the next redistribution there is not going to be a Norfolk, because that is the tobacco-growing area of Ontario, and if the present Minister of National Health and Welfare has her way that industry will disappear. Senator Taylor, you will have to adopt a new constituency. I feel sorry for you, but, on the other hand, I feel more sorry for the Minister of National Health and Welfare.

Now, honourable senators, I come to my original text. I want to pay tribute to you, Mr. Speaker, and say how glad and how fortunate we are to be back under your guidance and direction in this new session. You and your charming wife, as exemplified last evening, are a charming host and hostess of the Senate. We pay tribute to you, sir.

My next reference is to the honourable senator from Hastings-Frontenac, the Honourable George S. White, P.C. I was very pleased to read during the recess that the Prime Minister had named Senator White a member of Her Majesty's Privy Council. During the speeches of yesterday I wondered what was going to be said about Senator White's counselling Her Majesty. I knew, of course, that he was not an obstetrician. I am glad he is a member of the Privy Council. When I was introduced to the Senate almost two years ago no one could have been more generous and kinder to me than the then Speaker, the honourable Senator White. I pay tribute to him and his charming wife for the duties they performed for so short a time. However, honourable senators, he may be back there again in the not-too-distant future. Eight votes is all that is needed. It is encouraging.

Hon. Mr. Connolly (Ottawa West): It is still draughty!

Hon. Mr. Willis: I have more hair than has the honourable Leader of the Government.

I wish to refer now to the mover and seconder of the motion. I was not present on Tuesday evening because I had to attend a funeral in Toronto. When Senator Denis first came into the chamber I looked for that blue book containing the Post Office patronage list under his arm, but I did not see him carrying it. I wonder what he did with it. In any event, he made a very good political speech in seconding the motion for an address in reply to the Speech from the Throne.

I met Senator Cook for the first time last night. I understand he is a well-known barrister in St. John's, Newfoundland. I congratulate him upon his appointment to the Senate, and upon his being chosen to move the motion before the house.

I want to mention also Senator Rattenbury. He comes from New Brunswick, the province from which my leader comes, and I understand he has had an outstanding business career.

I should make a special reference to the new senator from Toronto, Senator Daniel Lang. He is only 44 years of age. I congratulate my honourable friend, the Leader of the Government, on the appointment of so young a man. I wish I had been appointed when I was that age. Dan Lang comes from a well-known legal family, and his father was a well-known worker in the Liberal organization in Ontario. I must also point out that the firm to which Dan Lang belongs is Lang, Michener and Cranston, of which the Honourable Roland Michener, the Speaker of the House of Commons for five years, is a member. I trust that Dan Lang's approach to this house has been leavened by the influence of Roland Michener. In any event, I welcome him wholeheartedly. He will be a great credit to the house, and we from Toronto know that he will do his best in the interests of Canada.

I see that my honourable friend, Senator Ross Macdonald, has just left the chamber. If he thought I was going to refer to him next, he was right. Ross Macdonald was the Leader of the house when I was appointed. I have known him for many years. He was an able barrister in Brantford, Ontario. He is a member of the Law Society of Upper Canada, and was a co-governor with me of McMaster University. It was Senator Ross Macdonald who schooled me in the ways of the Senate. Up until a year and a half ago, when he was bereft of his wife, he was greatly helped by her. She was an able partner to him.

Honourable senators, I wish now to say something about Senator Brooks, my leader on this side of the house, and to refer to the erudite speeches which were made yesterday. They put my effort today somewhat to shame. I was asked by my Whip if I could go on today, and I said I could but I was not prepared. The erudite speech which the honourable Senator Brooks made is a great tribute to him, and I am sure it was a pleasure to both sides of the house to hear such a speech. It was non-partisan; it was a speech you would expect from a Leader of the Opposition in this house.

I do not need to emphasize the record of honourable Senator Brooks. He became a member of the House of Commons in 1935; he was a distinguished Minister of Veterans Affairs; and then he came to this house and is now our distinguished leader. I pay the highest tribute to him.

I come now to my friend Senator John J. Connolly, whom I have known for many years. When he spoke in Latin, English and French yesterday I wondered if he was about to break into Italian or German. I wondered if perchance his facility in French was picked up a year and a half ago in Paris when he visited a certain night club.

Senator Connolly is an eminent member of the Ontario Bar, and a distinguished member of this house. He was a guiding figure in the Liberal party in the elections in 1962 and 1963—for which I do not give him credit. Nevertheless, he is the distinguished leader of this house, and I know that all on this side as well as all on the other side are very pleased that he now occupies that position.

Honourable senators, I received a letter from Senator Connolly, as I guess other senators did, prior to the session, telling us the hours and the days on which we would meet. We appreciate that, and from a businessman like you, Sir, I know that we can expect great things to come.

I also congratulate Senator Connolly upon being made a member of the cabinet without portfolio—which I understand includes everything; you are boss of the whole works. We are very proud of you and happy to sit under you as Government Leader in this house. I do not say that that situation is going to continue forever, because a margin of eight votes is something, and it may be that in the future the sides may be reversed. Then we will welcome you as Leader of the Opposition just the same as we welcome you today as Leader of the Government.

The Speech from the Throne is full of platitudes—there is really nothing else in it.

As was said by the Honourable Judy LaMarsh, there is nothing in it whatsoever about smoking or cancer or anything like that. When the smoke is cleared away and we are left the mere skeleton, there is nothing much.

Honourable senators, when I hear about the Minister of Defence of the present Government sending a corps, or an army platoon, or whatever they call it, to search Ashbury College for rifles, I wonder what we are coming to. It sounds like *Alice in Wonderland.*

I was in the House of Commons yesterday when the Minister of National Defence, the Honourable Mr. Hellyer, in reply to a question, explained that the military platoon or corps arrived at Ashbury College at the late hour of 12.30 a.m. because of a breakdown of the vehicle involved. But what in heaven's name is the Department of Defence doing sending out a military party like that to inspect places like Ashbury College and Woodstock Collegiate in Oxford? I understand that they went to the collegiate in Oxford County, took some of the ammunition and left the rifles. Apparently they did not know what they were doing at all.

I say that the Department of National Defence in Canada should be doing more than spying on colleges and collegiates or any such institutions. If they want to do something, they should go to the armouries and protect them, but for heaven's sake, let them keep away from the collegiates and colleges of this country.

This may never have happened before but I understand that at times some officials take more power than they should. But here we have the spectacle of their going to Ashbury College at 12.30 in the morning and commandeering all the ammunition, rifles and pistols, or whatever there was, and doing the same to Woodstock Collegiate.

It reminded me of a cartoon that appeared in the paper the other day of two Oxford students duelling over a woman. That is how the Department of National Defence appears to me when they do what they have been doing.

Honourable senators, in regard to the subject of redistribution, those proposals were introduced by the former Government and a committee was set up to look after that matter. I understand, according to the Speech from the Throne, that that is also the intention of the present Government. Whatever it is, redistribution must be done on a non-partisan scale and it must be a fair proposal for everybody. I have hopes that that will be done.

On the question of election expenses, there are other senators who will speak with more authority than I can, although I have had something to do with that in the past. Senator Grosart and others will probably speak on this point, and I do not propose to enlarge upon it.

Honourable senators, to me the Speech from the Throne was really only platitudes; it did not have any meat in it; it deals only with something we are proposing to do and leaves everything hanging in the air. I think the Speech from the Throne should be more than that—it should tell us what legislation we are to have.

Honourable senators, as to Senate reform, it is said that proposals will be introduced for Senate reform which will be satisfactory to everyone. No one knows what the proposals are or what the terms are. I think they should be explicit.

There have been changes in the cabinet. As I have said, from this side of the house we certainly welcome Senator Connolly to the cabinet. He is a sound and sensible lawyer and businessman, and I think he will add lustre to the cabinet just as his predecessor Senator Ross Macdonald did.

I wish to add—and I am quoting now from the Leader of the Opposition in the other house—that during the recess the Minister of Labour announced a plan whereby each Canadian would carry an identification card. I think the proposal exempts clergymen and farmers; that includes me, so I am absolved from the proposal that each person carry such a card.

As the Leader of the Opposition in the other house said, in the future our newspaper social columns will report that Miss 925340 was married to Mr. 83457, and that the only name appearing in the column would be that of the officiating clergyman. I wonder whether the marriage would be recorded as 00000. I do not think that is a system we want in Canada, to be regimented by numbers. That is not a proper course to pursue. There may be other ways to get around it. Once you have regimentation by numbers you are not far from dictatorship and that is something we do not want here.

I am wholeheartedly in support of what my leader, Senator Brooks, said yesterday, that we should get back to the two-party system in Canada. After all, that is the only safe way to protect democracy. We want the two-party system.

Honourable senators, my speech has been short. I blame it on the Speech from the Throne, that my remarks are non-productive.

I wish to repeat how pleased I am to welcome Senator Connolly to the Government leadership here and to support my leader, the Honourable Senator Brooks, in what he said yesterday.

Hon. F. W. Gershaw: Honourable senators, may I first of all congratulate the mover (Hon. Mr. Cook) and the seconder (Hon. Mr. Denis) of the address in reply to the Speech from the Throne, on their eloquence. I wish also, in a humble way, to express my welcome to the new senators, as well as to congratulate the Leader of the Government (Hon. Mr. Connolly) on the high position to which he has attained. Senator Willis has delivered one of his usual good speeches. I hope he will pardon me if I depart from the theme of his speech to another subject in which I am interested.

Honourable senators, as the result of medical research great blessings have come to people generally, and if research can be continued, even greater blessings will come in the future. I mention one disease that in the past was feared and dreaded, namely, poliomyelitis, which was the cause of many deaths, permanent paralysis, and was largely uncontrollable. Yet since 1955, when the Salk vaccine was discovered, the disease has largely come under control; its incidence has sharply reduced and fatalities are now very rare. Of course, it comes in waves. In 1955 there were 58,000 cases in the United States, and in 1962 only 450 cases. In fact, one-fifth of the cases and half of the fatalities are now among persons over 15 years of age. It is quite clear that if a person takes some Salk vaccine now, and another injection in a month's time, and still another in seven month's time, he or she will be almost free of polio.

Another great accomplishment in Canada was in 1921, when the late doctor Sir Fredrick Banting discovered insulin. In spite of setbacks and discouragements, he persisted, and with the help of Dr. Best and Dr. Collup, he succeeded. Thousands of people are now able to live a normal life who would not have been able to live at all had it not been for insulin.

During the past 40 years more curative measures have been standardized than in all previous history. With sulfa, penicillin, other antibiotic drugs, and treatment of goitre, blood transfusions, blood banks, bone banks and so on, the whole medical subject has been changed quite definitely. How dreadful it used to be when cases of scarlet fever and diphtheria afflicted a family or a community and caused many deaths and much sadness. That is almost wiped out now, with the result that the average length of life, which was about 50 years at the beginning of the century, now stands at about 68 years for men and about 73 years for women.

There is much need for medical research. We in Canada spend about $12 million per annum, of which approximately $3 million or $4 million is by voluntary contribution, and the remainder is contributed by the Government. According to my information, the United States spends about ten times that amount per capita. I am sorry that they are going to withdraw some of the contributions to Canada, because it is very necessary to keep up our medical research. It should be maintained under the guidance of universities. There is not a university in Canada which is not short of money, and there is not a medical faculty in Canada but wants to carry on medical research. On account of their teaching of scientific medicine they must keep in touch with developments. If they are only able to teach the medicine of yesterday, then the graduates who go out to practice will, of course, only practise the medicine of yesterday.

In Canada we have a great many research specialists who are equipped to carry on very well. Many of them go to the United States. How can we prevent that exodus? We can do it simply by encouraging different branches of research. In addition to the universities, there are other branches. For instance, there are located in Toronto the head offices of such bodies as the Canadian Heart Foundation, the Canadian Cancer Society, the Canadian Arthritis and Rheumatism Society, the Canadian Mental Health Association, and many others.

Honourable senators, I am not going to advocate the conferring of hereditary titles on Canadians, but I think the man, or woman, or the company, which contributes to this research work should get some recognition. It is true that these things bring their own reward in many cases, but at the same time some recognition of the man or woman who is willing to contribute in this very important field is long overdue.

Tuberculosis has been with the human race since days of antiquity; it was once called the great white plague. The different provinces now arrange to have X-rays taken on a universal scale to detect tuberculosis. They have isolated cases, rehabilitated many, and treated others, and have obtained remarkable results. The great white plague is almost under control at the present time; each fatality or new case is the result of neglect.

Much has been done with regard to cardiovascular diseases, but it is still a field for research. What about diet? What about the effect of a high percentage of cholesterol in the blood stream? Is animal fat guilty of increasing atherosclerosis, or hardening of the blood vessels? These are problems we should work with because they are of such vital importance.

Often we see men, and sometimes women, on the street, carrying a white cane. If in their schooldays their eyes had been carefully tested some of these cases would have been avoided.

As regard hearing, there is a brighter outlook for those who are suffering from deficiency in hearing. A few years ago I had the pleasure of attending a meeting of the Commonwealth Medical Association in Edinburgh, Scotland. It was held in a large theatre, and of course I was away up in the "gods", but I was able to look down on the platform, and there I could see one of our genial senators who is in this chamber now. He was explaining his complicated fenestration operation to those specialists who were present. Since that day he has travelled to many parts of this continent and to other continents to explain his methods. As a result, many people are able to hear who otherwise would not have been able to enjoy hearing. I wish to pay a personal tribute to Dr. Sullivan.

I would mention one other subject. There are 75,000 hospital beds in Canada, nearly half of which are occupied by mental patients. Until recently there was disgrace and a stigma attached to the person who was so afflicted, and even to his relatives. Mental cases were harshly treated. Such persons were held in chains and in stocks. They were kept in poorly equipped asylums, and their condition was not at all understood. Since the newer drugs have been discovered, all that has changed. There is not now the need of restraint, the noisy aggressive patient can be kept under control, and almost all such cases can be treated in a special department of a general hospital, where much more research can be carried on concerning them. The disease of the mind is one of the sad diseases. We should get away from such words as "imbecility" and "lunatic asylum," and even "insanity," because there is a psychology of mental diseases, just as there is of any other disease to which the flesh is heir.

There are many grades of disease, and it is very hard to assess the efficiency of the human brain. In fact, the boundary line between the twilight and the darkness is extremely hard to define, and those who have been witnesses in the courts of law find that there is a lot of doubt and confusion regarding cases where insanity is pleaded. There is no uniformity in instructions given to juries. In fact, the law in Canada, stated roughly in this regard, is that the person who is accused can be declared not responsible for his act if it is established that at the time the crime was committed or the omission was made he was not capable of telling the nature and quality of the act, that he did not know it was wrong.

That is pretty close to the old M'Naghten rules which were handed down in 1843, more than a hundred years ago. This man M'Naghten was afflicted with delusions of persecution. He thought Sir Robert Peel was one of his enemies and was causing some of his confusion. So he placed himself in a certain position, and when the door opened Sir Robert Peel's secretary, Edward Drummond, came out and was shot to death. Of course, M'Naghten was accused of deliberately shooting the man, and was brought to trial. The jury found that he was partially insane and therefore, he was sent to a mental hospital.

The present medical beliefs are not in harmony with those M'Naghten rules. For instance, the M'Naghten rules say you must be clearly insane. Thus it is the severity of the disease that is the dividing line between responsibility and non-responsibility. That is not as it should be, because the existence of the disease itself should be the chief consideration. Another point is it was assumed that M'Naghten was only partially insane. Now it is not believed that the brain is acting in different compartments: it is believed that it acts as a whole; even the emotions may overcome reason, and there could be no such thing as partial insanity.

The M'Naghten rules take no account of what is called irresistible or uncontrollable impulse. Some psychiatrists were asked about this, and 90 per cent of them said it did exist and should be added to the rules of the court. However, recently Chief Justice McRuer, the chairman of a royal commission on the subject, did not accept that view because there was some doubt as to the existence of the irresistible impulse and it would be very confusing to administer. If it were accepted, before a man could be declared irresponsible he would have to establish that he did not know the nature or quality of the act, did not know whether it was right or wrong, and was incapable of preventing himself from doing it.

Honourable senators, I will not continue because there are so many things that could be taken up to show the need for voluntary contributions to medical research. For instance, in Alberta alone they have made great progress with tissue transplantation and even transplantations of living organs, and they are turning the searchlight on prostate and kidney troubles.

In closing I thank you for your attention. I have tried to leave the impression that donating money to medical research is a wonderfully good investment because it will

enhance the welfare, health and happiness of present and future generations.

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

FINANCE CHARGES (DISCLOSURE) BILL

ORDER FOR SECOND READING STANDS

On the Order:

Second reading of Bill S-3, intituled: "An Act to make Provision for the Disclosure of Information in respect of Finance Charges".

Hon. David A. Croll: Honourable senators, I move that this order stand until March 17 next.

Motion agreed to.

The Senate adjourned until Tuesday, March 3, at 8 p.m.

APPENDIX

(see p. 36)

REPORT OF THE COMMITTEE OF SELECTION

The Committee of Selection, appointed to nominate Senators to serve on the several Standing Committees for the present session, have the honour to report herewith the following list of Senators selected by them to serve on each of the following Standing Committees, namely:

JOINT COMMITTEE ON THE LIBRARY

The Honourable the Speaker, the Honourable Senators Belisle, Cameron, Davies, Ferguson, Fournier (De Lanaudiere), Gladstone, Gouin, Haig, Irvine, Lambert, MacDonald (Queens), O'Leary (Antigonish-Guysborough), Pouliot, Reid, Vien, White and Yuzyk. (17)

JOINT COMMITTEE ON PRINTING

The Honourable Senators Blais, Bouffard, Bradley, Comeau, Davies, Dupuis, Flynn, Isnor, McGrand, O'Leary (Antigonish-Guysborough), Pearson, Phillips, Reid, Savoie, Smith (Kamloops), Stambaugh, Sullivan, Welch, Willis and Wood. (20)

JOINT COMMITTEE ON THE RESTAURANT

The Honourable the Speaker, the Honourable Senators Beaubien (Provencher), Fergusson, Inman, Macdonald (Cape Breton), McLean and Reid. (6)

STANDING ORDERS

The Honourable Senators Aseltine, Beaubien (Provencher), *Brooks, *Connolly (Ottawa West), Flynn, Fournier (De Lanaudiere), Grosart, Hayden, Hollett, Inman, Kinley, McLean, Méthot, O'Leary (Antigonish-Guysborough), Tremblay, Vien and Wood. (15)

**Ex officio* member

BANKING AND COMMERCE

The Honourable Senators Aseltine, Baird, Beaubien (Bedford), Beaubien (Provencher), Blois, Bouffard, *Brooks, Burchill, Choquette, *Connolly (Ottawa West), Cook, Crerar, Croll, Davies, Dessureault, Farris, Fergusson, Flynn, Gelinas, Gershaw, Gouin, Hayden, Hugessen, Irvine, Isnor, Kinley, Lambert, Lang, Leonard, Macdonald (Brantford), McCutcheon, McKeen, McLean, Molson, Monette, O'Leary (Carleton), Paterson, Pearson, Pouliot, Power, Reid, Robertson (Shelburne), Roebuck, Smith (Kamloops), Taylor (Norfolk), Thorvaldson, Vaillancourt, Vien, Walker, White, Willis and Woodrow. (50)

**Ex officio* member

TRANSPORT AND COMMUNICATIONS

The Honourable Senators Baird, Beaubien (Provencher), Bouffard, Bradley, *Brooks, Buchanan, Connolly (Halifax North), *Connolly (Ottawa West), Croll, Dessureault, Dupuis, Farris, Fournier (Madawaska-Restigouche), Gelinas, Gershaw, Gouin, Haig, Hayden, Hollett, Horner, Hugessen, Isnor, Jodoin, Kinley, Lambert, Lang, Lefrançois, Macdonald (Brantford), McCutcheon, McGrand, McKeen, McLean, Méthot, Molson, Monette, Paterson, Pearson, Phillips, Power, Quart, Reid, Robertson (Shelburne), Roebuck, Smith (Kamloops), Smith (Queens-Shelburne), Stambaugh, Taylor (Westmorland), Thorvaldson, Veniot, Vien, Welch and Woodrow. (50)

**Ex officio* member

MISCELLANEOUS PRIVATE BILLS

The Honourable Senators Aseltine, Baird, Beaubien (Bedford), Beaubien (Provencher), Belisle, Bouffard, Bourque, *Brooks, Choquette, Connolly (Halifax North), *Connolly (Ottawa West), Croll, Dupuis, Farris, Gouin, Hayden, Hnatyshyn, Hollett, Horner, Hugessen, Lambert, Macdonald (Cape Breton), Macdonald (Brantford), Méthot, Monette, Pouliot, Quart, Reid, Robertson (Kenora-Rainy River), Roebuck, Stambaugh, Sullivan, Taylor (Westmorland), Thorvaldson, Tremblay, Walker and Willis. (35)

**Ex officio* member

INTERNAL ECONOMY AND CONTINGENT ACCOUNTS

The Honourable Senators Basha, Beaubien (Bedford), Beaubien (Provencher), Bouffard, Bourget (Speaker), *Brooks, Choquette, *Connolly (Ottawa West), Dessureault, Fournier (Madawaska-Restigouche), Gouin, Grosart, Hayden, Hodges, Howard, Irvine, Isnor, Lang, Macdonald (Cape Breton), Macdonald (Brantford), McLean, Molson, Paterson, Robertson (Shelburne), Smith (Kamloops), Vaillancourt and Vien. (25)

**Ex officio* member

EXTERNAL RELATIONS

The Honourable Senators Aseltine, Beaubien (Provencher), Blois, Boucher, Bradley, *Brooks, *Connolly (Ottawa West), Crerar, Croll, Farris, Fergusson, Flynn, Fournier (De Lanaudiere), Gouin, Haig, Hayden, Hnatyshyn, Howard, Hugessen, Inman, Jodoin, Lambert, MacDonald (Queens), Macdonald (Brantford), McLean, Monette, O'Leary (Carleton),

Pouliot, Rattenbury, Robertson (Shelburne), Savoie, Taylor (Norfolk), Thorvaldson, Vaillancourt, Veniot, Vien and Yuzyk. (35)

**Ex officio* member

FINANCE

The Honourable Senators Baird, Beaubien (Bedford), Beaubien (Provencher), Belisle, Bouffard, *Brooks, Buchanan, Burchill, Choquette, Connolly (Halifax North), *Connolly (Ottawa West), Crerar, Croll, Denis, Dupuis, Farris, Flynn, Gershaw, Grant, Grosart, Haig, Hayden, Hnatyshyn, Horner, Isnor, Lambert, Leonard, Macdonald (Brantford), McCutcheon, McKeen, Méthot, Molson, O'Leary (Antigonish-Guysborough), Paterson, Pearson, Pouliot, Power, Quart, Rattenbury, Reid, Robertson (Shelburne), Roebuck, Savoie, Smith (Queens-Shelburne), Stambaugh, Taylor (Norfolk), Thorvaldson, Vaillancourt, Vien, Welch, Woodrow and Yuzyk. (50)

**Ex officio* member

TOURIST TRAFFIC

The Honourable Senators Baird, Basha, Beaubien (Provencher), Belisle, Bouffard, *Brooks, Cameron, Connolly (Halifax North), *Connolly (Ottawa West), Crerar, Croll, Davies, Dupuis, Fergusson, Gershaw, Grosart, Hollett, Inman, Isnor, Jodoin, Méthot, McLean, Molson, Roebuck, Smith (Kamloops), Tremblay and Willis. (25)

**Ex officio member*

DEBATES AND REPORTING

The Honourable Senators Beaubien (Bedford), Bishop, *Brooks, *Connolly (Ottawa West), Davies, Grant, McGrand, Monette, Savoie, Sullivan and Tremblay. (9)

**Ex officio member*

NATURAL RESOURCES

The Honourable Senators Aseltine, Basha, Beaubien (Provencher), Belisle, Boucher, Bouffard, Bourque, *Brooks, Buchanan, Burchill, Cameron, Comeau, *Connolly (Ottawa West), Crerar, Dessureault, Dupuis, Fournier (Madawaska-Restigouche), Gladstone, Hayden, Horner, Kinley, Macdonald (Brantford), McKeen, McLean, Méthot, Monette, O'Leary (Carleton), Paterson, Pearson, Phillips, Power, Robertson (Kenora-Rainy River), Stambaugh, Taylor (Norfolk), Taylor (Westmorland), Vaillancourt, Vien, Walker, Welch, Wood and Yuzyk. (39)

**Ex officio member*

IMMIGRATION AND LABOUR

The Honourable Senators Beaubien (Provencher), Blais, Boucher, *Brooks, Buchanan, Burchill, Cameron, *Connolly (Ottawa West), Cook, Crerar, Croll, Dupuis, Fergusson, Flynn, Fournier (DeLanaudiere), Fournier (Madawaska-Restigouche), Gershaw, Gladstone, Grosart, Hnatyshyn, Hodges, Horner, Hugessen, Lefrançois, Macdonald (Cape Breton), Monette, Paterson, Pearson, Rattenbury, Reid, Robertson (Kenora-Rainy River), Roebuck, Taylor (Norfolk), Vaillancourt, Veniot, Willis and Yuzyk. (35)

**Ex officio* member

CANADIAN TRADE RELATIONS

The Honourable Senators Baird, Beaubien (Bedford), Bishop, Blais, Blois, *Brooks, Buchanan, Burchill, Cameron, *Connolly (Ottawa West), Cook, Crerar, Davies, Dessureault, Gouin, Howard, Kinley, Lambert, Leonard, MacDonald (Queens), Macdonald (Brantford), McCutcheon, McKeen, McLean, Méthot, Molson, O'Leary (Carleton), Paterson, Pearson, Phillips, Pouliot, Robertson (Shelburne), Smith (Kamloops), Vaillancourt, Walker, Welch and Woodrow. (35)

**Ex officio* member

PUBLIC HEALTH AND WELFARE

The Honourable Senators Beaubien (Bedford), Blais, *Brooks, Burchill, Choquette, Comeau, Connolly (Halifax North), *Connolly (Ottawa West), Denis, Dupuis, Farris, Fergusson, Fournier (Madawaska-Restigouche), Gershaw, Gladstone, Gouin, Grant, Haig, Inman, Irvine, Jodoin, Kinley, MacDonald (Queens), Macdonald (Brantford), McGrand, Monette, O'Leary (Antigonish-Guysborough), Phillips, Quart, Roebuck, Smith (Queens-Shelburne), Stambaugh, Sullivan, Thorvaldson, Veniot, Welch and Woodrow. (35)

**Ex officio* member

CIVIL SERVICE ADMINISTRATION

The Honourable Senators Aseltine, Belisle, Bishop, Blois, Bourque, *Brooks, Cameron, Choquette, *Connolly (Ottawa West), Davies, Dessureault, Dupuis, Fergusson, Grosart, Gouin, Irvine, Kinley, Lambert, Macdonald (Brantford), O'Leary (Carleton), Quart, Robertson (Kenora-Rainy River), Roebuck, Taylor (Norfolk), and White. (23)

**Ex officio* member

PUBLIC BUILDINGS AND GROUNDS

The Honourable Senators Aseltine *Brooks, Buchanan, Choquette, *Connolly (Ottawa West), Dessureault, Irvine, Lambert, Macdonald (Brantford), MacDonald (Queens), McGrand, Paterson, Pouliot, Thorvaldson and Walker. (13)

**Ex officio* member

All which is respectfully submitted.

A. L. Beaubien, Chairman.

THE SENATE

Tuesday, March 3, 1964

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

Prayers.

TRADE RELATIONS

CANADA-U.K. TRADE TALKS—STATEMENT

Hon. John J. Connolly: Honourable senators, in accordance with the procedure that I suggested might be adopted with respect to government statements on matters of general interest, I propose now to make a short statement that was made by the Government in an other place. My purpose in doing so is simply to keep the Senate record more or less in pace with the records in the other place with reference to Government announcements. I now present a brief report on the talks held by the Minister of Trade and Commerce which concluded on Friday last.

The main purposes of the minister's visit to London were two-fold: first, to discuss with his counterpart in the British Government, Mr. Heath, certain complaints made by the British Government about the valuation of British exports entering Canada, and to discuss these complaints directly with British exporters; and, second, to speak to the Canadian Chamber of Commerce in London about Anglo-Canadian trade.

The discussions with Mr. Heath and with British exporters were useful. They gave the Minister of Trade and Commerce and the Government a clearer understanding of the nature of the complaints against our valuation procedures. The minister informed Mr. Heath and the British exporters that these complaints are under careful investigation by an interdepartmental committee and that, if the review should show that the complaints are well-founded, the Government would consider the kind of legislation required to remove any technical obstacle found to exist. The minister added that the evidence so far before the Government did not indicate that our valuation and anti-dumping laws were central to the problem of British sales in Canada. The minister also discussed with Mr. Heath the forthcoming Kennedy Round of Trade negotiations and the United Nations Conference on Trade and Development.

The minister also took advantage of the occasion to discuss with the British Government certain of the trade barriers still facing Canadian goods entering the British market.

DOCUMENTS TABLED

Hon. John J. Connolly: Honourable senators, I wish to table a number of documents, and with your permission I will dispense with reading the list in detail, but will draw your attention to two or three that appear to be of particular interest.

One is the Capital Budget of Trans-Canada Air Lines. Another is the return of Unclaimed Balances in the Chartered Banks of Canada, as at December 31, 1963. There is a similar return under the Quebec Savings Banks Act as at December 31, 1963. The list includes copies of "The Columbia River Treaty, Protocol and Related Documents", issued by the Departments of External Affairs, and Northern Affairs and National Resources, dated February 1964. Finally, the main estimates for the fiscal year ending March 31, 1965.

In connection with the latter document, perhaps it would be of help to honourable senators if I put on the record the following statement.

In the main estimates for 1964-65 the budgetary expenditures provided for the new fiscal year commencing April 1, 1964, including amounts already authorized by continuing statutes as well as moneys Parliament is being requested to appropriate, amount to $6,703,513,508.

Parliament is also being asked to authorize the disbursement of moneys for loans, investments and advances, which add to the Government's active assets, in a total amount of $108,897,000.

Not included in these totals, but set out in the estimates for information, is the forecast amount for Old Age Security Pension payments amounting to $882 million. These pension payments are separated from the budget figures and are payable out of the old age security fund to which are credited the taxes levied for this particular purpose.

To compare the main estimates for 1964-65, totalling $6,703,500,000, with expenditures authorized by Parliament to date for 1963-64, and which amount to $6,619,100,000, would be misleading. The latter figure does not include the final supplementary estimates for the current fiscal year, and the former figure takes no account of the supplementary estimates for the new fiscal year. It is for this reason that a reasonably accurate comparison of total expenditures for the year commencing April 1, 1964, with those for the current and previous fiscal years, must await the budget presentations.

Finally, I would draw the attention of this honourable house to an important change in the form of the estimates for 1964-65. This change relates to the form of the items to be

voted. In former years the estimates contained some 500 or more separate votes, and the main estimates for 1964-65 contain only 230 such items. This reduction has been accomplished by consolidating a large number of items formerly in the vote section of the estimates, while at the same time preserving the same amount of information as in the past in the detailed section. This change is in keeping with the recommendations of the Royal Commission on Government Organization. The change will do much not only to facilitate discussion of the estimates, but also to improve the quality of financial management in the public service.

With the permission of the house, I propose now to place on *Hansard* three tables relating to the 1964-65 estimates. Table I compares the 1964-65 estimates with the total budgetary estimates for several preceding years. Table II compares the statutory expenditures for 1964-65 with those for 1963-64. Table III indicates the changes in the Main Estimates between 1963-64 and 1964-65 by an examination of operating, capital and other costs.

Hon. A. J. Brooks: Honourable senators, I want to say just a word about this matter. First of all, I thank the honourable Leader of the Government for his courtesy in speaking to me about the placing on the record of remarks made yesterday, not by the Minister of Trade and Commerce but by his parliamentary secretary.

Hon. Mr. Connolly (Ottawa West): Yes, that is right.

Hon. Mr. Brooks: It is very difficult for me to decide on the spur of the moment whether or not this is a precedent that should be accepted by the Senate. So far as this particular statement is concerned, I see no objection to it, but the placing upon the record of a statement by a parliamentary secretary to a minister would seem to establish a precedent so far as the Senate is concerned.

In the other place this proposal was objected to by two of the Opposition parties. It was felt that the minister's statement should be made by the minister himself; that it should be made at a time when he was present.

I am not objecting to this procedure this evening, but I do think that very careful consideration should be given to it. Are we going to accept the statements, for instance, of all ministers made in London, or Paris, or at the United Nations, or in other parts of the world on the different matters that they happen to be discussing at the time? If we are, I think we will soon find the Senate *Hansard* cluttered with remarks that we could very well read in the *Hansard* of the other place. It does seem to me that we would be getting second-hand notice of these important matters.

I raise this particular point, honourable senators, and I want it understood that we are not accepting this as a precedent for all future time.

Hon. Mr. Burchill: Honourable senators, may I ask the honourable Leader of the Government whether the schedule that he referred to a few minutes ago includes the supplementary figures for 1963?

Hon. Mr. Connolly (Ottawa West): No, it does not.

(Tables I, II and III follow)

TABLE I

TOTAL BUDGETARY ESTIMATES

(in millions of dollars)

	Main estimates	Supplementary estimates	Final supplementary estimates	Total
1964–65	6,703.5			
1963–64	6,307.2	311.9	—	6,619.1
1962–63	6,048.2[1]	181.0	281.9[2]	6,466.0[3]
1961–62	6,123.8	355.9	122.8	6,602.5
1960–61	5,732.2	169.9	178.2	6,080.3
1959–60	5,595.9	86.1	116.8	5,798.8
1958–59	5,178.8	144.8	282.8	5,606.4
1957–58	4,827.6	145.3	187.6	5,088.8[4]
1956–57	4,526.1	153.5	89.8	4,769.4
1955–56	4,360.2	114.1	22.3	4,496.6

[1] Revised estimates; original Main Estimates were greater by $228.0 million.

[2] This is the amount appropriated by Governor General's Warrants and included in the Report on Supply for 1962–63 which would have been tabled as final Supplementary Estimates for 1962–63 had Parliament been sitting.

[3] This total is the amount appropriated for 1962–63 and is $45.0 million less than the sum of the tabled Estimates and the final Supplementary Estimates for 1962–63.

[4] This total is the amount appropriated for 1957–58. It is $71.7 million less than the amount of the tabled Estimates due to year-end financing by Governor General's Warrants.

TABLE II

BUDGETARY ESTIMATES OF STATUTORY EXPENDITURES FOR 1964–65 AS COMPARED WITH THOSE FOR 1963–64

(in millions of dollars)

	Submitted 1964–65	Approved 1963–64	Change
Civil Departments—			
Public Debt Charges	1,037.9	881.0	156.9
Subsidies and Special Compensation to Provinces	231.0	239.9	−8.9
Family Allowances Payments	546.0	542.9	3.1
Payments to Provinces under Hospital Insurance and Diagnostic Services Act	420.0	385.0	35.0
Old Age Assistance	45.0	38.7	6.3
Allowances for the Blind and Disabled	28.5	24.1	4.4
Major Pensions, Superannuation and Other Benefits	71.4	65.9	5.5
Contribution to Unemployment Insurance Fund	60.5	58.0	2.5
Unemployment Assistance	115.0	110.0	5.0
Trans-Canada Highway Contributions	60.0	50.0	10.0
Subsidy to C.N.R. for railway to Great Slave Lake	25.0	20.5	4.5
Payment of (1) carrying costs of storing Temporary Wheat Reserves (2) administering the Prairie Grain Advance Payments Program	46.7	42.4	4.3
University Grants	27.2	26.8	0.4
Payment to the Canadian Corporation for the 1967 World Exhibition	17.9	—	17.9
Emergency Gold Mining Assistance	16.6	12.1	4.5
East West Railway Bridge Subsidy	7.0	7.0	—
Railway Grade Crossing Fund (statutory portion only)	5.0	5.0	—
Forgiveness of indebtedness—Municipal Development and Loan Board	5.0	—	5.0
Payments under Fitness and Amateur Sport Act	5.0	5.0	—
Sundry Items	22.6	20.1	2.5
Defence Departments—			
Major Pensions, Superannuation and Other Benefits	67.5	66.0	1.5
	2,860.8	2,600.4	260.4

TABLE III

MAIN ESTIMATES FOR 1964-65 COMPARED WITH MAIN ESTIMATES FOR 1963-64

(in millions of dollars)

—	Aministration and operation		Buildings, works, and equipment		Grants, subsidies and other items		Total estimates	
	1964-65	1963-64*	1964-65	1963-64*	1964-65	1963-64*	1964-65	1963-64*
Agriculture	70.0	64.5	25.9	27.4	44.3	37.4	140.1	129.4
Atomic energy	35.0	31.6	10.3	13.5	1.2	0.9	46.6	46.0
Auditor General's Office	1.4	1.3	—	—	—	—	1.4	1.3
Board of Broadcast Governors	0.4	0.4	—	—	—	—	0.4	0.4
Canadian Broadcasting Corporation	2.1	1.9	—	—	85.9	85.8	88.0	87.6
Chief Electoral Officer	0.1	0.1	—	—	—	—	0.1	0.1
Citizenship and Immigration	64.6	58.2	12.4	9.3	—	—	77.0	67.5
Civil Service Commission	5.5	5.0	—	—	—	—	5.5	5.0
External Affairs—								
Department	26.1	22.4	1.8	2.5	96.2	65.9	124.0	90.8
International Joint Commission	0.2	0.2	—	—	—	—	0.2	0.2
Finance	137.7	146.7	0.2	0.2	1,311.7	1,156.1**	1,449.7	1,303.0
Fisheries	20.0	18.9	3.4	3.4	1.2	1.2	24.6	23.5
Forestry	8.7	7.6	2.9	1.1	7.9	7.9	19.5	16.7
Governor General	0.7	0.5	—	—	—	—	0.7	0.5
Industry	24.2	14.2	—	—	—	—	24.2	14.2
Insurance	0.9	0.8	—	—	—	—	0.9	0.8
Justice	35.4	30.9	16.1	10.0	—	—	51.6	40.9
Labour—								
Department	8.9	7.9	—	—	105.3	109.5	114.2	117.4
Unemployment Insurance Commission	53.4	45.4	—	—	60.5	58.0	113.8	103.4
Legislation	12.5	8.9	—	—	—	—	12.5	8.9
Mines and Technical Surveys—								
Department	32.1	29.1	5.5	4.8	16.6	12.1	54.2	46.0
Dominion Coal Board	0.2	0.1	—	—	16.0	16.6	16.2	16.7
National Film Board	5.8	5.3	0.3	0.2	—	—	6.1	5.5
National Gallery	1.3	1.1	—	—	—	—	1.3	1.1
National Health and Welfare	48.2	44.2	3.7	2.3	1,211.7	1.157.5	1,263.7	1,204.0
National Research Council, including the Medical Research Council	26.1	23.1	5.7	3.2	26.1	19.6	57.9	45.9
National Revenue	87.4	78.6	—	—	—	—	87.4	78.6
Northern Affairs and National Resources	39.2	33.0	27.6	28.8	22.8	22.1	89.6	83.9
Post Office	208.9	191.5	—	—	—	—	208.9	191.5
Privy Council—								
Privy Council Office	4.5	2.5	2.5	2.5	4.0	2.0	11.0	7.0
Economic Council of Canada	0.8	0.2	—	—	—	—	0.8	0.2
Public Archives and National Library—								
Public Archives	0.8	0.7	—	—	—	—	0.8	0.7
National Library	0.5	0.4	—	—	—	—	0.5	0.4
Public Printing and Stationery	2.9	2.2	—	—	—	—	2.9	2.2

Public Works—								
Department	85.5	67.0	56.4	53.0	60.0	40.0	201.9	160.0
National Capital Commission	5.4	4.8	—	—	4.5	7.5	9.9	12.3
Canadian Corporation for the 1967 World Exhibition	17.9	—	4.0	—	—	—	21.9	—
R.C.M.P.	67.6	60.4	3.8	3.1	—	—	71.4	63.4
Secretary of State—								
Department	5.4	4.9	—	—	—	—	5.4	4.9
Atlantic Development Board	0.5	—	—	—	—	—	0.5	—
Office of the Representation Comm.	0.2	—	—	—	—	—	0.2	—
Trade and Commerce—								
Department	36.3	30.9	0.1	0.1	46.7	42.4	83.0	73.4
National Energy Board	0.7	0.6	—	—	—	—	0.7	0.6
Transport—								
Department	132.1	124.5	79.9	76.9	54.7	50.2	266.7	251.6
Air Transport Board	0.7	0.6	—	—	—	—	0.7	0.6
Board of Transport Commissioners	1.4	1.3	—	—	12.1	12.1	13.5	13.4
Canadian Maritime Commission	0.3	0.3	—	—	37.0	26.4	37.3	26.7
National Harbours Board	—	—	2.1	3.1	—	—	2.1	3.1
St. Lawrence Seaway Authority	2.8	2.8	—	—	—	—	2.8	2.8
Veterans Affairs	63.5	63.6	3.3	2.3	264.0	268.9	330.8	334.9
Total—Civil Departments	1,386.9	1,241.1	267.9	247.7	3,490.5	3,200.1	5,145.3	4,668.9
Defence Production—								
Department	16.4	9.9	1.4	1.6	—	—	17.8	11.5
Emergency Measures Organization	2.6	2.3	2.1	2.5	5.6	5.3	10.3	10.1
Crown Companies	4.8	6.3	0.3	0.4	—	—	5.1	6.7
National Defence	1,236.5	1,227.5	253.9	328.4	34.6	34.1	1,525.0	1,590.0
Total—Defence Departments	1,260.3	1,246.0	257.7	332.9	40.2	39.4	1,558.2	1,618.3
Total—Budgetary Estimates	2,647.2	2,487.1	525.6	580.6	3,530.7	3,239.5	6,703.5	6,307.2

(Details do not necessarily add to totals, due to rounding.)

*These figures differ from those shown in the 1963–64 column of the 1964–65 Blue Book in that

(1) the amounts of the Supplementary Estimates (A), (B), (C) and (D), 1963–64 are not included, and

(2) provision for salary revisions is included under Finance whereas it is distributed among all departments in the 1964–65 Blue Book.

**Estimates for Public Debt Charges are not comparable between years due to a change in the manner of estimating interest and amortization costs.

[List of documents tabled:]

Capital Budget of Trans-Canada Air Lines for the year ending December 31, 1964, pursuant to section 80(2) of the Financial Administration Act, Chapter 116, R.S.C., 1952, together with a copy of Order in Council P.C. 1963-1898, dated December 21, 1963, approving same. (English text).

Return of Unclaimed Balances in the Chartered Banks of Canada, as at December 31, 1963, pursuant to section 119(1) of the Bank Act, chapter 48, Statutes of Canada, 1953-54. (English and French texts).

Return of Unclaimed Balances in the Banks incorporated under the Quebec Savings Banks Act, as at December 31, 1963, pursuant to section 93(1) of the said act, chapter 41, Statutes of Canada, 1953-54. (English and French texts).

Report on the Administration of the Public Service Superannuation Act, Parts I and II, for the year ended March 31, 1963, pursuant to section 34, chapter 47, Statutes of Canada, 1952-53, and section 49, chapter 64, Statutes of Canada, 1953-54. (English and French texts).

Copies of "The Columbia River Treaty, Protocol and Related Documents" issued by the Departments of External Affairs and Northern Affairs and National Resources, February 1964. (English and French texts).

Estimates for the fiscal year ending March 31, 1965. (English and French texts).

Consolidated Index and Table of Statutory Orders and Regulations published in the *Canada Gazette*, Part II, for the period January 1, 1955, to December 31, 1963. (English and French texts).

Copies of Statutory Orders and Regulations published in the *Canada Gazette*, Part II, of Wednesday, December 11 and 25, 1963, and January 8 and 22, and February 12 and 26, 1964, pursuant to section 7 of the Regulations Act, chapter 235, R.S.C., 1952. (English and French texts).

CANADA SHIPPING ACT

BILL TO AMEND—FIRST READING

Hon. John J. Connolly presented Bill S-7, to amend the Canada Shipping Act.

Bill read first time.

Hon. Mr. Connolly (Ottawa West) moved that the bill be placed on the Orders of the Day for second reading on Thursday next.

Motion agreed to.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

The Senate resumed from Thursday, February 27, consideration of His Excellency the Governor General's speech at the opening of the session, and the motion of Hon. Mr. Cook, seconded by Hon. Mr. Denis, for an address in reply thereto.

Hon. Paul Yuzyk: Honourable senators, as I rise to deliver my maiden speech, which in reality is a virgin speech since this is the first time that I have ever spoken in Parliament, it is with humility as well as with pride that I stand before so august a body as the Canadian Senate. I had planned to make my debut at the last session, but I was away in New York serving my country in the Canadian delegation to the Eighteenth General Assembly of the United Nations.

The warm welcome that I had received at the last session from His Honour the Speaker, the honourable former Leader of the Government, the honourable Leader of the Opposition and many other honourable senators, made me immediately feel at home in the Senate, and for this I am immeasurably grateful. Since there has been so much expressed concern for my happiness, I would like to assure the honourable senators that certainly they have launched me in that direction. My one year's experience here has convinced me that the Senate is paramountly nonpartisan in character and, therefore, my happiness is assured, as I had become accustomed to such a nonpolitical and nonpartisan institution as the university. Consequently, I do not regret the transfer and am looking forward to an increasingly useful life, with the objective of making some small contribution through the Senate to the welfare of the people of Canada.

I gladly join all those who have congratulated His Honour the Speaker, the honourable Leader of the Government (Hon. Mr. Connolly), and the honourable Leader of the Opposition (Hon. Mr. Brooks). Their positions are indeed responsible. I wish them well in the performance of their duties. A special and warm word of thanks I would like to convey to Senator Connolly, who was chairman of the Internal Economy and Contingent Accounts Committee, and to other members of the committee, for their support of my request for a stenographer who could type and correspond in Ukrainian. A trilingual stenographer, who could handle Ukrainian, English and French was found, making it possible for me and for other senators to expedite correspondence readily in three languages. My congratulations go to Senator White for the great honour that he received by his ap-

pointment to the Privy Council; I shall always fondly remember him as the Speaker of the Senate when I was sworn in to this chamber.

I have also learned to appreciate the role of the Whips and wish them success and satisfaction in the fulfilment of what is not always a grateful function. It is a pleasure to welcome the newest senators who have joined us recently.

At the outset I would like to pay tribute to the Right Honourable John George Diefenbaker, whom history will record, I am sure, as one of the great Canadian Prime Ministers. His championing the cause of the liberty of nations against Russian communist colonialism at NATO and the United Nations, his efforts to strengthen the Commonwealth, based upon the principles of freedom, justice and democracy, his advocacy for many years of the Canadian Bill of Rights, and his defence of Canadian sovereignty, have brought great prestige to Canada throughout the world. His roots go deep in Canadian history, for on his mother's side he is a distinguished descendant of George Bannerman and his wife, who arrived with the courageous band of Selkirk settlers 150 years ago to establish the Red River Colony, the precursor of Winnipeg, the "Gateway to the West". To this great Canadian, who has always had the interests of all segments of our diverse population at heart, I owe an everlasting debt of gratitude, for it was he who first interested me in political life during the election of 1935—although I did not actively participate for a long time—and who finally involved me permanently in political affairs by nominating me to the Senate last year.

I also would like to offer my congratulations to the mover, Senator Cook, and the seconder, Senator Denis, of the motion for an address in reply to the Speech from the Throne. Their contributions to the debate, despite brevity, were interesting, worthwhile and stimulating.

Honourable senators, there are certain references in the Speech from the Throne that are of particular interest to me and that part of the Canadian population into which I was born; I take it upon myself to voice their feelings. These are the references dealing with Canadian unity and citizenship, "which will ensure full equality of rights for all Canadian citizens wherever they were born". I hope that this will eliminate second-class citizenship.

Canada has undergone tremendous changes in all walks of national life since the proclamation of the British North America Act in 1867. The original four provinces have increased to ten, while the population has increased from 3½ million to over 19 million, the complexion having changed from paramountly British-French, with a substratum of Indian and Eskimo cultures, to multicultural, with the immigration of many European and some Asiatic peoples.

During that time, Canada has developed from a colony to an independent democratic state, from a relatively unknown country to a leader of the middle nations of the world, from an exploited territory to a leading trading nation and a champion of the freedom of nations of the world. Few countries in the world have paralleled the peaceful progress of our country. Canada today is a vastly different country and our approach to her problems must be in keeping with the new situation and the new times.

It is regrettable that Canadian historians have consistently neglected to take into account population statistics, and have thus failed to bring into perspective the variety of the contributions of the many ethnic groups to the building of Canada. Even a casual examination of the figures of the past seven Canadian censuses reveals significant trends in our population. I will read briefly the percentage distribution of the three elements—British, French, and the third element consisting of all other ethnic groups—of the population, taken from catalogue 92-545 of the 1961 census, Dominion Bureau of Statistics:

	1901	1911	1921	1931	1941	1951	1961
British	57	56	55	52	50	48	44
French	31	29	28	28	30	31	30
Third Element	12	15	17	20	20	21	26

From these percentages it will readily be noted that the British element—English, Scots, Irish and Welsh—during the past 60 years has steadily decreased, not in number but in proportion, from 57 per cent to 44 per cent; today it is a minority group. The French element has constantly held its own proportion, about 30 per cent. On the other hand, the third element has steadily increased from 12 per cent to 26 per cent, more than doubling itself, and is quickly approaching the numerical and proportional position of the

French Canadians. Present-day Canada is a country of minorities, and this fact should not be ignored.

			Canadian-born	Canadian Citizenship
German	1,049,599	(5.8%)	73%	87%
Ukrainian	473,377	(2.6)	77	97
Italian	450,351	(2.5)	41	61
Netherlander	429,679	(2.4)	64	81
Scandinavian	386,534	(2.1)	73	93
Polish	323,517	(1.8)	60	90
Indian	208,286	(1.1)	100	
Jewish	173,344	(1.0)	62	93

For purpose of information, the following are the eight largest ethnic groups of the third element, according to the 1961 census:

I should add that there are 254,368 of Judaic faith.

It is interesting and revealing to examine the present composition of the population of the provinces according to the three elements. The British element predominates in Newfoundland with 94 per cent; Prince Edward Island, 80 per cent; Nova Scotia, 71 per cent; British Columbia, 61 per cent; Ontario, 60 per cent; and New Brunswick, 55 per cent. The French element predominates only in Quebec with 81 per cent; the largest minority is in New Brunswick, 40 per cent. The third element predominates in Saskatchewan with 53 per cent, exceeding the British, 40 per cent, and French, 7 per cent. It forms the largest element in Alberta, 49 per cent, followed by the British, 45 per cent, and the French, 6 per cent. In Manitoba it forms 48 per cent, followed by the British, 43 per cent, and the French, 9 per cent. It has the considerable proportion in British Columbia of 35 per cent; Ontario, 30 per cent; and Nova Scotia, 17 per cent. In general, the third element, composed overwhelmingly of Canadian-born, forms about 50 per cent of the population of the three prairie provinces.

By what right did the non-British, non-French peoples come to Canada? First of all, the Indians and the Eskimos are indigenous peoples, being natives of this land long before the coming of the French and the British. The other European peoples were invited to this country by the Canadian Government to settle the vast wilderness. The settling of the West began shortly after Confederation, and brought into being the province of Manitoba, and later Saskatchewan and Alberta. Large-scale government-sponsored and government-directed immigration was initiated by Sir Clifford Sifton of Manitoba, Minister of the Interior, in 1896 under the Government of Sir Wilfrid Laurier. In less than two decades before World War I, most of the arable land in the prairie provinces was settled by a considerable number of several European peoples, a very large proportion of whom were neither of British nor French origin. They fully accepted the laws of Canada, brought civilization to vast areas hitherto uninhabited, greatly aided the expansion of Canadian economy and prosperity, loyally and fully participated in the Canadian armed forces of the two world wars, and conscientiously performed their duties as citizens in every respect, even though there was some discrimination against them for quite a long time. The third element, ethnic groups, now numbering approximately five million persons, are co-builders of the West and other parts of Canada, along with the British and French Canadians, and are just as permanent a part of the Canadian scene.

Allow me, in a very brief summary, to present an example of the contribution to Canada of one of the non-British, non-French groups, namely, the Ukrainian Canadians, from whom I spring and about whom I have some knowledge as a result of my researches, which have been published in a book and several articles. In response to the appeals, the propaganda, and agents of the Canadian Government, the Ukrainians began coming to this country in large numbers commencing in 1896, from the Austrian provinces of Galicia and Bukovina, now designated as Western Ukraine. Mostly of peasant origin, they took up homesteads and farms throughout the prairies and brought under cultivation millions of acres of land, thus establishing civilization in large areas, many of which bear witness in over 130 Ukrainian place names. Consequently, their greatest contribution to Canada has been in agriculture. Ukrainian Canadians have been frequent winners of world and Canadian championships of wheat, oats and vegetables. The best varieties of grains are either of Ukrainian origin or hybrids of Ukrainian grains. This should not be surprising, for Ukraine has always been known as the "black earth region" and

"the granary of Europe". Railroad construction, large building and housing construction, mining, various kinds of manufacturing, etc., have benefited from the labour, inventiveness and management of Ukrainians. They are found in large numbers in the teaching profession, including the universities, and play a fairly significant role in many other professions.

Perhaps the most important criterion of the integration of any group into Canadian society and life is its participation in public affairs. The Ukrainians have produced hundreds of reeves of municipalities, many aldermen of towns and cities, several mayors of large cities: Winnipeg, Edmonton, Windsor, Kenora; many members of provincial legislatures: Manitoba, Saskatchewan, Alberta and Ontario; several provincial cabinet ministers: Saskatchewan, Manitoba, Ontario and Alberta; several federal members of Parliament of all parties, one federal cabinet minister and three senators—altogether at least 74 parliamentarians. About 10,000 Ukrainians were in the Canadian armed forces during the First World War, one of whom, Philip Konowal, received the Victoria Cross, the highest award for bravery in the British Commonwealth; and about 40,000 voluntarily served in the Canadian military forces of the Second World War, many as officers, and many of whom paid the supreme sacrifice for this country. Ukrainians cherish Canadian freedom and democracy, as they are conscious of Ukraine's subjugation and bondage.

Their cultural contribution is known in most parts of Canada. Ukrainian folk dancing in colourful costumes, choirs, embroidery and woodwork have been winning the enthusiastic applause and praise of audiences, leaders, and monarchs, at local and national celebrations, since the Diamond Jubilee of Canada in 1927 and will be featured in greater magnitude at the Centennial celebrations in 1967. The Ukrainian language and literature is taught at the Universities of Saskatchewan, Manitoba, Alberta, Toronto, Montreal and Ottawa, and as an elective subject in the high schools of Saskatchewan, Manitoba and Alberta. These general cultural activities are directed by the Ukrainian Canadian Committee, with headquarters in Winnipeg, which co-ordinates the work of 27 dominion-wide Ukrainian organizations, exclusive of the small communist associations.

At the last session of Parliament the committee sponsored a bill, which was passed in both houses, to establish the Ukrainian Canadian Foundation of Taras Shevchenko, to promote Ukrainian culture in Canada. This year Ukrainians throughout the world are celebrating the 150th anniversary of the birth of Taras Shevchenko, the great poet of Ukrainian and universal freedom, justice, truth and brotherhood. Prime Minister Diefenbaker unveiled a large monument of Shevchenko on the grounds of the Legislative buildings of Manitoba in 1961, on which occasion he spoke some Ukrainian, as did Premier Duff Roblin. A monument of the great poet will be unveiled this June on the grounds of the federal Capitol of the United States, in Washington, D.C. To commemorate this great anniversary, I have selected brief excerpts from Shevchenko's poetry, inspired with the divine spirit of liberty, which I would like to read for your appreciation in Ukrainian, followed by an English translation.

From "The Caucasus"—the poet's indictment of Russian Tsarist oppression and a mighty protest against the brutal subjugation of the peoples of the Caucasus, translated by Professors Watson Kirkconnell of Acadia University, and C. H. Andrusyshen of the University of Saskatchewan. Their poetic translation of the complete works of Shevchenko is due to be published shortly by the University of Toronto Press.

Ne vmyraye dusha nasha,
Ne vmyraye volya,
I nesyty ne vyore
Na dni morya polya.
Ne skuye dushi zhyvoyi
I slova zhyvoho.
Boritesya—poboryte!
Vam Boh pomahaye!
Za vas pravda, za vas slava
I volya svyataya.

Translated:

So likewise shall our spirit never die
Nor our dear freedom wholly vanquished lie.
Sooner may foemen hope to plough with glee
A meadow at the bottom of the sea
As chain the living soul with force uncouth
Or choke to death the vital word of Truth.
Struggle and ye shall overcome the foe:
For God shall succour you in battle's throe;
His strength is on your side, and freedom stands
With justice on the threshold of your lands.

The poet, who himself had been a serf, fought for the abolition of the abominable system of serfdom in Russia and for the emancipation of these exploited human beings, as well as peoples. Here are his stirring and noble words:

Vozvelychu
Malykh otykh rabiv nimykh!

Ya na storozhi kolo yikh
Postavlyu slovo.
I shall make great
These insignificant mute slaves!
On their behalf in their defence
Shall speak the word.

The word is the living human spirit of truth, justice and liberty, which ultimately must prevail for Ukraine and all oppressed peoples who are still struggling for their freedom against Russian communist imperialism. The free countries of the world, including Canada, must mobilize world opinion against the largest existing totalitarian empire, the Soviet Union, to compel it to grant self-determination and freedom to the many nations under Russian domination, in accordance with the principles of the Universal Declaration of Human Rights, and the principles of the United Nations.

The contributions and place of the third element ethnic groups are very little known to the Canadian public and to the leaders of our country. To my knowledge, only the province of Manitoba has made an effort to learn objectively about the prominent groups in that province. The Manitoba Government has been subsidizing these studies through the Manitoba Historical Society since 1946, which to date has received manuscripts on the Mennonites, Ukrainians, Icelanders, Poles, Jews, early French, and Hutterites, of which the social histories of the Ukrainians, Mennonites and Jews have been published. We sorely lack authentic studies of these groups on a Canada-wide basis. Certainly, on the eve of the centennial celebrations an effort should be made to fill in this gap in Canadian history. With adequate financial support from the Canada Council, such a project should be sponsored immediately under the guidance of prominent Canadian historians, who should subsequently incorporate the important material in Canadian histories.

In the light of the above figures and information it will be easily understood why I am viewing critically the Royal Commission on Biculturalism and Bilingualism. First of all, the word "bicultural," which I could not find in any dictionary, is a misnomer. In reality Canada never was bicultural; the Indians and Eskimos have been with us throughout our history; the British group is multicultural—English, Scots, Irish, Welsh; and with the settling of other ethnic groups, which now make up almost one-third of the population, Canada has become multicultural in fact. Furthermore, the projecting of the idea that Canada is bicultural not only excludes the non-British and non-French groups, but denies the multicultural character of the British group, which can only lead to disunity. What we need is a firm basis of our nationhood which will unite all elements in our society. It is found in the paragraph quoted in the Speech from the Throne of May 16, 1963:

> The character and strength of our nation are drawn from the diverse cultures of people who came from many lands to create the Canada that is ours today. The greater Canada that is in our power to make will be built not on uniformity but on continuing diversity.

If biculturalism were carried to its logical conclusion—a virtual two-nation co-existence —then all Canadians would be required to become either English or French. This is an impossibility, and I believe that is not the desired objective of our people. It would not be consistent with full democracy and equality of all citizens. I was glad to note in the debate on the reply to the Speech from the Throne the other day, the honourable Leader of the Opposition (Hon. Mr. Brooks) stated:

> ...no matter what we try to do, we cannot make an Englishman of a Frenchman, and we cannot make a Frenchman of an Englishman, but we can make good Canadians of both... so far as the other ethnic groups are concerned, we cannot change their ethnic group except to make good Canadians of them.

In his remarks in the debate on the reply to the Throne Speech, the honourable Leader of the Government (Hon. Mr. Connolly, Ottawa West), expressed a similar view when he appraised the cultural contributions of various peoples from many countries of the world "as a boon to a new country" and made the exhortation, "each element shall continue to develop its own ideals and achieve its own aspirations alongside the other". It is my belief that our citizens desire an all-embracing Canadian identity which will include all the elements of our population and emphasize unity.

Let us first evaluate briefly the general distinctive contributions of each of the three elements of our population and then assess their place in the establishment of the Canadian identity which should meet with the approval of the vast majority of our citizens.

The great permanent British gift to the Canadian way of life is the establishment of the parliamentary system of government, an evolutionary democracy under the Crown, which has continually adjusted itself to the new situations, while upholding the authority of and equality before the law, liberty, justice, fair play, equal opportunity for all and the dignity of the individual. Under the

British Crown through the Quebec Act, the Constitutional Act, the British North America Act, and the Statute of Westminster, Canada has evolved from colonial status to an independent state and a leader among the middle nations of the world. In this process, Canada has become an equal partner in the Commonwealth of Nations, the great bulwark of freedom and democratic evolution. The British system of democracy has become firmly rooted in Canada and has been accepted by all Canadians as fundamental in our society.

The great French contribution to the Canadian way of life is of a conservative character, the preservation and perpetuation of the culture of a people. Their love of Canada, their pride in their language and their traditions, and their devotion to their religion give depth to the meaning of life. These qualities of the French-Canadian character have built up their resistance to the pressure of the United States and have made possible the development of Canada to independence and greatness.

(Translation):

To all my French Canadian colleagues in the Senate, I want to extend my warmest greetings in French. I learned to read French in Saskatoon but, unfortunately, I did not learn to speak it.

The other ethnic groups who helped to build Canada admire the French Canadians for the love they have for their country and for their desire to preserve its independence and their fine culture. Let us keep on working together with mutual respect for each other in order to build a strong and united Canada for the glory of God, the well-being of our fellow citizens and the peace and progress of mankind.

(Text):

The joint contribution of the various ethnic groups of the third element to the Canadian way of life is like that of the French, in the cultural sphere with political and constitutional implications. By their perpetuation of the best of their cultural heritages, these groups have made Canadians more conscious of cultural values, out of which there has emerged the principle of "unity in diversity," or, stated in another way, "unity with variety," as a rule of governance. This principle, in keeping with the democratic way, encourages citizens of all ethnic origins to make their best contributions to the development of a general Canadian culture as essential ingredients in the nation-building process.

The contributions of the three elements side by side in our society provides the sound materials for the building of a strong Canadian nation. They provide us with the Canadian identity, a pattern which has been developing in a different way from that of our neighbour to the south. This is brought out clearly in the address delivered last year to the sixth conference of the Canadian Council of Christians and Jews in Winnipeg by Dr. Charles Hobart, of California, now sociology professor at the University of Alberta. Here are some of his statements:

> Search of identity? You are almost THE multicultural society of the world and this is your identity. It is the contribution you as Canadians have to make to the world. This system of multiculturalism has now worked for almost 100 years and you should be missionaries in this type of a cause.

In his opinion the Canadian system of multiculturalism has obvious advantages over the American melting-pot concept which produces,

> A mixture in which there is loss of identity and peculiar genius. In the long run multiculturalism beats the melting-pot idea all to hell.

A more emphatic statement could not be made by any American.

Canadian leaders have also expressed the same idea. Here is a statement of the late Dr. Sidney Smith, former president of the University of Manitoba and the University of Toronto, when he was Secretary of State for External Affairs:

> The present population of Canada is roughly, one-third of Anglo-Saxon stock, one-third of French stock and one-third of many other racial groups. There is no Canadian race. We have never had a melting-pot policy toward newcomers. We have never tried to fashion them into one, and only one, mould. Rather we have rejoiced in and we have been strengthened by their special contributions.

There were also leaders in the past who could foresee the shape of things to come. A great architect of Canada, Prime Minister Sir Wilfrid Laurier, under whose administration the Prairies were peopled by various groups of the third element, left, some 60 years ago, the following message for future generations:

> I have visited in England one of those models of Gothic architecture which the hand of genius, guided by an unerring faith, has moulded into a harmonious whole. This cathedral is made of marble, oak and granite. It is the image of the nation I would like to see Canada become. For here, I want the marble to remain the marble; the granite to remain the granite; the oak to remain the oak;

and out of all these elements I would build a nation great among the nations of the world.

At this stage, I would like to state it is gratifying to learn that the Royal Commission on Bilingualism and Biculturalism has recognized the potentiality and vitality of multiculturalism. I would like to quote from its working paper, for the use of those preparing briefs:

> The mainspring (l'idée-force) of the terms of reference is the question of bilingualism and biculturalism (i.e. English and French) adding immediately that this mainspring is working in a situation where there is the fact of multiculturalism—multiculturalism that must not be suppressed as quickly as possible (the proverbial melting-pot) but on the contrary, respected and safeguarded, despite not being given official recognition.

It should be borne in mind that a form of official recognition has been given to this principle, since the languages and cultures of some of the non-British, non-French ethnic groups are taught in the public high schools of the three Prairie provinces and in many of the universities. This could easily be extended to the other provinces. I think that the time has arrived for the third element ethnic groups to send their representatives to a national conference in Ottawa and make their common views known to the federal and provincial governments and not only to the Royal Commission.

The recognition of the multicultural character of our population has evolved the unique principle of unity in continuing diversity, which Prince Philip at the Commonwealth Study Conference in Vancouver two years ago identified as the Canadian way. This, of course, is the principle of Confederation which originally had been applied in the political sphere, and now has been extended to the cultural sphere of Canada. To achieve the integration of the rich cultures in our midst into a harmonious entity, Canadian leaders have invoked such sensory symbols as the beauty of the mosaic, the flower garden, the rainbow, the symphony orchestra and the choir, each of which expresses harmonious variety.

In keeping with the ideals of democracy and the spirit of Confederation, Canada should accept and guarantee the principle of the partnership of all peoples who have contributed to her development and progress. As the founding peoples of our country, the British and the French should be regarded as the senior partners whose special rights include the recognition of English and French as the official languages in accordance with the British North America Act; Canadians would have the choice, but not compulsion, of one or the other language as the means of instruction in our schools. The third element ethnic or cultural groups should receive the status of co-partners, who would be guaranteed the right to perpetuate their mother tongues and cultures, which should be offered as optional subjects in the public and high school systems and the separate schools of the provinces, and the universities, wherever there would be a sufficient number of students to warrant the maintenance of such classes, as is practised in England. The teaching of languages should commence at the grade one level, when children learn without much effort. This I know from my own teaching experience of many years in the public schools of Saskatchewan.

For the evolution of a multicultural Canadian nation, a firm basis has been established by Canadian governments since the last war. The Canadian Citizenship Act of 1947 recognizes the equality of all Canadian citizens and the Canadian Bill of Rights of 1960 elaborates the specific rights of all citizens and condemns discrimination.

Honourable senators, I would like to convey to both Houses of Parliament and to all Canadians how deeply shocked I was when I read in the House of Commons *Debates* of February 27, 1964, the following two paragraphs of the speech of the Minister of Citizenship and Immigration:

> There is a tradition of long standing in this Parliament, that the Speaker's function in the House of Commons and in the other place is entrusted in turn to representatives of the two most important ethnic groups in this country.
>
> According to another tradition, the mover and the seconder of the address in reply to the Speech from the Throne are chosen among representatives of the two most important racial groups in Canada.

The minister stated that he respected this tradition, which can be interpreted that he recognizes these rights only for the French and the English. He has gone so far as to make all the "English-speaking" one ethnic group, thus denying the existence of the Scots, Irish and Welsh, and soon after he calls them a racial group. Such confusion in the thinking of a minister of citizenship is not pardonable. What is worse is the policy, which he calls tradition, that he upholds. In his opinion, the speaker of each house and the movers and the seconders of addresses in reply to the Speech from the Throne must alternate between the English and the French. This would deny the right for Senators Thorvaldson, Croll, Hnatyshyn, Gladstone, Basha, just to mention a few, to become the speaker

or the mover or seconder of the Throne Speech addresses in the Senate. This would deny many members of Parliament in the other house such rights also.

Obviously, this is a discriminatory attitude against which I protest most emphatically, as will many Canadians, I am sure. If this is adhered to, it will be a mockery of the Canadian Bill of Rights, the existing Citizenship Act, and the prospective—and I quote from the Speech from the Throne—"amendments to the Citizenship Act which will ensure full equality of rights for all Canadian citizens wherever they were born."

Notwithstanding this, however, the Department of Citizenship and Immigration has been doing a wonderful job not only of aiding immigrants in their happy adjustment to Canadian life but also of promoting good Canadian citizenship through citizenship conferences, publications and publicity, et cetera. The essence of Canadianism is most appropriately expressed in the message of a Citizenship Court Judge on the occasion of the granting of citizenship to new citizens:

> This nation has been enriched by the loyalty and sacrifice of persons who have come from many lands and traditions. To each this nation has given a chance to live and grow and share in the common wealth. From each Canada has accepted the gifts of different cultures and made them into an enduring heritage. From sea to sea, this rich heritage is yours, as it is mine, because we are Canadian.

Other departments of federal and provincial governments, public bodies and our schools, are slow in following the lead of the Department of Citizenship and Immigration. School textbooks should contain the story of the contributions of all elements of our society to the development of Canada, in order to break down the barriers of prejudice and stimulate positive citizenship. Equality of citizenship should mean that appointments to high offices, commissions, the Canada Council, et cetera, should also be made from the third element, as has already been partially put into practice.

For example, I believe that the time has come for someone of the third element to grace the office of Governor General and of Lieutenant Governors in some of the provinces. The Canadian Broadcasting Corporation, the worst offender, should have representatives from the third element on the Board of Broadcast Governors and should promote the harmony and unity of all segments of our multicultural society by sponsoring regular weekly programs of the music, songs, dances, dramas, handicrafts and literature of the ethnic groups of the third element on television and radio systems.

The issuance last year of a stamp commemorating Sir Casimir Gzowski, a great Canadian of Polish origin, an outstanding engineer, soldier and educator, should be the beginning of others to follow in the same vein. The multicultural image of Canada should be conveyed in external affairs throughout the multicultural world; exhibits of Canada, embassies, consulates and delegations should have illustrations of the cultural contributions of some of the leading third element groups. I believe it would greatly enhance Canada's prestige in the world if a native Indian, educated in a Canadian university, became a member of a Canadian diplomatic mission. Cultural exchanges between the various groups should be promoted. These are only a few suggestions.

Canada's future and greatness will depend not so much upon the exploitation of her natural resources as upon the proper development of her human resources, both of which we have in variety. If we succeed, and we are well on the road to succeeding, to evolve the pattern of unity in continuing diversity through the application of the principle of Confederation and compromise, this will serve as precedent for other states in the world having similar population and cultural problems. It will be Canada's contribution to the world. I shall venture to go farther. In Canada we have the world in miniature. World peace and order could be achieved if the principles of unity in continuing diversity, brotherhood, compromise and the recognition of the freedom and dignity of individuals and nations are honestly applied.

So, on the eve of the celebration of the centennial of the Confederation of Canada, let us honour the memory and the deed of the Founding Fathers of our nation. The bronze tablet in the Confederation Chamber of the Legislative building in Charlottetown, Prince Edward Island, most appropriately assesses their immortal work of one hundred years ago in the following words:

> Providence being their guide
> They builded better than they knew.

In these days when our nation is subjected to various stresses and strains, when some express doubts and fears about Canada's future, let us strengthen the moral fibre of our nation by rededicating ourselves to the principles of the Canadian Bill of Rights. Let us always bear in mind the pledge appended to this bill, which was read by Prime Minister John G. Diefenbaker, in the House of Commons, on July 1, 1960:

> I am a Canadian, a free Canadian, free to speak without fear, free to worship God in my own way, free to stand for what I think right, free to oppose what I believe wrong, free to choose those who shall govern my country. This heritage of freedom I pledge to uphold for myself and all mankind.

Fundamentally, we are a Christian and democratic nation. Let us therefore not forget that all men are born in the image of God. Believing in the Fatherhood of God, we also believe in the brotherhood of man and the brotherhood of peoples and nations. Our faith in freedom, equality, justice, co-operation, truth and love as the antidote to tyranny, hate, fear, bigotry, prejudice and discrimination has been the strength that has brought about and maintained Canadian unity, which has produced peace, progress, prosperity and happiness for Canadian citizens. This faith and work has built a great and dynamic Canada. With continuing mutual understanding and goodwill and adherence to these high principles we will build a greater and more dynamic country. Let us look to Canada's future with the faith of our Founding Fathers, of our pioneers of various origins, and of our great leaders.

Hon. Edgar Fournier: Honourable senators, after hearing the magnificent speech of Senator Yuzyk, given in three different languages, I hesitate to follow him with my broken English and my bad French. I understand that another senator is to follow me in the debate tonight, so I will dispense with the traditional opening remarks and say that I endorse all the good words which have been said about you, Mr. Speaker, and about Senator White, Senator Connolly (Ottawa West), Senator Macdonald (Brantford), and Senator Brooks—all of the nice things that have been said about everybody.

However, I would like to express a word of congratulation and of welcome to the newly-appointed senators, especially to the new senator from New Brunswick (Hon. Mr. Rattenbury). I am sure that those in this new group will find the same friendship, regard and understanding that was offered to the group in which I was introduced to the Senate two years ago.

I congratulate the mover and the seconder of the motion for an address in reply to the Speech from the Throne, Senator Cook and Senator Denis, on their speeches. They performed their duties with high dignity. A special mention should go to Senator Cook who was sworn in only a few minutes before he was called upon to speak. We were all impressed by the ease and sincerity with which he spoke. We know that Senator Cook will make a very great contribution to the Senate, and so will Senator Denis.

(Translation):

I consider as a personal friend the seconder of the Address, honourable Senator Denis of St. Denis, whom I met in the other place three years ago. True, I have not always shared his opinions, but anyone who has given 30 years of his life to the public service, in the field of politics, deserves congratulations, and I am pleased to do so tonight.

I am happy to see him here and I wish both Mrs. Denis and the senator many years of health and happiness.

Senator Denis carried out his task as seconder with dignity but especially with great experience. Realizing that the Speech from the Throne had practically nothing to offer, he chose to by-pass it and read extracts of a Liberal epistle inspired by the prophets of that group. I am sure it was not inspired by St. Denis. Being a good Catholic, I have great faith in all the saints, even St. Denis. However, honourable senators, if I were to learn that it is St. Denis who inspired the speech of Senator Denis, I would immediately take him off the list of the saints I prefer.

(Text):

Honourable senators, with regard to the speech by honourable Senator Denis, I have made a few notes which I will go over very briefly. The honourable senator mentioned that 32,000 applications had been granted for building homes this winter. With that possibly I could agree, but he omitted to mention that there is an 11 per cent sales tax on the construction materials going into those homes, which represents $1,100 on a $10,000 home.

He also mentioned that 275,000 new jobs had been created and that unemployment had declined by 75,000. Then he added, "Of course, we are not yet satisfied." We, too, are not satisfied, because that leaves a gap between 275,000 and 75,000 indicating a difference of 200,000 missing somewhere.

The honourable Senator Denis also mentioned the federal contributory retirement fund. However, he forgot to mention that this is not all rosy and is not yet accepted by all the people, by any means.

He also mentioned the $75 a month pension plan, with which we agree; but I do not remember having heard that we would have to be taxed to pay this $75 a month pension.

The honourable senator got jumpy then. He was referring to page 17 of the last Liberal election program and then he skipped to page 21. I wonder if his reason for skipping

those lines had anything to do with some of the omissions. I would refer to the House of Commons *Hansard* of February 24, at page 116, reporting a speech made by a very bright young man, Mr. Erik Nielsen. Mr. Nielsen had this to say, and I quote:

> I went through some election pamphlets and material published by the Liberal party in the last election campaign, and I am going to go through some of the promises which were made.

Then Mr. Nielsen listed 34 promises which had never been fulfilled. This was a possible cause for omissions being made.

Honourable senators, the Speech from the Throne is normally a measuring device by which the nation can rate its administration. I feel that the Throne Speech we heard last week does not give the Government of this day a brilliant rating. One finds difficulties in trying to praise the Speech, as it is such a departure from the promises made during the last federal election.

The Speech can be most noted for its many omissions; besides being one of the shortest ever presented to the Canadian people, it is the most "speechless". One radio commentator said that it had a lot of material but very little cloth.

I am sure everyone will agree with me that it was molded after the so-called "sixty days of decision" which turned out to be sixty days of frustration. It reminded me of an abstract painting. No matter how you look at it, it is deceiving, it is always the same, it means nothing definite, and it leaves much to your imagination.

Honourable senators, what can we expect from a minority government which cannot stand on its own feet without support of minority groups, whose members are today more interested in their salaries than in the affairs of the nation?

However, the Speech from the Throne includes some good announcements. The greatest of all these was the announcement of the visit to Canada by Her Majesty Queen Elizabeth. I am sure all Canadians are rejoicing that our Queen, Her Gracious Majesty Queen Elizabeth, will visit Canada on the historic occasion of the Interprovincial Conference on Confederation. I am sure we all wish to present to our beloved Queen, as usual, our best and most cordial reception.

Other good news contained in the Speech from the Throne was the announcement of the agreement signed between the American and Canadian Governments relative to the development of the Columbia River. This is a step forward and in the right direction. However, I regret that the Speech omitted completely any reference to the Passamaquoddy tidal power development, which at this date is a subject of major interest at the eastern coast of the United States and in the Maritimes. I am prepared to accept this as an omission and not a lack of interest on the part of the Government.

I would like to compliment the Government in their undertaking to promote a memorial international park at the Roosevelt summer home at Campobello. I am glad to say thanks for that to the previous Conservative Government, under the Right Honourable John G. Diefenbaker, with the recommendation of the Honourable Hugh John Flemming. The Island of Campobello is now privileged to have a fine bridge, which makes an easy access to the island where this memorial home now stands. I am sure the proposed park will be a great attraction not only for Canadians but for thousands of American citizens.

Honourable senators, I would like to say some words of compliment to the organizers and promoters of the World Fair, especially to Mayor Drapeau; the first commissionary, Mr. Dupuy; and Mr. Shaw, the chief engineer. These men have shown integrity and leadership. They have not feared to face obstruction, and the Canadian people may have the assurance that the exposition of 1967 will be a success. We are not to forget our own honourable Senator Sarto Fournier, who plowed the soil and planted the seed which is now growing into a gigantic enterprise.

The Speech from the Throne mentions a reform of public regulation of railway facilities to meet present and future needs. However, there is no mention of what regulations will be introduced. I beg the Government to study the railway train passenger service in my region, that is, between the City of Quebec and the City of Moncton, via Edmundston. I am not asking the Canadian National Railways to add more trains, but to change the route of some trains in order to give transportation service to Canadian citizens who are entitled to railway transportation but who are not getting it now.

The Throne Speech has completely bypassed the question of a national flag. Again, what a change of attitude, when not so long ago the Prime Minister of the day said at a political rally: "Why not two flags?" It sounded so easy, it seemed to please so few, but surely now he should think not of two but at least one flag.

The Speech from the Throne mentioned a new Minister of Rural Development. Here, again, what a departure from the last federal election Liberal platform promises, whereby two Ministers of Agriculture were to be appointed, one for the east and one for

the west! Those were childish and irresponsible promises, I admit; nevertheless, they were promises repeated many times by the present Prime Minister and his colleagues. Now there is an increase in the confusion which already exists. I quote from the Speech from the Throne itself:

> A measure will be placed before you to provide for a minister responsible for Rural Development, in order that my Government may carry further its policy of giving increased attention to the needs of agriculture in both eastern and western Canada.

Now we find that the promise made in regard to a Minister of Agriculture has been given a different dressing. The eastern agricultural minister's uniform has been shelved for good, and a new suit has been cut to include the west as well as the east. To say the least about this, it will be just another unfilled promise, not to be forgotten by the farmers of the east.

Another departure in the Speech from the Throne was in the matter of scholarships. Where are those 10,000 scholarships which we heard so much about in the platform promises during the last federal election? Those vote-getting promises have shrunk now to a mere loan, likely to be administered by the provinces, whereby the student, after completing successfully the application form, submits to an interview with the local member of the legislative assembly, so that he may pledge himself to Liberal support before the application is finally approved. Honourable senators, this is what is taking place today in New Brunswick under the Robichaud administration.

In the Throne Speech, one point of major interest to the Canadian people is the reform of the Senate. While it may be premature to discuss this reform, as we do not know what form it will take, we are led to believe that it will be a compulsory retiring age. I am sure that when the time comes we will have an opportunity to study fully this matter. One must not forget that the value of the Senate—and I emphasize the word "value"—is the immense knowledge and irreplaceable experience in all phases of life that we find here in this chamber. It is that experience and knowledge which form the wisdom of those who have the duties of guiding the destiny of our Canada and maintaining the true democratic path. I exclude myself from the application of the word "wisdom". Therefore, if this experience and knowledge is to be replaced by physical fitness, the retiring age is not 75, not 70, but 65, in line with the Canadian working force.

Honourable senators, in regard to unemployment, during the last few months, the Government of the day has displayed many figures relating to unemployment. I would like to extend to the Government my appreciation for what they have done and are trying to do to relieve unemployment. I am prepared to agree that they have done something about it, but I disagree with the method which the Government employs to render their figures public. You will note that as a rule the figures given indicate the number of people receiving prestations or benefits, which shows a decline. To be fair to the nation, these figures should be accompanied by the number of unemployed today not receiving such prestations, due to the lack of employment in previous months, which resulted in a shortage of stamps to qualify for prestations. The total of the two figures would give the Canadian people a true picture of the number of unemployed people today. The hundreds of thousands who are receiving prestations are no problem to anyone, but those who do not receive any are the persons who are now being overlooked and need more attention.

The Speech mentioned the establishment of a new minister to preside over the Treasury Board. If I were in the other chamber, I would have much to say about this, and so would the taxpayers of the nation.

The Speech, among its many omissions, has not a word giving any indication of further interest by the Government in the Canadian Development Corporation. It avoided any comments on biculturalism and bilingualism, which the same Government praised so highly last year.

The Speech mentioned a continuation of federal-provincial conferences, which have brought about considerable progress in the improving of federal-provincial relations.

Honourable senators, at this point I wish to congratulate the federal Government of the day in making it possible for the Atlantic Development Board to make a contribution of $20 million toward the construction of the Mactaquac hydro electric power dams on the Saint John River. While we appreciate this donation, we should not lose sight of the fact that the board was established in 1961 by a Conservative government.

We must not lose sight of the fact that if the provincial government of New Brunswick is today in a position to build this $100 million power dam, it is due to the good government that the Honourable Hugh John Flemming gave to the Province of New Brunswick between 1952 and 1960, which made it possible for the New Brunswick Electric Power Commission to become self-financing. A bill to that effect was introduced in the New Brunswick Legislature in 1958. Without it the dam would be just a dream.

We must also not lose sight of the fact that if this large power dam is now possible, it is again due to the good government of the Honourable Hugh John Flemming, who made it possible to build the Beechwood dam and carry out the expropriation of the Gatineau power plant on the Saint John River, which today provides the river flow control required at the new dam.

While we rejoice in the grant of $20 million by the Liberal Government, we should remember that it was the same Liberal Government which refused the Honourable Hugh John Flemming and the New Brunswick Electric Power Commission federal assistance—not even a simple little loan. I well remember the many trips I made to Ottawa to see the former Prime Minister, the Right Honourable Mr. St. Laurent, the honourable Ministers Abbott and Harris, and the Honourable Mr. Lesage, then Minister of National Resources and Northern Affairs. Yes, honourable senators, there were many trips I made with my premier, the Honourable Mr. Flemming, but the answer was always "No". It took another good Tory administration under the leadership of the Right Honourable John Diefenbaker, to grant us, by special legislation in 1958, a loan of $29 million to build Beechwood, and further assistance up to $4 million to build an interprovincial high-line power grid between Nova Scotia and New Brunswick.

I am sure that when Premier Robichaud of New Brunswick and the new Liberal Government of Ottawa realized what the construction of the Beechwood power dam did to stimulate the economy of New Brunswick they felt they had sinned—and a major sin at that. However, they say it is never too late to repent—and they did just that.

Honourable senators I wish to add a few words about the bicultural and bilingual movements. These relate to some of our problems in New Brunswick. Tonight, for the first time in the history of New Brunswick, you are going to hear the voice of the French Canadian of New Brunswick. In the past you have, by means of radio, television and the press, often heard the voice of New Brunswick Acadians who have taken the liberty to speak for all French Canadians—not all Acadians, since in New Brunswick we are not all Acadians. We can say quite frankly that in New Brunswick we found three different groups of the French element, the Acadians, the semi-Acadians and the French Canadians. We speak the same language, we share the same church, but we have somewhat different cultures and different views and opinions. It is not for me to expose the views of the first group, the Acadian group—and I want to repeat, not all the Acadians. You have heard them and you know their aims and ambitions. However, may I be permitted to speak for the other two groups, whose views I share and agree with.

We French people are widely known for using nicknames; that is part of our culture. In the region from which I come, we are called the "French Brayon". The name comes from our ancestors who grew lin. There was a market for the seed, known as linseed, and cloth was made from the straw. The process of pulverizing the straw was called "brayer". We are also known as "the Pancakes". We are to be found mostly along the Saint John River Valley, and are composed of a mixture of Acadians and Canadians.

The other groups with which we are associated are the French Canadians, coming mostly from the north, and from the province of Quebec. They are called "the Canayen," or "the Blueberries". The words "pancakes" and "blueberries" are home synonyms for friendship and are often used to tease one another, but always in a spirit of good French harmony. Incidentally, those nicknames are tempting as foods, especially with the addition of the good maple syrup of Senator Vaillancourt. The last two groups have, on several occasions, been in strong disagreement with the first group of divided Acadians.

Honourable senators, biculturalism and bilingualism are two words which seem to create much confusion these days, yet they must be recognized as symbols of liberty of race, of religion, and of speech. Biculturalism and bilingualism should be a pledge of equality for Canadians living under a system of Confederation established over 95 years ago, devised purposely to legalize such equality. Equality will never be achieved as long as the shadow of racial and religious differences exist. Here, it is not a question of leaning on the past, even if at times the past has left behind unpleasant moments, but rather a question of looking into the future with firm determination, filled with friendly feeling and respect for one another. Then, with a little goodwill from one another, biculturalism and bilingualism will become a synonym of good understanding and goodwill. However, if biculturalism and bilingualism lean rather on the side of separatism, these two words will become synonyms of humiliation, which will lead us to dishonour and finally to disaster. We French Canadians do not wish this to happen, and we have the duty to resist such movements and to fight them at their source.

My province of New Brunswick takes a great interest in the Laurendeau-Dunton Commission, because our province is composed almost entirely on terms of equality by two groups who have lived together for over 200

years. We always work together in harmony; but, unfortunately, from day to day during the last 20 years we have not been spared from small separatist movements. Those movements all originated from the same region and always under the same influence.

From time to time we gave our support to this minority group, which always avoided the mention of separatism but directed its efforts under a different pretext. However, on several occasions we criticized this group severely for embarking on questions on which we feel they had no authority to speak, nor had they the support of our French Canadian population. At other times we condemn them very severely for their irresponsible actions. In general, we French Canadians of New Brunswick have been rather easy going and tolerant toward that group because they were small and were causing little harm and drawing little attention.

Today, however, this same group, under the influence of a group which I would prefer not to mention at this moment, has at its disposal its own newspaper which cannot survive by its own merit. That newspaper today publishes news and views to our French population of New Brunswick, Nova Scotia, Prince Edward Island, and right across Canada, which do not always express the feeling or the wish of all French Canadians of my province.

Today we are often told that in the Maritimes there are approximately 300,000 Acadians. In my estimation this is one of the first errors which that group has placed before the public. It is possible that there are 300,000 French people in the Maritimes, some of direct Acadian descent, semi-Acadians and French Canadians. That to me presents a different picture altogether. I can assure honourable senators that 270,000 French Canadians do not share the views of the other 25,000 who take the attitude of leaning toward the separatist movement, an organization which takes it upon itself to be the voice of all French people in the Maritimes. We have asked and are still asking ourselves, where did they get authority to talk this way?

Honourable senators, I know that after my declaration of today this group will shout "scandal!" However, I am not ashamed of my statement. Rather I am proud, as I make it with knowledge, faith and sincerity. It is not my future which is important in the matter; it is the future of my children, the future of the generation of tomorrow. It is our children who will suffer from the consequences of the revolutionary movements sponsored by this association.

Honourable senators, my position as an anti-separatist has been well established in my province and in my local region. The records of the provincial legislature are there to show that I, on several occasions on the floor of that chamber, took a strong hand against the separatist movement.

On October 3, 1963, two days after I was given the honour of a seat in this house, in seconding the motion for an address in reply to the Speech from the Throne, I said this—and I quote from *Hansard* of 1962-63, page 24:

> Now in a more serious vein, I must point out that New Brunswick has been endowed with great cultural and natural wealth. Nowadays our population is almost equally divided between the French and the English and we, of both ethnic groups, live and work according to the same convictions, the same principles, and we admit that we are first and foremost Canadians. However, we are not immune to separatist movements which seem to spout once in a while in our province. We try to fight them before they spread so as to protect our freedoms and strengthen our ties within the Canadian Confederation.

Honourable senators, in my home city of Edmundston we are privileged in not having Separate Schools. If my memory is right, in 1948 there was a movement to organize Separate School classrooms. Being a teacher at the time, I fought the movement very strongly. I was threatened with expulsion, but this was not the intention of the school board. I fought the movement as a parent, a father of four children attending school at the time, and my arguments were simple, easy to understand and logical. I could never accept, nor could I visualize my children being educated on one side of the street and the English-speaking children being educated on the other side of the same street, under two different atmospheres, and expect that after graduation those students would be released upon the world and be able to work and live together for a lifetime, successfully, in harmony and in understanding. It just will not work, because the foundation of understanding is not there. As a teacher, whose obligation it was to prepare our children to become first-class Canadian citizens, I was obliged to fight separatism, and today I have not changed my attitude.

Honourable senators, may I read extracts from a speech I made at a public meeting at home on August 30, 1961, at which over 3,000 French- and English-speaking Canadians were in attendance. Here I was referring to a society called the *Société Nationale des Acadiens*, that had given me an awfully hard time in my effort to bring bilingual television broadcasting to my local people. I said this:

The *Société Nationale des Acadiens* cannot dictate and enforce their policy over the whole French population of the Maritimes, especially New Brunswick. We, the French Canadians, do not share their attitude. We French Canadians do not share any separatism policy. We French Canadians cannot tolerate any longer such agitation, as we French Canadians strongly recognize that the events of 1755 are now over 300 years past and should be shelved once for all. But rather we French Canadians are looking forward to the future instead of back at the past. We French Canadians believe in unity, friendship, freedom, freedom and respect to all classes of society, freedom of church, freedom of languages, freedom of schools, freedom of the press, but not exactly the type of freedom we have received lately from the French press headed by the editors of the newspaper *l'Evangeline*.

We, the French of Madawaska, have since Confederation set an example to the rest of Canada, as we are living two races in harmony and friendship, with freedom of languages and religions. This we want to continue, and we want the English population to cherish this same freedom without limitation.

Ladies and gentlemen—

I was referring to the audience.

—is there anything wrong in having our children learn the English language? Is there anything wrong in having the English boys and girls learn the French language? Is there anything wrong in being bilingual? No, my friends, let us work together as we have in the past, to keep and protect this friendly atmosphere which exists here, to live and let live.

On February 2, 1964—three weeks ago—I made another speech, by request, on the separatist movement, and I will read just one paragraph from it, because I want to give the floor to someone else.

Are we much longer to stand idle without saying anything? Are we going to stand idle and let a few people who claim to be the voice of the French people build a Berlin wall between the French and English of this province, without giving any thinking and consideration for those who will suffer the most from such revolutionary action?

In closing, I would say that my opinion on bilingualism and biculturalism is that it should not be imposed on anyone, but that it should be voluntary. If we had been given another 10 or 15 years, I am convinced, honestly and sincerely, that many of the present difficulties would have disappeared.

My father and mother are 79 and 80 years of age, respectively. They do not understand a word of English. I come of a second generation. I can put a few words of English together, enough to get by—and I hope you have at least understood what I have tried to say—which is a step forward from the situation of my father and mother. My children are not completely bilingual, but they are much better than I am. However, my grandchildren, three or four years of age, are perfectly bilingual. So this problem is completely disappearing in my family; and there are thousands of families like mine amongst French-speaking people, and I am convinced there are just as many English-speaking families in the same position. Probably in another 10 years all young people will be bilingual, and in your family your children will speak both English and French. In this way the problems will iron themselves out.

As far as my culture is concerned, I am free to do anything I want. I can play the mouth organ and square dance, and there is nobody to stop me. The English-speaking people can do the same things. It all depends on what you put into it—this is the freedom we want to champion. Now, I conclude with these words: we cannot stop the birds from flying over our heads but, surely, we can stop them making a nest in our hair.

Hon. Norman McL. Paterson: Honourable senators, may I take the liberty of tendering to you, Mr. Speaker, my very best wishes, and also of congratulating our new Leader of the Government (Hon. Mr. Connolly, Ottawa West) on his appointment, and of wishing him well. I should also like to join with other honourable senators in welcoming the new senators to this chamber.

I did not intend saying anything about my home district, because its importance speaks for itself, but I want to mention in passing that it is still one of the great grain-shipping ports of the world. In the 1963 season it loaded in ships some 350 million bushels of grain, some going in foreign ships but the great bulk of it in Canadian ships to eastern Canadian ports for loading in foreign ships and for domestic use. However, that is not what I rose to say at this time.

For 24 years I have been in this chamber, and during that time I have sat on both sides of the house. All that time I have wondered where these paintings came from that cover what otherwise would be bare walls of the Senate chamber. They are very well painted and, for two reasons which I will mention later, I consider them extremely valuable. At last, through the efforts of our clerk, Mr. MacNeill, we have been able to solve the problem. He has received a letter from Mr. R. F. Wodehouse, Curator of War

Collections, telling the story; and I am going to ask my colleague Senator Roebuck to give you that information.

However, I want to say that to me these pictures are particularly valuable. Firstly, because they remind us of the flower of Canada who went to war in 1914 and who never came back, having given their lives for our freedom. Secondly, they depict the destruction that occurs through war, and they remind us that we must never allow another one to occur. The 1914-18 war was child's play compared to what would happen now. For all time they should remind us that war must be avoided.

May I take the liberty, honourable senators, of asking Senator Roebuck to give you that information?

Hon. Senators: Agreed.

Hon. Arthur W. Roebuck: Thank you, honourable senators.

The letter is from R. F. Wodehouse, Curator of War Collections, and it is addressed to J. F. MacNeill, Esq., Clerk of the Senate, Parliament Buildings, Ottawa, under date of January 3, 1964. It is written on the notepaper of The National Gallery of Canada, and reads:

> Dear Sir:
>
> I am writing to confirm and amplify certain information given verbally to Mrs. Sutherland of your staff regarding the origins of the Canadian Memorials Collection of which certain pictures are now hanging in the Senate Chamber.
>
> The origins of this collection which is now in the care of the National Gallery are complex. Essentially the acquisition of these works was a private venture on the part of Lord Beaverbrook and some associates at the time when Lord Beaverbrook was in charge of the Canadian War Records Office in London. The clearest statement of its origin I can find is in a letter dated 15 January 1918 from the Canadian War Records Office, 14 Clifford Street, Bond Street, London, W.1. This was addressed to the Secretary, Department of Militia, Oxford Circus House, 245 Oxford St., W. 1 and confirms statements made at an earlier conference.
>
> It reads:
>
> "Dear Major Bristol,
>
> Confirming my call upon you this morning, I submit the following outline of the Canadian War Memorials Fund Scheme for your information.
>
> The Committee of Canadian War Memorials Fund consists of Lord Rothermere (chairman), Lord Beaverbrook and Captain B. L. Lima of the Canadian War Records office. Its funds are obtained from the sale of official photographs, exhibitions of official photographs, and official and semi-official publications such as 'Canada in Flanders', 'Canadian War Pictorial' and 'Canada in Khaki'.
>
> The purpose of the scheme is to purchase on behalf of Canada, pictures by the most capable and distinguished artists, which shall depict in the finest way Canada's share in the Great War. The record value of these pictures is inestimable."

In this connection, Lord Rothermere and Captain Sir Bertram Lima at this time controlled the newspaper the *Daily Mirror* and other publications and these connections facilitated publicity, etc., which greatly assisted the fund. In addition there were private donations made and some artists donated works or accepted very low fees. Arrangements were made by the Canadian Government to second certain artists serving in the forces and to grant honorary commissions to other artists to facilitate sketching with the forces on the continent.

In a report of the Executive Committee dated 31 August 1919, the members of the Committee of the Canadian War Memorials Fund are listed as:

> The Rt. Hon. Viscount Rothermere, P.C. (Chairman)
> Lady Perley
> Sir Edmund Walker, G.C.V.O.
> The Rt. Hon. Lord Beaverbrook, P.C.
> Secretary, Major J. H. Watkins, M.B.E.

The Executive Committee consisted of Viscount Rothermere and Lord Beaverbrook. Sir Bertram Lima had died in the interim.

The Art Adviser was Mr. Paul Konody, a distinguished art critic of the day. He is the author of the book "Art and War" which contains many coloured illustrations of the Memorials Collection and is probably available in the Parliamentary Library.

Some pertinent sentences of the report may be quoted:

> It has been the desire of the Committee that no charge for the collection of pictures should fall on the people of Canada. While therefore, we have been glad to avail ourselves of the assistance of the Canadian Government given in the form of the loan of photographic material or of the occasional

services of officers and men, no Government grant has been expended on it.

The collection was exhibited in the Royal Academy in London during January and February 1919. During the early summer it was shown in New York and at the time of the writing of the report was being shown in Toronto. In 1920 the Canadian War Memorials collection was transferred to Ottawa and came into the keeping of the National Gallery.

On 12 February 1921, Col. Chambers, Gentleman Usher of the Black Rod, signed a receipt for eight paintings to be hung in the Senate Chamber. These were to be in place in time for the opening of the new Houses of Parliament and most of these seem to have remained in the Senate Chamber ever since.

During the two years preceding this time there was much correspondence between the War Memorials Committee and the Government of Canada as to who owned the pictures and who was responsible for outstanding bills. This appears to have been finalized in April 1921 for on 12 April the Minister of Public Works, the Hon. F. B. McCurdy wrote the Chairman of the Board of Trustees of the National Gallery that 'you may consider that the Canadian War Memorials Committee has handed over the collection unconditionally to the Government of Canada'.

I trust the foregoing may be of some value to you in answering any queries regarding the status of these paintings. Please let me know if I can be of any further assistance.

Yours sincerely,

R. F. Wodehouse,
Curator of War Collections

J. F. MacNeill, Esq.,
Clerk of the Senate,
Parliament Buildings, Ottawa.

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

PRIVATE BILL

THE GENERAL COUNCIL OF THE CANADIAN BRANCH OF THE ST. JOHN AMBULANCE ASSOCIATION—SECOND READING

Hon. John J. Kinley moved the second reading of Bill S-5, respecting The General Council of the Canadian Branch of the St. John Ambulance Association. He said: Honourable senators, the bill which now comes before us for discussion is classified as a private bill, but I suggest it is of tremendous public importance. It comes before us in the form of a petition from the Most Venerable Order of St. John of Jerusalem, and brings to us a message from that organization which I am sure makes it a worthy applicant for the legislation sought therein.

The Order of St. John consists of a trained and dedicated body of people in the Commonwealth of Nations and in Canada which serves a philanthropic purpose. They have served in this country for over 50 years and have a fine record of service and achievement. Many, many people have been trained and have dedicated themselves to work in the Order in the interests of the people of this country. Many people also receive benefit from the Order, proving its work to be of great human interest. Consequently, there are many people who follow closely the work of this Order and who look forward to the enactment of the legislation sought at this time.

Honourable senators, this bill has great importance. It comes to us because of change and growth, and because of the success and progress of the Order of St. John.

In this world there are forces of good and forces of evil, and I think we can say that the Order of St. John is one of the great forces of good. It is a long established and active Order; it has a great history. It was a militant order during the Crusades, but it has always been beneficent.

It brings to my mind the Hospital of St. John of Jerusalem, which dates back to early times. I think it was in 1882 that the society obtained the privilege of rebuilding that hospital, and it has been a place of valuable service during the conflicts in the Middle East. When the disease trachoma, an eye infection, was so prevalent in that country that it caused disaster, the hospital was turned into an ophthalmic hospital. That ophthalmic hospital is operating now in the City of Jerusalem, and it is one of the foundations of the Order of St. John of Jerusalem.

The St. John Ambulance Association has been working in every province of Canada for over 50 years without reward of any kind. That represents to me a fine expression of Christian chivalry.

The principal purpose of this bill is to provide the corporation with objects and powers appropriate to the only function it has in fact been fulfilling since 1946, namely, that of a bare trustee for the Priory, holding title to property beneficially owned by the Priory, as more particularly set out in the recitals in the preamble of the bill, and in connection therewith to define the trusts upon which the corporation holds such property.

The legislation which the bill amends is chapter 145 of the Statutes of Canada of 1914, by which the General Council of the

Canadian branch of the St. John Ambulance Association was first created. The personnel of the first General Council are named in that statute, and they are distinguished citizens from all provinces of Canada. They have all, I am told, since been gathered to their fathers. They did great work. Theirs was a fine conception which in 50 years has borne fruit one hundredfold. With the permission of the Senate I shall personally record their names in *Hansard* in remembrance of them and as an example to others. I ask, honourable senators, to be allowed to place this list on *Hansard*.

Hon. Senators: Agreed.

Hon. Mr. Kinley: The list is as follows:

The Hon. Mr. Justice Sir Louis Davies, K.C.M.G., Ottawa; Col. the Hon. James Mason, Senator, Toronto; Major F. C. McTavish, M.D., Vancouver, B.C.; A. M. Nanton, Esq., Winnipeg; Major H. B. Yates, M.D., Montreal; George Burn, Esq., Ottawa; Frederic Cook, Esq., Ottawa; Col. Sir H. M. Pellatt, C.V.O., Toronto; W. F. Angus, Esq., Montreal; the Hon. Hewitt Bostock, Senator, Monte Creek, B.C.; Lt.-Col. J. H. Burland, Montreal; Michael Clark, Esq., M.D., M.P., Red Deer, Alberta; J. L. Chabot, Esq., M.D., M.P., Ottawa; J. A. Chisholm, Esq., Halifax; C. J. Copp, Esq., M.D., Toronto; J. M. Courtney, Esq., C.M.G., I.S.O., Ottawa; Major David Donald, M.D., Victoria, B.C.; George E. Drummond, Esq., Montreal; Sanford Evans, Esq., Winnipeg; Lt.-Col. J. T. Fotheringham, M.D., Toronto; W. K. George, Esq., Toronto; Lt.-Col. W. A. Grant, Montreal; F. P. Gutelius, Esq., Moncton, N.B.; D. B. Hanna, Esq., Toronto; Lt.-Col. C. A. Hodgetts, M.D., Ottawa; J. Alexander Hutchison, Esq., M.D., Montreal; Col. D. T. Irwin, C.M.G., Ottawa; W. D. Brydone-Jack, Esq., M.D., Vancouver; Lt.-Col. Lacey R. Johnson, Montreal; Col. G. Carleton Jones, M.D., Ottawa; James Manuel, Esq., Ottawa; Rev. E. G. Miller, Victoria, B.C.; F. Montizambert, Esq., I.S.O., M.D., Ottawa; D. McNichol, Esq., Montreal; The Hon. Wallace Nesbitt, K.C., Toronto; Col. J. L. H. Neilson, M.D., Quebec; J. F. Orde, Esq., K.C., Ottawa; J. D. Pagé, Esq., M.D., Quebec; H. L. Pavey, Esq., M.D., Montreal; C. G. Pennock, Esq., Vancouver; D. Pottinger, Esq., I.S.O., Ottawa; Col. G. S. Ryerson, M.D., Toronto; Sir Thomas Shaughnessy, K.C.V.O., Montreal; John Stanfield, Esq., M.P., Truro, N.S.; Alfred Thompson, Esq., M.D., M.P., Dawson, Yukon Territory; William Trant, Esq., Regina, Sask.; J. W. Ward, Esq., Edmonton, Alta.; and Ira Yeo, Esq., M.D., Charlottetown, P.E.I.

The preamble to the bill is very informative. It recites that:

> —on or about 16th day of September, 1946, the Order created an Establishment of the Order in and throughout Canada now called The Priory of Canada of the Most Venerable Order of the Hospital of St. John of Jerusalem, designated for brevity "The Priory of Canada of the Order of St. John", and hereinafter called "the Priory".

The preamble also recites that the Corporation of the Priory of Canada and the General Council of the Canadian Branch of the St. John Ambulance Association prays that the provisions of a bill be enacted as herein set forth.

Chapter 145 of the Statutes of Canada, 1914, assented to on June 12 of that year, incorporated the General Council of the Canadian Branch of the St. John Ambulance Association—called the corporation—and our consideration now is of the proposed amendments and changes to the legislation of that date. The detail is as follows.

Clause 1 reads:

> In this Act,
>
> (a) "Foundations" means institutions or organized bodies constituted by the Priory for the furtherance of the objects of the Order, or any of them, and includes the St. John Ambulance Association and the St. John Ambulance Brigade in Canada;
>
> (b) "branches" means subordinate parts of the Priory and its Foundations and includes its Provincial Councils and Special Centres ...

I might say that the organization as it is found in the provinces of Canada is called the Council. There are organizations that work largely within themselves, but they are under the control of the Priory. There are special centres such as the Canadian Pacific Railway centre, the Canadian National Railway centre, the Civil Service Ottawa centre, the Northern Electric centre, the R.C.M.P. centre, the Bell Telephone Company centre, and the Department of National Defence centre.

> (c) "Regulations of the Priory" means the regulations of the Priory and its Foundations in force from time to time under the government of the Order in so far as it relates to Canada.

By clause 2 of the bill the name of the corporation is changed to St. John Priory of Canada Properties. This name is considered more appropriate at the present time, but

such change of name shall not in any way impair, alter or affect the rights or liabilities of the corporation.

It will be noted that by clause 3 of the bill sections 2 to 7 both inclusive of the statute of 1914 are repealed and new sections substituted. This constitutes quite a change, made necessary because of the changing conditions and the growth of the Order. The repealed sections remove any foreign control from the activities of the St. John Ambulance Association and the Brigade, and the Priory of Canada is responsible for the administration and control of the work of St. John in this country.

The new section 2 deals with the right to hold property, and the new section 3 deals with trusts of property and the priory control.

The proposed section 4 names the place of the head office, which is Ottawa, in the province of Ontario, and also provides that notice must be given in writing to the Secretary of State of any change in the location of the head office, which change shall be published in the *Canada Gazette*.

Section 5 provides that members of the corporation shall be the Priory Executive Officers from time to time. Section 6 gives the corporation power to make by-laws.

The new section 7(1) gives, subject to the provisions of section 3 and the terms of any trust relating thereto, the power to hold and dispose of property, and subsection 2 retroactively removes the limitation on the value of real estate held by the corporation, which was $50,000 in the original act.

Section 8 deals with borrowing powers, and subsection 2 restricts the corporation from entering into the businesses of banking and insurance.

The bill directs that the act shall be deemed to have come into force on June 24, 1964, which is St. John's Day, a day of significance to the Order.

The decorations of the Order are for merit, and carry with them no title.

I remember that in 1931 I was a representative for Canada at the centenary celebration of the revival of the Order in Britain, and at the meeting of the Chapter General the Sub-Prior read a message from the Prime Minister of Canada announcing that the Canadian Government had decided to exempt the Order specially from the scope of the resolution of the Canadian House of Commons, in conformity with which the King had refrained from bestowing any titles or honours on his Canadian subjects. The Queen is now the sovereign head of the Order. His Excellency, General the Right Honourable Georges Philias Vanier, D.S.O., M.C., K. St. J., C.D. is the Prior of the Order in Canada.

In 1958 the American Society of the Most Venerable Order was established in New York. I was present at an investiture in the Cathedral Church of St. John the Divine in New York on January 6, 1963 by the Lord Prior of St. John. It was an inspiring ceremony, and as a Canadian I was glad to be there to take part in the service.

At that investiture, men who are probably the charter members of the society in the United States, were invested in the Order by the Grand Prior. The emblem of the Order, as you know, is the Maltese Cross. It is an eight pointed cross, the arms of which symbolize the Christian virtues of prudence, justice, temperance and fortitude. Its points represent eight beatitudes which spring from the practice of those virtues. The whiteness of the cross is the emblem of purity.

The motto of the order, *Pro Fide,* for the Christian faith, came before *Pro Utilitate Hominum,* for the welfare of men. It was the central and constraining memory of the Christian faith that, more than any other influence, could inspire service with the spirit of chivalry and kindled charity into a fire. We are glad to see that this flame is burning brightly at the present time in Canada.

Hon. Mr. Connolly (Ottawa West): Honourable senators, we are all indebted to the honourable senator from Lunenburg (Hon. Mr. Kinley), first, for agreeing to sponsor this bill and, secondly, for telling us so much about it.

I do not intend to detain honourable senators more than a few minutes. However, this is a rather unusual bill and in my private capacity as a member of the Senate I would like to comment upon it, for it stirs my imagination, as I am sure it has stirred others on both sides of the house.

Honourable senators, I have before me the annual report of the St. John Ambulance, which is perhaps the name by which this organization is best known in Canada.

This is an example of an organization which has reverted to type, because its original purpose was to provide corporal works of mercy to people who needed them. The original establishment, according to the annual report, was set up in Jerusalem in the eleventh century, as a hospital for Christian pilgrims in Jerusalem, by a group of Benedictine monks who became known as the Brothers of the Hospital of St. John.

During the Crusades, when the forces of Europe went down to the Holy Land to try and free those holy places from the grip of the Saracen, this institution, this hospital, was the place where their wounded were cared for.

The Order grew in power, and ultimately, as the senator from Lunenburg has said, it

became a militant order. After the defeat of the Christians at Acre in 1291, when the last Christian stronghold in the Holy Land was lost, the surviving knights of St. John went to Cyprus and later to Rhodes. Apparently, early in the sixteenth century they established a fleet which was very powerful in the Mediterranean, and which I suppose was contemporary with the fleet of Don John of Austria, who was the commandant in chief at the battle of Lepanto, about which Mr. Chesterton has written so beautifully and so stirringly in his poem "Lepanto".

Apparently for well over two centuries the Order was strongly established in Malta and had much to do with trying to put down the pirate trade in the Mediterranean.

In the eighteenth century, Napoleon captured Malta and from then on the military power of the Order ceased; but it continued the work that it is doing now in this country and principally, I think, in England.

It may be interesting for senators to know that in Canada in 1962 over 195,000 certificates and awards were issued by the Order for work in the fields of practical assistance to the public, which the Order gives. Those fields are first aid, home nursing, child care, and instruction in the administration of artificial respiration. They conduct first aid competitions, and 157 teams in various provinces competed for trophies and prizes in this field in 1962.

Honourable senators may also be interested in learning in 1962 there were 9,724 members actively engaged in the work of the Order in Canada. These people worked in the ambulance division, the nursing division, the crusader divisions, the cadet ambulance divisions, and the cadet nursing divisions.

We are all familiar of course with the work the Order does, because almost every time we are at a large gathering, a football or hockey game, memorial day ceremonies, or a circus performance, we see the officials of the St. John Ambulance Society prepared to look after people who need the ministrations of experts in the field of first aid.

I should of course have mentioned skiing. All senators who participate in this sport know that the society performs a very useful work in skiing areas.

This is an unusual kind of bill, and I thought it might be of interest to all honourable senators to have the information I have given. It comes from the last annual report, which is available from the society.

Hon. G. Percival Burchill: Honourable senators, coming from the Province of New Brunswick, I wish to support what the honourable Leader of the Government has said about the St. John Ambulance. I take this opportunity of paying tribute to the work which that society has been doing in New Brunswick. Its members do an amazing amount of work all over the province, especially in small communities. In the community in which I live, the training that these dedicated men and women have been doing is marvellous. They have accomplished a tremendous amount of good.

As the honourable Leader of the Government has indicated, they attend and are prepared to render assistance at every form of entertainment; and at every place where crowds congregate. All this work is done voluntarily and gratuitously.

I hope that the bill, which has been so well explained by the honourable Senator Kinley, will receive the generous support of the Senate.

Hon. W. Rupert Davies: Honourable senators, I would like to commend this bill strongly. As a commandant of the Order, I know something about it. I am a commandant of the Order of the Priory of Wales.

In Wales the St. John Ambulance Association is divided by counties, and I happen to be chairman of the Council for the county in which I spend some of my time in the summer. I know a great deal about the wonderful work they do, particularly in the way of rendering first aid and in training nursing cadets. I have been impressed very much by the self-sacrifices which are made by men and women in this work. Therefore, I very heartily commend this bill to the house.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Kinley, bill referred to the Standing Committee on Banking and Commerce.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, March 4, 1964

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

Prayers.

TRANS-CANADA AIR LINES ACT

BILL TO CHANGE NAME—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-2, respecting the Trans-Canada Air Lines Act.

Bill read first time.

Hon. Salter A. Hayden moved that the bill be placed on the Orders of the Day for second reading on Tuesday next.

Motion agreed to.

DOCUMENTS TABLED

Hon. John J. Connolly: Honourable senators, I have a list of some ten documents to be tabled. I may say that seven of them deal with reports that are required to be made by the Canadian National Railways in respect of certain portions of their undertaking. The others consist of the report of the Canadian Wheat Board for the crop year ending July 31, 1963, and a report of the Administrative Committee to Programming Board on the Nelson River investigations, dated February 6, 1964.

[The following documents were tabled:]

Report of The Canadian Wheat Board for the Crop Year ended July 31, 1963, certified by the Auditors, pursuant to section 7(2) of the Canadian Wheat Board Act, chapter 44, R.S.C., 1952. (English text).

Report of Administrative Committee to Programming Board on Nelson River Investigations, dated February 6, 1964. (English text).

Interim Report from the Nelson River Programming Board to the Government of Canada and to the Government of Manitoba, dated February 28, 1964. (English text).

Statement of work performed and expenditures made as of December 31, 1963, together with estimated expenditures for 1964, respecting the construction by the Canadian National Railway Company of certain railway terminal facilities at and in the vicinity of the City of Toronto, pursuant to section 10 of the Canadian National Toronto Terminals Act, chapter 26, Statutes of Canada, 1960. (English and French).

Statement of work performed and expenditures made as of December 31, 1963, together with estimated expenditures for 1964, under authority of chapter 7, Statutes of Canada, 1960-61, respecting the construction by the Canadian National Railway Company of a railway line from mile 72.6 Kiask Falls Subdivision, to Mattagami Lake Mines, Township of Galinee, in the Province of Quebec, pursuant to section 8 of the said act. (English and French).

Report of work performed and expenditures made as of December 31, 1963, together with estimated expenditures for 1964, under authority of chapter 56, Statutes of Canada, 1960-61, respecting the construction by the Canadian National Railway Company, of a line of railway from a point near Grimshaw, in the Province of Alberta, in a northerly direction to Great Slave Lake in the Northwest Territories, pursuant to section 9 of the said act. (English and French).

Report of work performed and expenditures made as of December 31, 1963, together with estimated expenditures for 1964, under authority of chapter 9, Statutes of Canada, 1962, respecting the construction of a line of railway in the Province of Alberta by the Canadian National Railway Company from Whitecourt to the property of Pan American Petroleum Corporation, pursuant to section 8 of the said act. (English and French).

Report of work performed and expenditures made as of December 31, 1963, under authority of chapter 13, Statutes of Canada, 1962, respecting the construction and operation on behalf of Her Majesty of a line of railway in the Province of Quebec between Matane and Ste Anne des Monts, pursuant to section 6 of the said act. (English and French).

Report of work performed and expenditures made as of December 31, 1963, together with estimated expenditures for 1964, under authority of chapter 13, Statutes of Canada, 1957-58, as amended, respecting the construction of a line of railway by Canadian National Railway Company from Optic Lake to Chisel Lake, and from Chisel Lake to Stall Lake, and the purchase by Canadian National Railway Company from The International Nickel Company of Canada, Limited, of a line of railway from Sipiwesk to a point on Burntwood River near Mystery Lake, all in the Province of Manitoba, pursuant

to section 11 of the said act. (English and French).

Report of work performed and expenditures made as of December 31, 1963, together with estimated expenditures for 1964, under authority of chapter 11, Statutes of Canada, 1962, respecting the construction of a line of railway in the Province of New Brunswick by Canadian National Railway Company from Nepisiguit Junction on the Bathurst Subdivision of the Canadian National Railway in southerly and westerly direction for a distance of approximately 15 miles to the property of Brunswick Mining and Smelting Corporation Limited, pursuant to section 8 of the said act. (English and French).

PRIVATE BILLS

THE GENERAL ACCIDENT ASSURANCE COMPANY OF CANADA—FIRST READING

Hon. T. D'Arcy Leonard presented Bill S-8, respecting The General Accident Assurance Company of Canada.

Bill read first time.

Hon. Mr. Leonard moved that the bill be placed on the Orders of the Day for second reading on Tuesday next.

Motion agreed to.

SCOTTISH CANADIAN ASSURANCE CORPORATION—FIRST READING

Hon. Mr. Leonard presented Bill S-9, respecting Scottish Canadian Assurance Corporation.

Bill read first time.

Hon. Mr. Leonard moved that the bill be placed on the Orders of the Day for second reading on Tuesday next.

Motion agreed to.

HON. W. ROSS MACDONALD, P.C.

FORMER LEADER OF THE GOVERNMENT—EXPRESSION OF THANKS

On the Orders of the Day:

Hon. W. Ross Macdonald: Honourable senators, before the Orders of the Day are proceeded with, I crave your indulgence in order to thank you for the very complimentary references that have been made to my tenure of office as one of the leaders of this house. It will be noted that I have not referred to them as "flattering references," because I know you have all been most sincere. However, you must agree with me that your remarks have been overly generous, and I think you must further agree with me when I say that all that could be said has been said. May I take it, therefore, that those who have spoken have spoken on behalf of all honourable senators, and in thanking you at this time may I assume I am closing the debate on this subject.

During the last ten years it has been my privilege to be one of the leaders of this house on one side or the other. That has been a great honour, but it carried with it also a grave responsibility. That responsibility, I am sure, I could not have carried over the years had it not been for the feeling of good fellowship and goodwill that has always prevailed in this house. Of course, we have had our differences, and they have been strong differences. We have had heated arguments, and speeches have been made with vehemence. Honourable senators have expressed themselves freely and strongly on the issues which they espoused. But, through it all I think we always maintained a proper sense of decorum and, in spite of our differences, the dignity of this house has at all times been maintained.

When I entered the Senate ten years ago Senator John T. Haig was the Leader of the Opposition. He was a man of wide experience. He had been a member of the Manitoba Legislature, he had been in municipal politics in Winnipeg, and he had been a member of this house for a long time. He was a doughty fighter for those causes in which he believed. Later, he was succeeded by a very dear friend, Senator Aseltine, who led this house during a time of great difficulty. I know that his task was not an easy one, but he led the house in a brilliant manner. He had at all times the respect and esteem of honourable senators, which he still enjoys today as a member on the other side.

Senator Aseltine was followed by another dear friend of mine, Senator Brooks, the present Leader of the Opposition in the Senate. Senator Brooks and I entered the House of Commons at the same time. There really was not much difference between us; the main difference was that for most of the time he was on the wrong side of the tracks and I was on the right side. He now leads the Opposition in this house in a good natured but firm manner.

Honourable senators, during all the years of my leadership, I had the co-operation of the leaders of the other side, and our friendship was always cordial. We usually agreed on the procedure which was to be followed in the Senate and at no time did any leader of the other party break his word with me. I had full confidence in them and I feel that they had full confidence in me. I believe that is one reason why the work of the Senate went along so smoothly. The co-operation which I received from them was typical of the co-operation which I received from all honourable senators. I am grateful to you for that

co-operation and wish to assure you that by your actions and your words you made my task, which might have been a very difficult one, comparatively easy over the years.

Honourable senators, I am sure we are happy now to have as our Leader of the Government the Honourable John J. Connolly. He is a man of wide experience as a member of this house, as a barrister, and as a leader of his party throughout the country. Senator Connolly believes in the Senate, he understands the Senate and the proper place which it should have in the functioning of Parliament. He made a masterful address the other day. The Senate is fortunate indeed to have him as leader at this time. I am very pleased about his appointment, and I wish to assure him that I—and I am sure I speak for all honourable senators—will be happy to co-operate with him so that his days as Leader of the Government in the Senate will be happy and fruitful.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

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

Hon. W. Rupert Davies: Honourable senators, I listened to the Speech from the Throne on February 18 when it was read by His Excellency the Governor General. I have read it over several times since then. On the whole, it is a very reasonable document. It promises to bring before Parliament a number of matters which, if accepted, will be beneficial to the nation. All these measures will eventually come before the Senate, and we shall be able to give the legislation our serious consideration.

I have enjoyed the excellent speeches so far delivered in this chamber in the debate on an address in reply to the Speech from the Throne. I would like to pay particular tribute to both the Leader of the Government (Hon. Mr. Connolly, Ottawa West) and the Leader of the Opposition (Hon. Mr. Brooks) for their splendid presentations.

I should like also to add my congratulations to the new members appointed to the Senate, and to express the hope that they will find the business of this chamber interesting and of value to the development of Canada.

Now, since you have had some words in French from English-speaking senators, and have also heard some Ukrainian spoken, I suppose you would expect me to say a few words in Welsh. However, I think it would be a mistake to do so, because Welsh is a frightening language, and unless one sticks one's tongue in his cheek and speaks through the corner of his mouth he cannot really pronounce it properly. I do not understand Welsh too well. However, when I have been down in the Smithfield, on market days some of my Welsh friends, being very hospitable, have treated me to a drink and I have had to thank them in Welsh, and I think I have done it fairly well. But please do not expect me to speak in Welsh before the Senate, because I just cannot speak in another language as well as do some of you. I am just not as smart as some other members of the Senate.

Towards the end of the Speech from the Throne a paragraph tells us that Parliament will be asked to approve certain changes in fiscal arrangements with the provinces in the shared tax fields. There is also reference to a proposed measure to establish the Treasury Board under the presidency of a separate minister. This board will be responsible for the supervision of Government expenditures. I hope this new arrangement will prove beneficial to the country.

I have been wondering whether this important board will find time, in addition to discussing expenditures, to give any thought and consideration to the matter of the heavy taxation under which business in this country is labouring today. I know quite well that it takes a great deal of money to run this country at the present time. The announcement made yesterday by the Minister of Finance is startling. We are, however, establishing ourselves as a welfare state. To this I have no objection. In fact I think it is wonderful that we are able to do what we are doing for the elderly and the needy; and I hope the new pension plan will be successful, even if amended to some extent after discussion. I am not yet quite clear how the pension schemes which some of us now have operating in our businesses will be affected. Of course, they are not compulsory. I understand that the Government pension scheme will be compulsory. I expect, however, that all the questions that have arisen in our minds will be answered when the pension bill comes before this honourable body and is discussed in the house and in committee.

There is one form of taxation which I think might be examined, and possibly changed a little. I refer to the federal corporation tax. This tax is very severe as it applies to small companies in Ontario. I have no doubt that with large companies, making profits up in the millions, it is not so serious a matter, but the tax is very hard on companies which do not make large profits.

In this province, the combined dominion and provincial tax on incorporated companies is 25 per cent on the first $35,000, and 52 per cent on the balance of profits. Therefore, a company keeps only 48 per cent of the bulk of its profits. This makes the combined governments the senior partner in most companies.

I think it is about time some concessions were made to help smaller companies. It does not seem reasonable to me that large and small companies should be treated exactly the same. I should like to see the Government take some action to benefit those companies whose profits are never in the higher brackets.

I would suggest that it would be much fairer to all concerned if the tax were levied on a graduated scale, as is done in the case of the income tax. If a company makes a profit of, let us say, $100,000 to $150,000 a year, it is very hard, after paying what dividends are necessary, to set aside any substantial reserve for expansion out of only 48 per cent of the profits, which the company is allowed to keep. I feel that my suggestion is a reasonable one, and one that would help the expansion of many smaller companies. Let us not forget that when a company expands it usually means the employment of more help and the cutting down of unemployment figures.

Now, I offer a few words on a less controversial subject. I was particularly interested in the statement in the Speech from the Throne that Canada and the United States are to become joint owners of Roosevelt-Campobello International Park, which has already been referred to by the Leader of the Opposition (Hon. Mr. Brooks). I have been to Campobello and know what a beautiful island it is. Campobello Island has a peculiar interest for me. The capital of the island is Welshpool, named after the town in Wales in which I was born.

The reason for the capital of the island being named Welshpool is that in 1770 Captain William Owen, who later became an admiral, was given a portion of the island by the British Government in return for the heroic and victorious action he had directed in a naval battle. He settled down on the island and raised a family. It later became the permanent home of his son William. Admiral William Owen was a member of a distinguished Welsh family whose ancestral home was a few miles outside the town of Welshpool in Montgomeryshire. It was, and still is, a beautiful estate, called "Glansevern"—or, if you do not understand the Welsh, "On the banks of the Severn".

As I have said, this family was a very distinguished one and was of immense service to Wales. When I was a boy, a descendent of Admiral William Owen was not only chairman of the County Council of Montgomery, but was also member of Parliament for the same county. Incidentally, Montgomery was named after Roger de Montgomery, a Norman contemporary of William the Conqueror. This Montgomeryshire member of Parliament and descendent of the hero who lived at Campobello was responsible for the bill introduced in the British Parliament which completely revolutionized the high school system in Wales and made higher education more easily available to the mass of the people. Later on, the son of the member of Parliament referred to was appointed aide-de-camp to the British Ambassador at Washington.

I was very interested in the reference in the Speech from the Throne to the fact that Parliament will be asked to consider measures to strengthen the position of magazines published in Canada. I am glad some action in that respect is being taken.

I am in the newspaper business, and we publish a syndicated magazine supplement with our papers each weekend. On one occasion I foolishly entered the magazine business: I started a high-class monthly magazine, but after a few issues I was very relieved when a large magazine publishing house in Toronto offered to buy it from me. I discovered, as they did later, that it is not easy to make a high-class magazine pay in Canada.

I expect we shall hear from Senator O'Leary (Carleton) when this matter comes before us. Senator O'Leary, as we all know, was chairman of the commission which studied this matter for the Government, and I am sure he knows a great deal about the problem. The senator, like myself, is in the newspaper publishing business and is head of that excellent paper, the Ottawa *Journal*.

We are told in the Speech from the Throne that there has been a heartening expansion of the economy, and that employment has increased at an accelerated rate. This is good news. I must say that I have always felt our unemployment situation has been, in some peculiar way, exaggerated. I think we would have a better idea of the actual situation if the unemployables were sorted out from the unemployed.

One thing is quite evident in this prosperous and rapidly developing country; that is, an important factor in gaining employment in Canada is education and technical training. We see in our metropolitan papers every day columns of advertisements seeking competent help. Last Friday the Toronto *Globe and Mail* carried 88 columns of advertisements under the heading "Teachers Wanted". We all know there is a great shortage of teachers. In the same issue of that paper there were ten columns of "Male Help Wanted", one whole

column of "Skilled Help Wanted," three columns of "Female Help Wanted," and half a column of "Farm Help Wanted". On the same day the Toronto *Star* carried 15 columns of "Male Help Wanted" and seven columns of "Female Help Wanted".

I think these figures indicate that there are many jobs available, but, unfortunately, too many of our unemployed Canadians have not the knowledge or ability to fill them. I understand that more and more effort is being made to train our young people in technical schools and institutes. This will take time, but it will, I am sure, eventually do much to help the unemployment situation.

In conclusion, I should like to say a few words about the Senate and to reiterate what I have said on several occasions, that a lot of the criticism of the Senate which we read too often in some of our newspapers is very unfair. I have been in the Senate for more than 20 years, and I am proud of the careful way important measures are debated and analyzed by senators, not only in this chamber but in committees. It is quite wrong for any paper to say that the Senate has in its membership a number of "political hacks". I am certain in my own mind that I am not a political hack. I think I am a fairly intelligent man, and perhaps equally as capable as any man elected to the House of Commons of forming opinions on the important matters which come before Parliament. Furthermore, I say that all senators are quite as intelligent as I am, and most are more intelligent and much better speakers than I ever assumed to be.

These references to "political hacks" always annoy me. I have honour and respect for men who take an active part in politics and try to elect to Parliament men who support their party and the policies which that party advocates and which they believe will benefit the country. These men are not "political hacks": they are patriotic citizens. The men for whom I have little respect are those who tell you, with an assumed air of superiority, that they take no interest in politics. Some even have the gall to call it a "dirty game". Well, in my opinion politics is the basis of good government, and if the men who are appointed to the Senate by both the leading political parties in this country are those who have taken an active part in politics, then I say they are the ones most likely to deal intelligently with the subjects which come before it.

It is unfortunate that criticism of the Senate too often comes from newspapers which know little about the every day working of this honourable body. Being a newspaperman myself, I know that it costs money to maintain competent reporters in the press galleries at all times. I know the newspaper business, and I realize many editors think that what is said and done by the elected representatives of the people in the House of Commons is more important than what is said and done in the Senate. That is the reason I suspect we see so few reporters in the Senate press gallery day by day.

I say emphatically, however, that I am sure no newspaper wishes to be unfair. It is simply that too few of them have an intimate knowledge of this honourable body and the work that is done here. I wish it were possible for some editors to spend a week observing the working of the Senate, both in this chamber and in committees.

We are told in the Speech from the Throne that a measure will be introduced to reform the Senate. I do not know all the details it will contain, but I hope it contains nothing that will force out of the Senate some of the very able senators who are now over 75 years of age, and who still speak with knowledge and ability—and I do not include myself. We all get older, and it may be that as we get older our ability is somewhat weakened; but that is not always the case. I remember that Sir Charles Tupper was Prime Minister of Canada at 75, and a brilliant man he was. I speak with authority, because I once heard him address a crowded armoury in the City of Brantford. After he was Prime Minister, he was Leader of the Opposition for some years, and did not retire from that position until 1900, when he was 79. Also we must not forget that William Ewart Gladstone was Prime Minister of Great Britain at 84. Furthermore, I have heard senators who are over 75 make speeches on important subjects in this chamber of which any cabinet minister in the other place might well be proud.

I am thinking particularly of a speech delivered before Christmas in this house by Senator Crerar, of Churchill, in which he defended the investment of American capital in Canada.

Honourable senators, I thank you for your kind attention to my rambling remarks, and I hope that many senators on both sides of the house will give us their views on the Speech from the Throne.

Hon. Gunnar S. Thorvaldson: Honourable senators, having listened to the excellent speech just given by the honourable Senator Rupert Davies, I first want to congratulate him upon its excellence and the way in which he always addresses this house. He referred to what he termed his own deficiencies. I should like to say to Senator Davies that he is entirely too modest; and that no one in this house could agree with him in those particular remarks. Had my wife been listening to the honourable senator I know she

would tell me I should take a lesson from him in modesty.

Furthermore, in my opening remarks I wish to take this opportunity of joining with the other members of this honourable house in expressing words of congratulation to the new senators who have come here during the last few days: Senator Denis from Montreal, Senator Rattenbury from Saint John, New Brunswick, Senator Lang from Toronto, and Senator Eric Cook from St. John's, Newfoundland. We all know these gentlemen are distinguished in their own communities and in their own provinces, and we have no doubt that they will make a splendid contribution to this body, as have so many other senators in the past.

My congratulations also go to the mover and seconder of the address in reply to the Speech from the Throne, both of whom acquitted themselves ably and well.

I also want to extend my congratulations to my colleague, Senator George White, upon the distinguished honour conferred on him some time ago in his appointment to the Privy Council.

To the new Leader of the Government in the house, Senator John J. Connolly, I also extend my congratulations. He follows a succession of distinguished leaders of both the Government and of the Opposition who have held these posts over the years since Confederation. I would add that not the least of those distinguished leaders is the honourable gentleman whom he has succeeded and who spoke to us this afternoon, the honourable Ross Macdonald. Perhaps the highest compliment I can pay to Senator Connolly is to say that he has the good will and good wishes of every member on both sides of this house in the work he has to perform in the future.

In referring to the Speech from the Throne, I would repeat the words of the previous speaker when he said that by and large the Speech is a reasonable document; I have no seriously critical references to make to it. But I do wish to discuss a few of the matters referred to in it.

The first subject I would like to refer to is the visit to Canada this year of Her Majesty the Queen. I particularly liked the wording of the paragraph in the references to the events to be celebrated on this particular occasion. May I repeat them?

> We are looking forward to the visit this autumn of Her Majesty Queen Elizabeth. The presence of the Queen of Canada will mark for our country the historic occasion of the interprovincial conferences on confederation; it will also reemphasize the importance we attach to the Commonwealth, through which so much can be done to advance understanding and co-operation in this increasingly interdependent world.

Those remarks are indeed true—they are as true and accurate as anything can be. The visit of Her Majesty will indeed commemorate the one hundredth anniversary of the beginning of Confederation which occurred in Charlottetown in 1864, and will also emphasize our association with the Commonwealth, which is of such tremendous importance to this entire country.

I sometimes feel we do not think as deeply or as clearly on this question of the Commonwealth, and our association with it, as we should. I feel that once in a while it is good for us to reflect on the tremendous importance to Canada of the influence of the Crown, including the importance of the empire, as we knew it formerly, and the importance of our present Commonwealth relationships. These have been of extraordinary value in the national development of this country. In my view—and I think I can speak as objectively as anyone in this house on the matter because I am of a line which is neither English nor French—there could have been no such thing as the Canada of today were it not for that association in the past. The Crown was the essential element which provided unity in the early days of this country and, in fact, it was the only element which made possible the union of the diverse and far-flung areas that are now Canada. There is no question in my mind that had it not been for our relationship in the Commonwealth, the American doctrine of manifest destiny would have come true and the Stars and Stripes would have floated over the length and breadth of this country.

Let me refer to two or three items in the history of Canada which to my mind are of tremendous significance in regard to these Commonwealth relationships. I begin with the Quebec Act of 1774. What did it do?

The Quebec Act was, as all of us know, an Imperial statute, and it laid the foundation for the fact that it was possible for Canada to grow up as a multicultural nation. It made it possible for English and French to live side by side in the early days of this country. It made a country possible in which they were able to work out their problems co-operatively and harmoniously, as they have done so well over the years. As a result of all that, peoples such as those referred to by Senator Yuzyk last night, and my own people and many others, were able to come to Canada and make their homes here.

Secondly, something that we very seldom think of as an important element in making possible the Canada of today was the settlement of the Oregon boundary dispute in 1846. Does any one believe it was the influence of Ontario or Quebec, or of Upper

and Lower Canada, that settled the boundary of this country in the west at the forty-ninth parallel? Of course it was not. It was the influence of the British Crown, and the influence of the British navy and British military might that prevented the southern boundary of this country from being located at 54 degrees 40 minutes north instead of 49 degrees north.

If the boundary had not been fixed at the forty-ninth parallel, who in eastern Canada would have been interested in gathering together the pieces of the west and making them part of this country? What, indeed, would have been left of western Canada if the boundary had been set where our friends to the south wanted it in those years?

I refer to this matter because it is one of the distinguishing marks of British influence in this country, and of how British influence made possible the Canada of today.

Then, may I come forward some years and refer to Confederation itself? It was not only Macdonald and Cartier, Howe and Brown, who were the architects of Confederation. They needed, and they received, the complete co-operation and assistance of the Colonial Office in London and, indeed, the subtle influence of the Crown, in fashioning the Canada that was created in 1867. I refer to these facts to bring to mind again the importance of the Crown, and the importance of Canada's association in the group of nations which is known today as the British Commonwealth.

Let me add one further thing in discussing the Crown and the Commonwealth. As we all know, the functions of the Crown in this country are now performed by the Governor General, who is a Canadian and who is appointed by us.

I refer to another very fundamental fact of which we are all aware, namely, that the only badge of inferiority, and the only cloud on the complete sovereignty of our country today, is the fact that we ourselves have failed to discover a method by which we can amend our own Constitution rather than having it done for us in London. That is not the fault of the Crown, honourable senators. It is not the fault of the British Government. It is the fault of ourselves, and surely we have reached the stage when we should devote more time, effort and thought to a method by which we can amend our own Constitution within Canada.

The honourable gentleman who preceded me mentioned the reference to the Canadian economy in the Speech from the Throne. The exact words are:

> At home there has been a heartening expansion of the economy.

The Speech from the Throne then makes reference to some proposals of the Government to further improve the economy of this country.

I agree that the economy of this country is in excellent condition, but I want to say that to my mind the economy is in excellent condition because when the present Government came into power about ten months ago it found that the economy had been built upon very firm foundations. Let me contrast that situation with what the previous Government found on its doorstep when it took office in 1957. As a legacy, that Government inherited a deficit in our trade balances of $1 billion. That was a difficult situation to face, and I know that all honourable senators recognize that well. But, during the years which the previous Government was in office that bad situation was cured, and now, instead of a deficit, we find for the first time in 12 or 13 years that the deficit has disappeared completely and there is now a slight surplus in our trade relationships in goods with other countries. That condition is essential to a completely healthy economy in a country such as ours which is compelled to borrow money for its development.

In 1957 when the previous Government took office it found that there was an incipient inflation in the country. I recall that after I came here in 1958 one of the first actions taken by the Senate was to appoint a committee to study the problem of inflation. That committee did excellent work. I thought at the time that its main purpose was to present evidence to the public of Canada of what was happening, and thus give knowledge to the people in regard to the dangers of inflation. That committee, if it did nothing else, served that purpose to a high degree. It did a very valuable job for the country.

It was also found in 1957 that there was a problem with respect to unemployment which was not very different, I must admit, from the problem we face in that respect today. I was most interested in the remarks Senator Davies made about that to the effect that it would be very good if we could segregate the problem of true unemployment from the problem of unemployables. If we could do this perhaps we could make a better effort and be somewhat more successful in solving the general problem which seems to be continuously with us.

But, the most difficult problem faced by the Government which came into power in 1957—and this problem is, unfortunately, still with us—was the tremendous unfulfilled social security needs of the country. It will be recalled that the then Government had enacted into law a hospitalization scheme whereby Canada became committed to pay

huge amounts of money to the provinces in order to assist in hospitalization throughout Canada. The bill for the first year to the federal Government was approximately $180 million, and I believe that amount has now risen to approximately $400 million. That is for the hospitalization scheme alone. As I say, that was a problem which presented itself to the previous administration in 1957.

I am not criticizing anybody for these things. That was a proper social security measure which was enacted at that time. Perhaps Canada was ready for it; in any event, those are the facts. It made the budgetary situation at that time very difficult indeed.

Honourable senators, another problem which was faced at that time, and indeed is being faced now by the present Government, was the insatiable regional demands of various parts of Canada wanting financial assistance, and also what I refer to as the insatiable demands of the provinces for either additional fields of taxation or direct subsidies from the Government of Canada.

Although our economy today is in an excellent state, there are weaknesses which must be faced during the next few years. I propose to refer to some of these weaknesses.

Senator Davies referred to the tremendously high taxation that we have. Now, it may be difficult to compare the impact of taxes here with the impact of taxes in the United States, but I believe that the impact in Canada even now is higher than it is there. Although our economy in Canada is in a splendid condition, nevertheless the income per capita of people in the United States is nearly one-third greater than it is here. Consequently, there is a one-third greater ability to pay taxes in that country than in Canada.

As far as I can see, the rates of taxation in the United States, by and large, are not very much different from the rates here. That is why I say that the revenue from taxes here, now and in the future, is one of our serious problems; and perhaps in the Senate we should talk more about this problem. It is important because we live in a competitive world, and if we tax our people more than our neighbours are taxed, this will diminish our opportunity to compete with our neighbour and with other countries in the markets of the world, and thus prevent us from continuing and improving our present high standard of living.

The second problem which is associated with that of high taxes is our budgetary deficit. Senator Davies said he was shocked by the report given in the other place yesterday in regard to the tremendous increase in expenditures which is taking place right now. Of course, that increase must be made up either by taxation or by increased budgetary deficits.

Budgetary deficits may not be as important or as serious in the minds of some people as they are in the minds of others. We have had such deficits for several years, and certainly will continue to have them for some time unless some effort is made to reduce the cost of government.

Another very serious problem is the unceasing appetite of the provinces for more money. Recently, we had a federal-provincial conference, at which the federal authority found it necessary to pay over about $180 million to the provinces. I understand we are to have another federal-provincial conference in April, the result of which may be similar or even worse in so far as the national exchequer is concerned.

Honourable senators, these are some of the things which led to the budget fiasco that occurred here on June 13; and these are some of the problems which will cause great difficulty for government in the months and years ahead.

I should like to say a few words as to why we are spending all this money, and why we are facing these taxation and budgetary problems. There are many reasons, but an obvious one comes to mind immediately. There is the question of our social services or social security commitments which have been made and are being made.

As is well known, in 1956-57 our expenditures on social services amounted to about $900 million. For the fiscal year 1962-63, these increased to $1,900 million, being an increase of approximately $1 billion. For the 1964-65 fiscal year I do not know what they will be but, even without the cost of the proposed Canada Pension Plan, they will certainly be $2 billion, or even more.

Honourable senators, sometimes I think that in our present situation, and considering our need to retain a sound economy if we are to compete with other countries, we should take a bit of a holiday from indulging in additional social security commitments involving large expenditures. I think it would be good for everybody if we could declare a holiday for some time in that respect. I recall seeing reports of speeches made by the present Prime Minister during the last election campaign, indicating this point of view, namely, that in his judgment there should not be any additional expenditures on such services until there was such an expansion in our economy that we could afford additional expenditures.

I come now to the proposed Canada Pension Plan. Without going into its details I question whether it is in the best interests of the country to proceed with it as is being done today. Let me give you some figures on comparisons of current social security expenditures by

three countries. The expenditures in Canada represent 12 per cent of our national income, in the United Kingdom the comparable figure is 12.5 per cent, and in the United States it is 7.6 per cent. Honourable senators, that is so despite the fact that our income is one-third less than that of the United States; in other words, a real comparison would be more like 12 per cent for us and perhaps 6 per cent for the United States, considering the higher standard of living they have.

The Speech from the Throne says:

> A measure will be placed before you to establish a comprehensive system of contributory pensions.

These may be called contributory pensions or anything else, but the fact remains that the money for this plan must come from the people in the form of taxes or an equivalent of taxes. These moneys will come right out of the pockets of the people, and the proceeds of such collections are essentially in the form of transfer payments.

Later, the Prime Minister is reported to have said that perhaps the most important of all items in the legislation which the Government will submit this session is a contributory pension scheme. I want to say at the outset that the way the scheme is being foisted on the Canadian people is a complete break in procedure and the methods employed in the past. In the past—referring particularly to the social security system, that is, the flat rate old age pension system—this was determined after long months of study by a joint parliamentary committee of the House of Commons and the Senate, a study which was made before any bill was presented to Parliament. After that the necessary constitutional amendment was sought and obtained, also before a bill was presented to Parliament.

May I review what has been the procedure in the past in regard to the development of our system of social security? It was essentially a careful system where real study was given to these problems. For the purposes of the record, let me review briefly the foundations of the system that we have in regard to pensions. I will read from the report prepared by Professor Robert M. Clark, entitled "Economic Security for the Aged in the United States and Canada". He summarizes the historical background of old age security, stating first that in 1908 the Annuities Act was passed. That was the first act dealing with old age security, and which enabled people to buy Dominion Government Annuities for their old age.

The next step was the passage of the Old Age Pensions Act in 1927, after very careful consideration by the Parliament of that day.

You will recall that that was an old age system which was paid for, one-half by the federal Government, and the other half by the provinces. Only those provinces which desired to go into the scheme did so. That system lasted until 1952, when it was replaced by the flat rate system we have today. I wish to stress that very careful consideration was given to the whole subject matter of old age security before a bill was brought into Parliament.

The next step occurred in 1950 when a joint committee of the Senate and the House of Commons was appointed to review old age security in Canada, and to study—I will quote directly from Dr. Clark's report:

> ...alternatives to the means test program then in effect.

In its unanimous report, the committee recommended the adoption of the universal flat rate system of old age security that we have today. The necessary steps were then taken to secure a constitutional amendment, and that was done.

I would like to put on record, honourable senators, the text of section 94A, which was the amendment to the act that was made at that time:

> It is hereby declared that the Parliament of Canada may from time to time make laws in relation to old age pensions in Canada, but no law made by the Parliament of Canada in relation to old age pensions shall affect the operation of any law, present or future, of a provincial legislature in relation to old age pensions.

I merely wish to cite this section to indicate that under the section there is joint jurisdiction between the federal authority and the provinces in regard to old age pensions, but only in regard to the type of old age pension system that we have now, namely, the flat rate system where a pension is paid to all persons of 70 years of age and over. The present constitutional impasse consists of the fact that in order to include widows and dependent children and disabled persons in any social security system that is financed by the Government of Canada, it is necessary to get a new amendment to the B.N.A. Act to cover that point.

Hon. Mr. Connolly (Ottawa West): Would the honourable senator permit me to ask a question, for the purposes of clarification only? Is he saying in effect that there can be no Canada contributory pension plan without a further amendment to the British North America Act?

Hon. Mr. Thorvaldson: No. I say, if you want to have the complete plan, which I am sure is envisaged by both parties in the House of Commons, namely, if there is ever to be a truly contributory plan—

Hon. Mr. Croll: Survivorship is the only thing that is necessary.

Hon. Mr. Thorvaldson: You should have in it survivorship benefits, and you cannot have those survivorship benefits without an amendment to the Constitution to provide for them. In regard to that, I think it is generally conceded that perhaps the greatest vacuum present today in our social security system is that there is no power to include this kind of benefit in a federal system.

May I say a word or two in regard to what is happening today? As all honourable senators know, of course, the flat rate pension started in 1952 at $40 a month to persons of 70 years of age or over who had residence qualifications of 20 years. The rates have since increased to $75 and the residence qualifications have been decreased to 10 years. Those are the main changes that have taken place in this system over the period since it was inaugurated in 1952.

The next step taken in regard to these matters was the appointment of Professor Clark to study the whole system of pensions both in the United States and in Canada. I have before me the two volumes of the report that was made by Professor Clark. I commend it to anyone who wishes to become well informed on these matters. The report was presented to the House of Commons in, I believe, February 1959 in mimeograph form, and the printed report came along in July 1960. Subsequently, I believe in January of 1962, the former Prime Minister wrote to the premiers of all the provinces asking for consent of all provinces for an amendment to the Constitution in order to be able to pave the way for a contributory system that would have the provisions to which I have referred, namely, in respect of survivorship, and so on. However, as all senators will recall, the political situation was unstable in those years and, of course, nothing has happened in regard to amending the Constitution. In other words, the attempt to amend the Constitution in 1962 failed.

I now wish to make a few references to the present plan, which is called the Canada Pension Plan. This was first proposed in the election literature of the present Government in 1963. That literature contained a huge "carrot" at the end of a big "stick". It was proposed that there be enacted a contributory pension scheme; but tied to that there was to be a $10 increase in the flat old age pension as part of that program. I say, honourable senators, what a "carrot" and what a "stick" that turned out to be.

As you know, the next step occurred on July 18, 1963, when the honourable Minister of National Health and Welfare introduced her plan to Parliament. You all know what happened to that. Certainly as far as the Opposition in the other house was concerned, it was deemed an impossible situation, to tie to the contributory pension plan the "carrot" of a $10 increase in the flat old age pension which, presumably, was to be financed out of the funds obtained by that plan. In the result the two plans were separated and the $10 increase in the flat old age pension was taken out of the plan and enacted into law and made part of the flat rate scheme. In the result we now have the flat rate pension of $75. That is approximately the history of the situation until today.

What is the position at the present time? We understand this plan is to be introduced in the other house in the form of a bill. We are led to believe also that a committee, presumably a select committee of the House of Commons, is to be appointed to deal with this matter and, presumably, to hear evidence.

I say, honourable senators, in the light of what has been done in the past, this is a complete break with the traditional way of doing these things. I say that, instead of the bill being presented in the house and thus becoming what it must become, a political football to be kicked around in a political arena both in the other place and here, this whole scheme should be presented either to a joint committee of the House of Commons and the Senate or, alternatively, to a special committee of the Senate, or, if neither of these two, then to a public commission of inquiry. What I personally deem to be of the utmost importance in regard to this whole matter is that this inquiry should take place before any bill is presented in the House of Commons; I feel that one of the worst things that could happen in this country would be to have such a bill presented in the other house and be kicked around there like a political football.

As everyone knows, there is tremendous controversy among the people of Canada in regard to this so-called Canada Pension Plan. The newspapers are nearly unanimous in demanding that there be this kind of inquiry that I suggest, and not a political inquiry, into this whole problem. I have here scores of newspaper editorials from which I could read excerpts showing that they look upon this whole situation with a great amount of fear, and they demand that a non-political hearing be held in regard to this whole question. Every newspaper says: Why is the Government in such haste? Why cannot we take steps in this enormous project similar to the ones that were taken in regard to the old age pension system which was adopted in 1952?

Also, as is well known, Quebec has opted out of this plan and, consequently, it cannot be called a national or Canada Pension Plan. How can you call this the Canada Pension Plan when a province consisting of well over five million people has declared it is not going to be a party to it?

Honourable senators, I see a colossal division occurring in this country if we have a pension plan of the magnitude of this one and a province such as Quebec deciding to remain out of it. This, therefore, is not a national plan at all, and I urge you to anticipate the problems that are going to be created in this country if you have a social security system of one kind for a large province such as Quebec and a different system for the rest of Canada.

Honourable senators, as you are all aware, the groundwork is obviously being laid to blame Mr. Robarts, the Premier of Ontario, for sabotaging the plan, if it is not passed; and yet, at the same time, no one in the Government has presumed to make any adverse public comment over the fact Quebec has decided to stay out. I say this is not good enough for the unity of this country and, in my judgment, if Mr. Robarts does not stay out of the plan as presently submitted, he and his advisers would be fit subjects for a lunatic asylum.

Hon. Mr. Connolly (Halifax North): Oh my!

Hon. Mr. Smith (Queens-Shelburne): It is not that bad, surely?

Hon. Mr. Thorvaldson: Then, honourable senators, what about a constitutional amendment? Are we going to have this bill come to the house and then into the Senate and made law, and then try to get a constitutional amendment later on? That seemingly is the intention of the Government, for I believe anyone would admit that a great vacuum in our social security system today has been caused by the fact I referred to a moment ago—namely, the failure under the present constitutional arrangements to be able to cover widows and their dependants and disabled persons in any plan such as the one presently under consideration.

Let us also face the fact, as I said, that Quebec has opted out of the plan and that Ontario also has already legislated quite effectively in regard to providing a pension plan including the portability of pension schemes. Legislation in this field is also being considered by the provinces of Alberta and British Columbia.

On November 15 last a headline appeared in the Winnipeg *Tribune* which read, "Duff queries pension plan priority". This is part of a report of what Mr. Roblin said on that occasion:

> Before Canada launches a costly, compulsory pension plan, Ottawa and the provinces must determine if other, more important national programs should be given higher priority, says Premier Duff Roblin.
>
> And before Manitoba would agree to participating in such a national pension plan, Mr. Roblin wants to know what special arrangements Ottawa is conceding to Quebec and Ontario to win their favour. And he wants the answers to many more basic questions.

I cite that to indicate there is tremendous opposition everywhere to this plan as presently constituted and also to the method being adopted to put it through.

Another serious problem in this connection, which nearly everybody who is knowledgeable on the subject agrees must be considered with the utmost care, is the question of what is going to happen to private and public pension plans in this country. It has been stated by the Government that it will not yield on this point, namely, that the so-called Canada Pension Plan must be integrated with private and public plans in this country. If you talk to some of the members of the civil service in this city and throughout the country, people who are in what they consider the finest pension plan in the world—that of the federal civil service—you will find they are seriously disturbed about the thought that their plan is not going to be left outside of this suggested plan but must be integrated with it. The same can be said of people in other pension plans, and there are thousands of such plans in this country involving an investment of many billions of dollars.

As we understand it, all private and public pension plans must be integrated with the proposed Canada Pension Plan and none is to be allowed to remain outside. I say, honourable senators, that is compulsory socialism at its very worst.

Furthermore, nothing has been said about the huge bureaucracy that will be built up to administer the proposed plan. The cost of the administration of the Old Age Security Act is about two-fifths of one per cent of receipts and benefits. It is estimated that the cost of administering this plan will be at least two per cent of the intake. That is based on the costs in the United States of their contributory plan. There will be required hundreds, if not thousands, of additional civil servants, with tremendous establishments, and according to my estimate the annual cost would begin at between $15 million and $25 million per year.

Honourable senators, for these and other reasons it is my view that before a bill in regard to this subject matter is presented in the House of Commons, the whole matter should be thoroughly studied in one of the ways I have suggested. Any other course will, in my opinion, project this Government into a controversy, constitutional, financial and budgetary, the result of which no one can foresee today.

The former "60 days of decision" surely brought enough humiliation to the Government of the day. I would like to give it this mild warning of more trouble to come and on a much vaster scale if it now proceeds to make this misnamed Canada Pension Plan a political football, instead of following precedent and allowing a thorough, nonpolitical and expert approach to be addressed to this vast and important problem.

Hon. Mr. Croll: May I ask the honourable gentleman one question? In the course of his speech he indicated that the first step was taken when the Government Annuities Act was passed in 1908, and the second was in 1927 when we passed the pension plan. Is the honourable gentleman aware that Quebec opted out of that pension plan and only joined it in 1936?

Hon. Mr. Thorvaldson: Yes, but the pension plan was not nearly of the magnitude of this scheme.

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

PRIVATE BILL

BANK OF WESTERN CANADA—SECOND READING—DEBATE ADJOURNED

Hon. T. D'Arcy Leonard moved the second reading of Bill S-6, to incorporate Bank of Western Canada.

He said: Honourable senators, I am sure you are all interested in the subject matter of Bill S-6, namely the incorporation of a new bank in Canada. This is the first application for a bank charter since 1953, when a charter was granted to The Mercantile Bank of Canada. At that time, including The Mercantile Bank of Canada, there were 11 chartered banks. Now there are eight such banks, so that even with the granting of this charter there will be two fewer banks than there were in 1954.

Of course the bill is of special interest to those senators from west of the Great Lakes, because the title of the bank is to be "Bank of Western Canada", and its head office will be in Winnipeg.

On second reading of a bill, it is the principle of the bill with which the Senate is concerned. This is a private bill, and Parliament has already prescribed the principle or principles governing the incorporation of a new bank. It has done so in the Bank Act, the citation of which is chapter 48 of the Statutes of Canada 1953-54. That act sets out what is required in order to start a new bank.

The petitioners here must comply with those requirements, and if they have done so, then I suggest we can approve the bill in principle, and send it on to committee where witnesses can be heard and the proposed operations of the bank can be studied in detail.

While the bill before us is comparatively short and simple, it must be read in conjunction with the Bank Act because it is in that act that we find Parliament has set up the code, the rules, as it were, for the incorporation of a bank.

Honourable senators do not have the Bank Act before them, but I have it here and I shall endeavour to quote to you the relevant sections of that act.

First of all I call your attention to the fact that Schedule B of the Bank Act sets out the form for an act of incorporation of a bank. This is a very short and simple form. It has five sections only, and in those sections the following information only is required: first, the names of the petitioners; second, the names of the provisional directors; third, the amount of capital stock; fourth, the place of the head office, and fifth, a section adding the name of the new bank to the list of banks in Schedule A of the Bank Act. That is the form of act prescribed by the Bank Act for the incorporation of a new bank.

Honourable senators will notice that clauses 1, 2, 3, 4 and 6 of this bill follow the prescribed form and comply with the terms of the model act. The bill before us has two other clauses, being 5 and 7, which I shall deal with a little later in my remarks.

The reason an act to incorporate a bank can be so simple is that the real charter of a bank is the Bank Act itself. In effect, Parliament has said: You may incorporate in this comparatively simple fashion, but once you have incorporated you come under all the conditions, restrictions and limitations imposed by the Bank Act, and you acquire the powers and privileges conferred by that act.

Section 5 of the Bank Act provides:

> Each bank enumerated in Schedule A is a body politic and corporate and this Act is its charter.

In other words, it makes it perfectly clear that the Bank Act is the charter of the bank.

Section 9 of the Bank Act is as follows:

> Except as provided in this Act, an Act of incorporation of a bank in the form set forth in Schedule B shall be construed to confer upon the bank thereby incorporated all the powers, privileges and

immunities, and to subject it to all the liabilities and provisions set forth in this Act.

Then, I might call your attention, honourable senators, to clause 7 of the bill, which is complementary to section 9 of the Bank Act. It repeats the words that make the new bank subject to the Bank Act.

That is the first point I wish to make, namely, that Parliament already has established the principles for incorporating a bank; the principles by which the applicants for incorporation are to be governed. This bill which is now before us complies with the principles laid down by Parliament in the Bank Act.

Let me deal more particularly with the clauses of the bill, one by one. Clause 1, you will have noted, contains the names of approximately 100 petitioners. Many of these names are familiar ones on the national scene. They will be known to senators from all parts of Canada, and I think senators from western Canada especially will know most of them. I believe the petitioners form a representative cross-section of the west.

Clause 2 complies with the Bank Act by setting out the names of the provisional directors. Mr. James E. Coyne is known to all of us as the former Governor of the Bank of Canada. He is now chairman of the board of York Trust and Savings Corporation, which is one of a group of financial companies that is interested in supporting this application. Mr. Sinclair Stevens, a solicitor in Toronto, is president of the York Trust and Savings Corporation and also of the Wellington Financial Corporation Ltd. Maxwell Bruce, Esq., Q.C., is personally known to me as a lawyer of standing and repute in Ontario, and is a son of Dr. H. A. Bruce, a former Lieutenant Governor of Ontario. Mr. Nesbitt is experienced and well known in the mortgage and real estate business in Winnipeg. Mr. J. L. Bodie of Edmonton, I am informed, has had extensive business experience throughout western Canada, and is now vice-president of British-American Construction and Materials Ltd. and president of Alberta Fidelity Trust Company. Those are the provisional directors.

Clause 3 of the bill provides that the capital stock shall be $10 million. This amount is 10 times the minimum required by the Bank Act. In committee evidence can be given as to the actual amount expected to be subscribed. I am informed that present indications are that the total of the bank's paid-up capital and reserve will be of the order of $12,750,000 before it commences business. In that case I believe that it will have a larger amount of capital and reserve than any other Canadian bank ever had at the time of the commencement of business.

Clause 4 provides that the head office will be in Winnipeg.

Hon. Mr. Haig: There is nothing wrong with that, sir.

Hon. Mr. Leonard: I might add, that at the present time no Canadian bank has a head office west of Toronto.

The name "Bank of Western Canada" indicates a regional character, but so do also names such as Bank of Nova Scotia, Bank of Montreal, and Bank of Toronto, as the Toronto-Dominion Bank once was, and yet these are great national banks doing business throughout Canada. I understand it is not intended to restrict this bank's operations to western Canada.

Clause 5(1) provides that all directors—I emphasize "all"—shall be subjects of Her Majesty, ordinarily resident in Canada. This goes further than the Bank Act which requires only a majority of the directors to be ordinarily resident in Canada.

That brings me to the other provisions of clause 5, and these relate to the residence of shareholders. These provisions are not required by the Bank Act, and have not been in the act of incorporation of any bank previously. The promoters of this bank and the petitioners for its incorporation desire this to be a Canadian bank in every sense of that description. They are aware that there has been public comment and discussion as to the matter of foreign ownership of Canadian institutions. Their intention is to have this bank under Canadian ownership and control, and they have therefore put in this bill the provisions of clause 5. Subclause 3 of clause 5 limits the ownership by non-residents to 10 per cent of the outstanding shares. The other subclauses are strictly and tightly drawn to make sure that this limitation is effectively carried out.

By subclause 9 of clause 5, the clause ceases to have effect on July 1, 1965, but I should call the attention of all honourable senators to the fact that the provisions of all charters of all banks expire, under the law as it is at present, on July 1, 1964, and that it is proposed to extend that date—I believe the Minister of Finance has given notice of this—to July 1, 1965 in order to allow time for the decennial revision of the Bank Act after the Royal Commission on Banking and Finance has reported. Subclause 9, therefore, brings clause 5 into line with all the other provisions of the Bank Act, and of the charters of all the banks.

Clause 7 of the bill is added for the reason only that although this bill has departed from the form set out in schedule

B of the Bank Act, by adding clause 5, it has nevertheless the same effect as if it were in the precise form prescribed by the schedule.

I do not think it is necessary for me to go into the details of the financing of the bank in this motion for second reading of the bill. I think it may be sufficient to say that the group of corporate backers include the York Trust and Savings Corporation, the Wellington Financial Corporation Ltd., with head offices in Toronto, Canadian Finance and Investment Limited of Winnipeg, and Alberta Fidelity Trust Company of Alberta.

The Wellington Financial Corporation Ltd. recently issued and sold subscription certificates to the amount of a total subscription price of $3,750,000 for the purpose of ultimate investment in the shares of the Bank of Western Canada after it has been incorporated. I am informed that Canadian Finance and Investments Limited has signed an underwriting agreement for the sale of $3 million of its shares through investment dealers in the four western provinces, and part of the proceeds of the sale, namely $2,250,000, is proposed to be invested in shares of the Bank of Western Canada.

I understand that the Great-West Life Assurance Company, The Monarch Life Assurance Company and The Sovereign Life Assurance Co. of Canada, all having their head offices in Winnipeg, and The Empire Life Insurance Company, have indicated their intention to invest in the bank. Further information on such and other subscriptions can be obtained in committee.

I believe that Mr. Coyne and Mr. Stevens are both ready to appear before the Banking and Commerce Committee to give all the necessary information and to substantiate the statement I have made, that it is expected to have $12,750,000 of paid-up capital and reserve when it commences business.

Honourable senators, I have said all that probably needs to be said as to the principle of the bill, that is, the principle governing the incorporation of such a bank as this; but I think honourable senators would be interested in hearing some of the other safeguards the Bank Act sets up after the act of incorporation has been passed but before the bank can commence business.

Section 13 of the Bank Act requires that $500,000 of the original capital subscribed must be paid to the Minister of Finance, to be held by him until the bank is authorized to do business.

Other sections govern the sale of shares of the new bank, the calling of meetings of shareholders, and the election of directors to replace the provisional directors.

Finally, by section 14 of the Bank Act, a bank shall not commence business until it has obtained a certificate permitting it to do so from the Treasury Board. By section 16 of the Bank Act, the Treasury Board has one year within which to issue its certificate; and by section 17, if it does not do so, all the powers given by this bill cease and determine and are of no force and effect. Of course, once the bank does get a certificate to commence business, it comes under quite strict provisions of the Bank Act as to its operations, such as the maintenance of a cash reserve with the Bank of Canada, and inspections by the Inspector-General of Banks.

Honourable senators, in conclusion, may I say that we are proud of our Canadian banking system. Our present banks are strong and, in my view, they are performing ably and efficiently their important functions in our Canadian economic system. However, I do not think we have reached the stage where we should build a wall around the existing banks. Canada's growing and expanding economy would seem to make such a wall undesirable, and certainly the Bank Act does not contemplate such a wall. On the other hand, it does contemplate the incorporation of new banks.

Therefore, within the framework of the Bank Act and under its terms, and subject to its safeguards, to me there seems ample justification for approving second reading of this bill.

Hon. Mr. Reid: May I ask the honourable senator a question? Is it something new to introduce an amendment to the Bank Act in a private bill? It seems to me, as a layman, that by section 6 we are amending the Bank Act. That is what it says.

Hon. Mr. Leonard: Honourable senators, there may be other questions, but may I answer honourable Senator Reid right now.

Senator Reid is perfectly right as to the general rule but, as I said in my remarks, this is a provision of the schedule in the Bank Act, namely, that there be a section setting out the name of the new bank. In other words, the Bank Act itself says that we must amend the Bank Act by inserting in the schedule thereto the name of the new bank, and that insertion therefore brings it in under the Bank Act.

Hon. J. Campbell Haig: Honourable senators, I would like to endorse completely what honourable Senator Leonard has said in regard to the desire for a new bank in western Canada. I know many of those who have signed the application for incorporation. They are all very well known in Winnipeg, and I would heartily endorse what he said as to the need for a bank in western Canada.

I hope this bill will receive second reading and be referred to the Standing Committee

on Banking and Commerce for further consideration.

Hon. R. B. Horner: Honourable senators, I am sorry I have to disagree with other senators from western Canada. I must say I am very much opposed to the second reading of this bill. I am opposed to the establishment of additional banks. We are sufficiently served at present.

Honourable senators will remember that in 1953, when we gave a charter to the Mercantile Bank, I moved a six-months' hoist, as I was very much opposed to it.

Could someone explain to me, when those people got the charter for the Mercantile Bank, what they received for the mere charter? My point is this: the mere charter to do banking business in this country is worth millions, under our present system of banking.

Honourable senators, in Canada, and particularly in western Canada, largely because of the absolute failure of banks to supply capital when it was needed, we have had some additional problems. Capital was only available if you were wealthy; it was strictly on the basis of lending you an umbrella while the weather was fine and snatching it back immediately the rain commenced. There was too much of that kind of thing.

Now we have the credit unions. They originated their business and now are all over western Canada, though I believe their operations are larger in the eastern portion.

I look back at the many people who were left in dire circumstances, who had a mortgage or who owed a bank some money, where the head of the family died and the widow with her children was left destitute with a debt to pay, and she had to sell her home and we were taxed to help her and others like her.

I repeat, we now have credit unions. I do not know why the banks have not done business in the same way. The credit unions lend money, but the person borrowing the money is insured to the extent of the loan, and if that person dies and the debt matures, it is paid up and there is no obligation left for the widow and children to meet. Those credit unions are doing business and are growing and becoming very useful.

In addition there are trust companies springing up one after another, which are doing banking business. Some are paying as much as 6 per cent on deposits left with them for five years; others pay 4 per cent, with ordinary banking privileges. They are operating in every town.

Somebody has to pay for these flashy, theatre-like spreads that the banks are constructing. I do not understand why the lending of some money to a man in need, with interest added to his payments, requires such large showplaces with huge rotundas. To my mind, they should have nothing to do with the business of lending money.

Honourable senators, if I had invested my first few dollars in a bank I would be a millionaire today. It would have started me on my way to becoming a millionaire.

In addition to this proposal today, there are two more seeking banking charters. It is quite a game. Surely there is no just claim for more banks, because under the branch system banks are established at present all over the country. You cannot start an oil well, a mine or any other project anywhere, but immediately there is a bank there. Wheresoever the carcass is, thither will eagles foregather. Wherever there is a dollar today, the banks are to be found.

I think we should have something more useful to do than grant charters to people to make money, when we have no guarantee that they will not sell out to somebody else coming in. These charters are worth an immense amount of money. I am from western Canada, but I am opposed to this venture. I think I know something about business in western Canada, and I am familiar with the service we can get there without chartering an additional bank.

Hon. Thomas Vien: Honourable senators, I am sure we are all extremely grateful to the honourable Senator Leonard for his very able, comprehensive and clear presentation of the bill which is now before us. There is, however, a question arising at this juncture with regard to incorporations of new banks.

As was so aptly pointed out by the honourable senator, there are precedents and, since the creation of the Mercantile Bank, there might be additional reasons for the creation of other banks under the Bank Act. Nevertheless, several financial problems have arisen in Canada and important factors have to be considered with a view to stabilizing our national economy. This prompted the Government to appoint a Royal Commission on Banking and Finance, and the report of that commission is expected soon; in fact, it is overdue.

The decennial revision of the Bank Act is supposed to take place in 1964. It is likely that it will have to be postponed until the report of the royal commission shall have been received and considered by all concerned.

Whether or not at this juncture it is expedient to create a new bank is a question on which I have an open mind. I should like to have a little more time to consider it. If we were in the dying days of a session I would not ask for that privilege; but, at the opening of a session we should, in my humble opinion, take a little more time before granting a charter to a new bank.

I am greatly impressed by the outstanding names of the promoters, as given in the preamble of the bill. They are men of great ability, experience and substance. No doubt can exist as to their ability to make a success of a new bank. I have the utmost respect and confidence in them in that regard. With a little more time I shall be able to express a more considered opinion on the question of expediency: should we or should we not wait until the report of the royal commission is received and the Bank Act is submitted to us for decennial revision? I think it is wise for us to consider that aspect before creating a precedent which might prove embarrassing when other applications are received.

Honourable senators, I move, seconded by the honourable Senator Croll, the adjournment of this debate until Wednesday next, March 11.

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

STANDING COMMITTEES

REPORT OF COMMITTEE OF SELECTION ADOPTED

The Senate proceeded to consideration of the first report of the Committee of Selection which was presented on February 27.

Hon. Arthur L. Beaubien moved the adoption of the report.

Report adopted.

APPOINTMENT

Leave having been given to revert to notices of motions:

Hon. John J. Connolly with leave of the Senate, moved:

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

He said: May I say that this is the usual motion made at this time in the session; I believe it is almost *pro forma*. There are three other motions to follow.

Hon. Mr. Brooks: I presume that the motion now before us for consideration does not give any more authority to the Internal Economy Committee than it had before?

Hon. Mr. Connolly (Ottawa West): I think not—which perhaps is not enough.

Motion agreed to.

LIBRARY OF PARLIAMENT

MESSAGE TO COMMONS—SENATE MEMBERS OF JOINT COMMITTEE

Hon. Mr. Connolly (Ottawa West) with leave of the Senate, moved:

> That a message be sent to the House of Commons by one of the Clerks at the Table to inform that house that the Honourable Senators Belisle, Cameron, Davies, Fergusson, Fournier (De Lanaudiere), Gladstone, Gouin, Haig, Irvine, Lambert, MacDonald (Queens), O'Leary (Antigonish-Guysborough), Pouliot, Reid, Vien, White and Yuzyk have been appointed a committee to assist the Honourable the Speaker in the direction of the Library of Parliament, so far as the interests of the Senate are concerned, and to act on behalf of the Senate as members of a Joint Committee of both houses on the said Library.

Motion agreed to.

PRINTING OF PARLIAMENT

MESSAGE TO COMMONS—SENATE MEMBERS OF JOINT COMMITTEE

Hon. Mr. Connolly (Ottawa West) with leave of the Senate, moved:

> That a message be sent to the House of Commons by one of the Clerks at the Table, to inform that House that the Honourable Senators Blais, Bouffard, Bradley, Comeau, Davies, Dupuis, Flynn, Isnor, McGrand, O'Leary (Antigonish-Guysborough), Pearson, Phillips, Reid, Savoie, Smith (Kamloops), Stambaugh, Sullivan, Welch, Willis and Wood have been appointed a committee to superintend the printing of the Senate during the present session and to act on behalf of the Senate as members of a Joint Committee of both houses on the subject of the Printing of Parliament.

Motion agreed to.

RESTAURANT OF PARLIAMENT

MESSAGE TO COMMONS—SENATE MEMBERS OF JOINT COMMITTEE

Hon. Mr. Connolly (Ottawa West) with leave of the Senate, moved:

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

Motion agreed to.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, March 5, 1964

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

Prayers.

HARBOUR COMMISSIONS BILL

FIRST READING

Hon. John J. Connolly presented Bill S-10, to provide for the establishment of harbour commissions.

Bill read first time.

Hon. Mr. Connolly (Ottawa West) moved that the bill be placed on the Orders of the Day for second reading on Tuesday next.

Motion agreed to.

DIVORCE

REPORTS OF COMMITTEE PRESENTED

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 2 to 24, inclusive, and moved that the said reports be taken into consideration at the next sitting.

He said: Honourable senators, may I take this opportunity of making some comments with respect to these reports? They are the first reports of the Standing Committee on Divorce made under the Dissolution and Annulment of Marriages Act passed at the last session.

Last year I reported that there were 1,111 divorce cases before the committee. Of that number, approximately 500 divorce bills received the royal assent, leaving us, at the opening of this session, 611 cases to be considered. There have been 260 petitions filed so far this session, making a total of 871 cases to be dealt with. Of that number of cases, 220 have been heard by the Commissioner.

Perhaps at this point you will permit me to comment with regard to our new Commissioner, Mr. Allison Walsh, Q.C. Personally, I am very well satisfied with the work that he is doing. He is industrious, he is a capable solicitor, and he has very quickly acquired the knowledge that is necessary for the handling of his responsibility.

The reports that are coming to me now, as Chairman of the Divorce Committee, are admirable. They are very well done indeed. So far as I can judge, his hearings are all that we would desire them to be, in judicial calm, in wisdom, in knowledge and in effectiveness.

Honourable senators, as I have told you, Mr. Walsh commenced hearings on January 8 and he has heard now 220 cases. Of these 220 cases, 171 have been passed by the Senate Committee on Divorce. You will remember that the rules require that the reports of the Commissioner be referred to the Standing Committee on Divorce, and that they shall be examined by the committee and that the committee shall report to this house. Those 171 cases have been examined by and approved by the committee, and will in due season be laid on the Table of the house.

At the present moment I am presenting only 23 reports because there is a good deal of work to be done by our officials after approval has been given by the committee, before the reports are prepared and ready to be laid on the Table.

It may be enlightening for honourable senators to look at one or two of the reports, just to be familiar with the routine through which we go in handling these cases. Taking the top one, for instance, you will note that the committee concurs in the report of the Commissioner. Secondly, you will see a draft resolution such as I will move later on. You will also see the report of the Commissioner, and the minutes of the proceedings before the Commissioner.

You will see by the report of the Chief Clerk of Committees that the rules and orders of the Senate have been complied with in all material respects, the chief one being, of course, that the applicants have paid the fees; but there are other requirements as well. You will find there the notice of hearings which the Commissioner sends out prior to his hearing of cases; the affidavit of service of the petition, and the affidavit of the petitioner verifying the petition; the information which the respondent and the co-respondent are required to receive from the petitioner according to the rules; the advertisements in the *Canada Gazette,* and an affidavit of publication. You will find also a transcript of the evidence in some, but not all, of the cases; the marriage certificate and the licence, and a photograph of the respondent.

So, honourable senators, you will see that there is a good deal included in these reports, and that a considerable amount of labour is done by our officials in preparing them and putting them in shape to lay on the Table.

A further 86 cases will likely be heard before Easter—that is the prospect. Another 50 are ready to be heard immediately following Easter.

Perhaps I should give some estimate of how long it should take to catch up on this backlog of cases. They are being heard just as rapidly as the Commissioner can hear them. He hears about eight cases a day, which is

a pretty good day's work. He sits four days in the week: Monday, Tuesday, Wednesday and Thursday. Friday is reserved for interlocutory motions and office work, and that sort of thing. That order of procedure, which has been going on without interruption since January 8 last, will be continued up until the Easter recess, and will no doubt continue indefinitely. I think it will take roughly six months to handle the reserve of cases to be heard. After that time I believe we should be in a position to take the cases as they come.

Honourable senators, my general summary is that I am very well satisfied with the speed and the manner with which we are progressing, and with the effectiveness of the new rules and regulations.

Hon. Mr. Choquette: I should like to ask the honourable senator how the Divorce Committee actually deals with the recommendations of the Commissioner. Surely the committee does not read all the evidence. Does the committee read or discuss it when the recommendation of the Commissioner is in question? I should like to know just how the committee works.

Hon. Mr. Roebuck: That is a good question, and I can assure you that it calls attention to a problem. Of course, every member of the committee should not and could not be called upon to read every one of these reports. So far, I have done the whole job myself, because I have thought that it was a one-man job. At the present moment I have a number of reports, and three members of the committee each has a number of reports which they will read.

Attached to each report is a list of the rules which the Commissioner must observe in the course of a hearing. For instance, the marriage must be proved. The domicile of the parties must be established. He must hear the evidence, and that evidence, according to his summary, must be sufficient to justify, on the grounds to which we are limited, the granting of the petition, that is, the passing of a resolution dissolving the marriage. In addition, he must cover the question of connivance, collusion, etc. He must see that the children of the marriage are provided for, as far as it is possible for us to go in that regard.

Hon. Mr. Brooks: They are all routine matters, are they not?

Hon. Mr. Roebuck: All routine, yes. The reports that I have received up to the present time are, I think, models of completeness and conciseness, and are good literary productions by our present Commissioner. Those will be gone over by one of our committee members, and he will take the responsibility of moving them before the committee and reporting anything he thinks unusual that we should consider. Where a question arises, that matter comes from the Commissioner to me and is specified as such. I have a pile of cases, I suppose a foot high, at the present moment, in which the evidence and the proposed report have been sent to me with a question seeking my advice. I will go over those as quickly as I can, and give what assistance I can. That is the best answer I can give. I do not know how else we could do it. Certainly, we cannot have every member of the committee read each one of these reports; that is unnecessary. If one does it and takes the responsibility of moving their adoption, I think that is sufficient.

Hon. Mr. Choquette: I was more concerned with the actual working of the committee. So far as I can see, it is a one-man committee. What I would like to know is this: if there was a doubtful recommendation, or a recommendation that appeared to you doubtful, what then would be the procedure? Would you call the committee together to act as a tribunal or court of appeal, to reverse a decision or make further recommendations? That is the question in my mind.

Hon. Mr. Roebuck: Practically speaking, what now happens and what will happen in the future is this: when a question arises in the mind of the Commissioner or in our minds, there is a discussion between the Commissioner and the Chairman, and the problem will in all likelihood be resolved. If there is a conflict between the Chairman and the Commissioner, I assure you it will be referred to the committee and the committee will decide. The rules require the Commissioner to send his report to the committee, and that the report be examined by the committee before it is presented to the house. Every one of these routine cases does not need to be examined by every member of the committee, but each will be passed by the committee. As you know, 30 days must elapse between the time we pass a resolution and the time it becomes effective, and in that period, if one of the parties objects to the resolution and files a petition for a bill of divorce, the resolution stands until that petition or the bill has been disposed of. Does that answer your question?

Hon. Mr. Choquette: Yes, thank you.

Hon. Mr. Grosart: There is one question I would like to ask. Does the committee specify to the Commissioner the ground on which the committee recommends that a divorce may be granted?

Hon. Mr. Roebuck: No there is a little more than one ground. The act says that the Commissioner is limited in the grounds upon which he may act to the state of the law in 1870, as it appeared in England at that time. Now, it is quite a problem to determine precisely what the law was at that time, but that is up to the Commissioner. There is a little more to it than adultery. Bestiality was one of the grounds covered by the ecclesiastical law that was adopted by the common law of England in 1870; but, practically speaking, the only ground that we deal with is adultery. In addition to that, the act permits the Commissioner to hear cases and to decide them on the basis of the act which established the courts in the Province of Ontario. That permission does not go farther than the English law of 1870, but, generally speaking, honourable senators, the only ground on which the Commissioner has made his decisions so far is on the question of adultery.

Hon. Mr. Hnatyshyn: Or nullity of marriage.

Hon. Mr. Roebuck: Nullity, yes—that, too, was included in the law of England of 1870.

Hon. Mr. Choquette: If the Commissioner took it upon himself some day to consider grounds other than adultery, I suppose the committee would quickly take some action.

Hon. Mr. Roebuck: Yes, because he would not have the legislative authority to do so. If he recommended a divorce on grounds other than those contained in the law of England of 1870, he would be acting beyond his legislative capacity. Of course the committee, if it did anything, would report to the Senate opposing the application.

Motion agreed to.

PENAL REFORM

IMPLEMENTATION OF ARCHAMBAULT AND FAUTEUX REPORTS—NOTICE OF INQUIRIES

Hon. David A. Croll: Honourable senators, I have two long inquiries, one as to the implementation of certain recommendations contained in the Archambault Report, and the other dealing similarly with the Fauteux Report. I would ask your consent to dispense with reading of the questions now, and ask that I be allowed to place them on the record of the house.

Some Hon. Senators: Agreed.

Hon. Mr. Croll: I now give notice that on Tuesday next, March 10, I will inquire of the Government:

Inquiry No. 1

What specific action, if any, has been taken in implementation of each of the following principal recommendations contained in the Report of the Royal Commission on the Penal System (Archambault Report) presented on April 4th, 1938, namely:

1. The Canadian penal system should be centralized under the control of the Government of Canada, with the federal authorities taking charge of all the prisons in Canada, the provinces retaining only a sufficient number to provide for offenders against provincial statutes, prisoners on remand, and those serving short sentences.

2. An immediate conference between the federal and provincial authorities should be held with a view to obtaining the full co-operation of the provincial authorities in putting the recommendations of the Commission into effect.

3. There should be a complete reorganization of the headquarters administration of Canadian penitentiaries to include giving effect to the recomendations in this report as to the retirement of certain officers.

4. A Prison Commission, composed of three members removable only for cause, should be appointed with full authority over the management of penitentiaries, empowered to appoint staff, and to act as a central parole board. The Commission should be responsible directly to the Minister of Justice and to Parliament.

5. Wardens should be reinvested with the authority of executive management of the penitentiaries in conformity with the provisions of the Penitentiary Act.

6. A planned reconstruction of the personnel of the penitentiary staffs throughout Canada should be effected in order that officers who have special training will be enlisted in the service.

7. There should be co-operation with the universities of Canada in establishing suitable courses for the training of those who wish to become officers, probation officers, or parole officers.

8. A training school for penitentiary officers should be established on the lines of the courses at Wakefield, England.

9. An outstanding prison authority from England, preferably Mr. Alexander Paterson, M.C., one of His Majesty's Prison Commissioners of England, should be invited to come to Canada to counsel and advise the Prison Commission on the reorganization of the prison system in

order to give practical effect to the recommendations contained in this report.

10. After careful study of the penitentiary staffs by the Prison Commission, all hopelessly incapable officers should be retired.

11. New officers to fill vacancies in the penitentiary service should be selected on a merit basis only and no consideration should be given to political influence.

12. The pay of officers should be brought up to a reasonable standard, having regard to the type of service performed.

13. Rules respecting the dismissal of officers similar to those in force in England should be adopted in Canada to make provision that an officer should have an opportunity of being heard before dismissal, and that in all cases he should be advised of the reasons for his dismissal.

14. There should be a thorough and complete revision of the penitentiary rules and regulations based on the principles contained in this report, with special regard to:

(a) the protection of society;
(b) the safe custody of inmates;
(c) strict but humane discipline;
(d) reformation and rehabilitation of prisoners.

15. An official Board of Visitors should be appointed in connection with each penitentiary. This board should be composed of a county court judge (in Quebec, a judge of the Court of Sessions), a representative of an officially recognized social welfare association, and a medical doctor. It should be under the control of the Prison Commission, and its duties should be similar to those of the boards of visitors appointed in connection with the convict prisons in England.

16. A complete revision of the methods of classification of prisoners should be made, with provision for a thorough medical and psychiatric examination of prisoners.

17. The necessary legislation should be enacted to provide for sentencing habitual offenders to preventive detention in a separate institution to be provided for that purpose.

18. All incorrigible and intractable prisoners in the penitentiaries should be segregated in one institution.

19. Separate institutions, based on the principles of the English Borstal system, should be established to permit of special treatment being given to young offenders between sixteen and twenty-one years of age. There should also be a classification centre and three grades in each unit, each grade to be separately located and not contiguous to another. Two units should be established at once, one in the province of Ontario, and one in the province of Quebec, with a further development of the scheme in the Prairie Provinces, the Maritime Provinces, and, in a modified manner having regard to the population, in British Columbia.

20. All insane prisoners should be entirely removed from the prison population and treated in hospitals for the insane.

21. The mentally deficient should be segregated in the ordinary institutions under the direction of a trained psychiatrist.

22. Intractable and recidivist drug addicts should be removed on the order of the Prison Commission to the prison for habitual offenders.

23. A scheme of classification should be established in each prison, having regard to the previous record, social habits, physical condition, educational attainments aptitudes, and suitable training for future employment, of individual prisoners.

24. A grades and merit system for reformable prisoners, modelled on the system in use in England, should be established.

25. Prison offences should be tried before a prison court composed of three officers and there should be a right of appeal to the Board of Visitors. The rules governing prison offences should be simplified.

26. Corporal punishment should be abolished except for the offences of assaulting an officer, mutiny, and incitement to mutiny.

27. The several recommendations contained in chapter V of this report, in regard to prison discipline should be made effective.

28. Concessions should not be granted to prisoners because of riotous and mutinous behaviour. Necessary amelioration of prison conditions should be anticipated by the prison authorities and conceded only on their merits.

29. The principle contained in the International Standard Minimum Rules in regard to the use of firearms should be strictly adhered to, namely,—"Officials should never use their firearms nor force against a prisoner except in self-defence,

or in cases of attempted escape when this cannot be prevented in any other way. The use of force should always be restricted to what is necessary."

30. Officers should be thoroughly trained in the use of firearms in order to eliminate inefficiency and danger in their necessary use.

31. The reckless use, or wilful misuse, of firearms or any unnecessary force, should be dealt with in respect to prison officers in the same manner as the commission of any other crime.

32. Gun cages in the shops and chapels should be abolished from all institutions except those for incorrigible or habitual offenders.

33. Provision should be made for more outdoor physical exercise, on the principles suggested in chapter VIII of this report, with recreational games permitted according to the age and classification of prisoners. Further provision should be made on the same principles for more indoor recreation.

34. Conversation periods in cells should be abolished and provision should be made for conversation during recreation and exercise periods.

35. Visiting and writing privileges should be extended in accordance with the recommendations contained in this report.

36. Provision should be made in proper cases for the distribution of a weekly newspaper in each penitentiary.

37. A complete reorganization of the educational system should be made in accordance with the recommendations contained in chapter VIII of this report, with special consideration for the young offenders, more frequent library privileges, and a simplified system of book distribution.

38. The medical service should be reorganized to eliminate the sources of criticism indicated in this report.

39. After a careful survey of their respective requirements by the Prison Commission, provision should be made for psychiatric services at all penitentiaries.

40. Chaplains should be selected with a special regard to individual adaptability for prison service.

41. Chaplains should be permitted greater freedom in meeting the prisoners and be permitted to communicate with their relatives and to render further assistance than strictly spiritual services.

42. A complete reorganization of prison industries should be made in all Canadian penal institutions.

43. A thorough survey should be made to discover the requirements of the various government departments and institutions that can be supplied by properly equipped prison industries.

44. The prison work shops should be equipped with the necessary machinery for efficient production and employment of a maximum number of prisoners at productive labour.

45. Trade instructors should be relieved of all custodial duties in order that they may devote their entire time to their instructional duties. Only such trade instructors should be engaged as are equipped by training and experience to teach trades.

46. No goods produced in the prison shops should be sold in the open market in competition with private enterprise.

47. A complete reorganization of the prison farms should be made to bring them up to maximum efficiency and production.

48. A thorough survey of each farm should be made to ensure proper drainage and the reclamation of areas now regarded as waste land.

49. Farm instructors should be agricultural college graduates and have sufficient practical experience to qualify them for these positions.

50. Canning factories should be established at one or more penitentiaries to supply the requirements of the penitentiaries and other government institutions.

51. Dairy herds should be established to supply, where possible, the dairy requirements of the respective penitentiaries.

52. All vegetables required in the penitentiary service should be produced on the penitentiary farms.

53. It should be permissible to supply surplus production to government institutions, and sell the balance in the open market.

54. Pay for prisoners now provided in Canadian penitentiaries should form the basis of further experiments, and, having regard to the experience of other countries, it should be directed to give reward for industry, measured rather by application and diligence than by volume of production.

55. Arrangements should be made with the provincial authorities for the confinement of women prisoners, such as are now incarcerated in the Women's Prison at Kingston, in provincial jails and reformatories for women, and, when such

arrangements have been made, the use of the Women's Prison at Kingston Penitentiary should be devoted to other penitentiary purposes.

56. Canadian prisons should, at a minimum, conform in all respects to the standards of the International Standard Minimum Rules.

57. A complete revision of the Criminal Code should be undertaken at once.

58. Necessary amendments to the Criminal Code should be made to give effect to the recommendations contained in this report.

59. Amendments should also be made to provide for:

(a) Revision of the definition of "vagancy";

(b) The embodiment of the principles of the English statutes in regard to allowing time for the payment of fines and imprisonment for the non-payment of fines.

(c) Further restriction of the sale of offensive weapons.

(d) Application for leave to appeal to the Court of Appeal *in forma pauperis* in criminal cases.

(e) Giving power to trial judges to order photographs and finger prints destroyed in cases where the accused is found not guilty and the trial judge believes that this course ought to be taken.

(f) A uniform instrument to be used in carrying out sentence of the court to whipping.

(g) A central place of execution in each province.

60. The appointment and discharge of police officers, whether federal, provincial, or municipal, and the administration of police departments should be entirely removed from the suspicion of political influence.

61. A definite system of training police officers along the lines now followed in Great Britain should be adopted in all provinces of Canada.

62. The interest of the public should be enlisted in an organized manner, having regard to the vital importance of the prevention of crime by reducing juvenile delinquency, and the assistance of social service agencies and churches and schools in co-operation with the home should be organized to this end.

63. The responsibility of the state for the financial support of community clubs, boys' and girls' clubs, and leisure time programs should be recognized. They are a means of preventing or, at least reducing, juvenile and adolescent delinquency.

64. The Prison Commission, in co-operation with the Dominion Bureau of Statistics, should plan a complete revision of the method of preparing statistical information. This revision should be designed to provide statistics that will show the success or failure of prison management and the cost of arresting, prosecuting, maintaining, and supervising prisoners.

65. Provision should be made for uniformity of statistical information in regard to all phases of the administration of the criminal law, including juvenile delinquency, probation, recidivism, etc.

66. Criminal statistics should be extended to show the number of indictable offences reported to the police, as well as the number of charges laid and the number of convictions.

67. The juvenile courts should be reorganized and the Juvenile Delinquents Act be amended in conformity with the policies expressed in chapter XVI of this report.

68. An auxiliary committee of citizens should be organized in connection with each training school for juvenile delinquents to assist in the rehabilitation of the boys and girls who leave such institutions.

69. The principle of family courts, on the lines suggested in chapter XVI of this report, should be adopted.

70. A probation system, modelled upon the system now in force in England, should be adopted throughout Canada, both for adults and young offenders.

71. Probation officers recruited from the ranks of trained social service workers should be appointed by the courts.

72. The services of such officers should be made available for the preparation of case histories of convicted prisoners and to furnish reports to the presiding judge or magistrate before the accused is sentenced.

73. Probation officers should be given supervision of prisoners who are released on ticket-of-leave and should make the necessary investigations of persons with whom prisoners wish to communicate.

74. The pay and duties of probation officers should be the subject of an agreement between the provincial and federal authorities.

75. Judges and magistrates should cause reports to be made on prisoners, after conviction and before sentence, in order to determine the nature of the

punishment that should be imposed or whether probation would be more effective.

76. All judges and magistrates required to try criminal cases should make periodic visits to the prisons to which they sentence prisoners.

77. The Ticket-of-Leave Act should be amended to give effect to the recommendations contained in this report.

78. The Remission Branch should be abolished, and the services now performed by it should be transferred to the Prison Commission, which will act as a central parole board.

79. A parole officer should be appointed by the Prison Commission in each province or group of provinces, according to population, to investigate applications for parole and make recommendations to the Prison Commission.

80. The administration of the Ticket-of-Leave Act should be definitely and completely removed from any suggestion of political interference.

81. There should be a definite rule that a prisoner who has already violated the conditions of a previous ticket-of-leave should not be permitted further benefit from the Act.

82. When provision is made for a more efficient system of adult probation in Ontario and the administration of the Ticket-of-Leave Act as herein recommended, the provisions of the Reformatories Act providing for indeterminate sentences and parole in Ontario should be repealed.

83. The rules governing remission of sentence for good conduct should be simplified in accordance with the recommendations contained in chapter XVIII of this report.

84. The efforts of the prisoners' aid societies should be co-ordinated in accordance with the principles applied in England and Wales under the authority of the Prison Commission and with a measure of financial assistance from the state.

85. A definite effort should be made to enlist the co-operation of the public in assisting discharged prisoners to find employment and become re-established.

86. Associations similar to the Borstal Association in England should be organized to assist in the rehabilitation of youthful offenders.

87. Certain experiments should be undertaken in selected Canadian institutions, patterned after the English system of voluntary visitors and under strict supervision.

88. The Prison Commission should effect the necessary changes to make the discipline and routine in Canadian penitentiaries conform to the recommendations contained in this report, and should take steps to put into effect as soon as possible the detailed recommendations contained in Part III of this report to correct the conditions in the respective penitentiaries.

Inquiry No. 2

What specific action, if any, has been taken in implementation of the following recommendations contained in the Report of the Committee appointed to inquire into the principles and procedures in the Remission Service of the Department of Justice of Canada ("Fauteux Report") presented on April 30, 1956, namely:

1. A serious effort should be made by all governments concerned, whether federal, provincial or municipal, to acquaint the public with the purpose of a sound system of corrections and the benefits to be derived from it.

2. Some means should be found whereby the courts, at all levels may be made more conscious that the true purpose of punishment is the correction of the offender and not mere retribution by society.

3. Each of the provinces should establish full-scale systems of adult probation.

4. The Parliament of Canada should give serious consideration to

(a) the abolition of a number of the restrictions on the power of courts to suspend the passing of sentence; and

(b) the enactment of legislation to authorize probation without conviction.

5. The provisions of the criminal law that authorize imprisonment in default of payment of fines by persons who are unable to pay them should be repealed.

6. No distinction should be made in the law, as far as time for payment of fines is concerned, between indictable offences and summary conviction offences.

7. In passing sentences the courts should rely, to a much greater extent than they now do, upon pre-sentence reports.

8. Appropriate arrangements should be made for visits by judges and magistrates to the penal institutions to which they sentence offenders who appear before them.

9. The respective Attorneys-General of the provinces should co-operate with each other to the full in implementing the provisions of section 421 (3) of the Criminal Code, whereby an inmate who is in

custody under sentence in one province may plead guilty, in that province, to charges that are outstanding against him in another province.

10. The law should be amended to provide that a person who is convicted of an offence has, at that time, the right to have taken into consideration, for the purpose of sentence, all outstanding charges against him to which he is prepared to plead guilty. The practice of holding warrants until an inmate has been discharged from a penal institution should, as far as possible, be avoided.

11. Appropriate arrangements should be made between the Attorneys-General of the respective provinces for the uniform enforcement, in all provinces, of the provisions of the Criminal Code relating to habitual criminals and criminal sexual psychopaths.

12. The provisions of the Prisons and Reformatories Act that authorize the imposition of determinate plus indeterminate sentences should be repealed and the parole boards of Ontario and British Columbia should be abolished.

13. In any case where a convicted person is between the ages of 16 and 21 or where a maximum term of imprisonment of two years or more may be imposed, no offender should be sentenced to any term of imprisonment without consideration by the court, of a pre-sentence report.

14. No sentence involving corporal punishment should be imposed upon any offender without prior consideration of a pre-sentence report concerning the physical and mental condition of the offender.

15. No sentence of corporal punishment should be executed until full inquiry has been made by the Remission Service and the responsible authority has ordered that there will be no interference with it.

16. Appropriate legislative amendments should be made immediately to provide that no person under the age of sixteen years shall be committed to penal institutions where adult prisoners are confined.

17. Consideration should be given to the establishment of a procedure for the granting of pardons, with or without condition, on a much more liberal scale than is now the case. In the granting of pardons, resort should be had to the Criminal Code provisions that authorize the Governor General in Council to grant them rather than to grant them under the royal prerogative of mercy.

18. Some means should be devised by which unjustified inequalities in the length of sentences of imprisonment, especially in the cases of co-offenders, can be remedied.

19. In all cases where the innocence of a convicted person is established, a free pardon should be granted, whether or not a free pardon is sought.

20. The federal and the provincial governments should give serious consideration, in expanding their systems of penal institutions, to the establishment, on a medium security basis, of such additional institutions as may be required.

21. In the Women's Prison at Kingston, Ontario, a more intensified system of varied forms of treatment should be instituted.

22. The federal and provincial governments should proceed, as quickly as possible, with the establishment and maintenance of more specialized types of institutions for the treatment of various types of offenders.

23. In relation to the operation of all penal institutions in Canada, more reception centres should be established to which inmates may be initially committed for classification and ultimate committal to the particular institution that provides the most useful form of treatment in their particular cases.

24. Classification staffs should be provided for all penal institutions in Canada and, where they already exist, they should be increased to an appropriate size.

25. No penal institution in Canada, of whatever type, should contain more than 600 inmates.

26. Special types of institutions, with specialized treatment, should be provided for alcoholics, drug addicts, sex offenders and psychopaths.

27. The present arrangements between the Government of Canada and the provincial governments should be reviewed in order to enable speedy transfer of insane prisoners from federal penitentiaries to provincial institutions that have suitable facilities for their care and treatment.

28. Every penal institution in Canada should institute an appropriate pre-release program for the benefit of inmates.

29. The responsible authorities should examine the entire legislative framework of the Canadian correctional system for the purpose of providing a well co-ordinated statutory basis for the Canadian system of corrections.

30. Until recommendation 31 can be implemented, any person who is sentenced to imprisonment for a total term of two years or more, by whatever combination of sentences this total arrived at, should be confined in a penitentiary and not in a provincial institution.

31. The provincial governments should be responsible for the care and treatment in penal institutions of persons sentenced to imprisonment for maximum terms of six months or less, and persons sentenced to imprisonment for periods longer than six months should be confined in penal institutions operated by the federal government.

32. If it is not possible to implement these recommendations, or most of them, within the next two or three years, amendments should be made immediately to the Ticket of Leave Act as suggested in Chapter VII of this Report.

33. The Ticket of Leave Act, the Prisons and Reformatories Act and certain portions of the Penitentiary Act should be repealed and be replaced by one statute that deals in a comprehensive manner with all the matters now dealt with in those Acts and incorporates the recommendations in this Report.

34. The duty and responsibility of arranging for the transfers of inmates from penal institutions to hospitals for the purpose of medical attention should be removed from the Remission Service and left to the Commissioner of Penitentiaries in the case of federal penal institutions and to the responsible deputy head in the case of provincial institutions.

35. As soon as possible, a system of automatic parole review should be instituted for Canada, thereby dispensing with the present system which requires an application for parole.

36. The practice of seeking the views of the trial judge or magistrate, in the case of parole, should be abandoned, except in special cases.

37. Provision should be made for the official termination, at an appropriate time, of long term parolees and those in special cases where the adjustment of the former inmate is obviously excellent and it is unlikely that he will resort again to crime.

38. Some means should be found to provide specialized after-care for particular types of parolees, such as sex offenders, drug addicts, alcoholics and psychopaths.

39. The federal and provincial governments should increase their financial grants to voluntary after-care agencies in order to enable them to work more effectively in the correctional field.

40. Voluntary after-care agencies should be subject to minimum standards and to evaluation and some workable system of agency certification should be established.

41. The annual conference of after-care agencies and government services should be continued in the future.

42. A national parole board should be established as recommended in Chapter XI of the Report.

43. The administration of federal correctional services should be organized as suggested in Chapter XII of the Report.

44. The Department of Justice should organize and sponsor a national conference of representatives of Canadian universities to formulate university programs for the training of workers in the correctional field.

DIVORCE

MOTION FOR AMENDMENT OF STANDING RULES AND ORDERS—STANDS AS NOTICE

Hon. Arthur W. Roebuck: Honourable senators, perhaps this motion should have been made under Reports of Committees. It is a motion in my name, which has been approved by the Senate Committee on Divorce, for the amendment of the Standing Rules and Orders of the Senate.

Rule 23 of the Senate, with respect to the time between a motion being moved and being considered, reads as follows:

> Two days notice must be given of a motion for any of the following purposes—

And (f) says:

> for the second reading of a bill.

The motion I have before me provides:

> 1. Immediately after paragraph (f) of Rule 23 insert the following:
>
> "(ff) For the adoption of a resolution of the Senate dissolving or annulling a marriage pursuant to the Dissolution and Annulment of Marriages Act;"

The reason for the amendment is that our officials feel they require more than just one day between the making of a motion and its consideration. I see no possible objection to granting this request.

The second part of the motion reads:

> 2. Immediately after Rule 193 add the following:
>
> "194. A certified copy of a resolution of the Senate dissolving or annulling a

marriage shall be obtainable on payment of the sum of two dollars into the hands of the Clerk of the Parliaments.

I suppose in drawing up a comprehensive set of rules such as we adopted last year we should not expect to be able to cover everything, and one of the points not covered was the fee which the Clerk may charge when one of the parties applies for a certificate of the passing of a resolution. The sum of $2 seems very small, but there are two things I might say in that regard. First, the certificate usually is required by the petitioner, who has already paid $210. For this reason I think we might very well give it to him for nothing, but that is not the usual practice. Then, too, if you go to a court for a certificate of the filing of a document, or something of that nature, the fee is usually $2. So I considered it reasonable, and in this I have the concurrence of our officials, that the fee should be $2.

The motion further provides for the addition of Rule 195 as follows:

"195. Resolutions for the dissolution or annulment of marriages adopted by the Senate of Canada during each session of Parliament shall be printed as Part II of the Journals of the Senate for such session."

Honourable senators will appreciate that in the past we have adopted acts of Parliament, not resolutions, and they have been placed in the Statutes. A separate volume covering the divorce bills has been prepared in later years, but since these are no longer divorce bills our officials feel that they should have the authority of a rule for publishing resolutions in the Journals. We will have a separate volume of the Journals for these resolutions.

That is my motion, honourable senators.

Hon. Mr. Choquette: Section 39 of the act provides that the Commissioner must make his report to the Senate. Is this tabling of the report considered compliance with section 39?

Hon. Mr. Roebuck: Yes. If you look at the files you will see the reports of the Commissioner. When I table a report of the Commissioner I will make the following motion:

The Standing Committee on Divorce make their second report as follows:

1. The committee refers to the Senate herewith the report of the Commissioner relating to the petition of (so-and-so of such-and-such a place) for a resolution of the Senate dissolving (her) marriage to (so-an-so).

2. The committee concurs in the recommendation of the Commissioner.

3. The committee recommends adoption by the Senate of a resolution dissolving the said marriage.

All which is respectfully submitted.

I think that covers completely the requirements of the rules in that regard.

It is pointed out to me that that report goes into the *Minutes of the Proceedings of the Senate of Canada*, and then there will appear in the *Journals of the Senate* the action of the Senate taken in the matter.

The Hon. the Speaker: With leave of the Senate, it is moved by the honourable Senator Roebuck, seconded by honourable Senator Croll, that the rules be amended as follows—

Hon. Mr. Roebuck: On second thought, honourable senators, I would prefer to have this proposal taken as a Notice of Motion, to be considered on Tuesday next. I so move.

Motion agreed to.

ADJOURNMENT

Hon. John J. Connolly: Honourable senators, I move, with leave of the Senate, that when the Senate adjourns today it do stand adjourned until Tuesday next, March 10, at 8 o'clock in the evening.

Motion agreed to.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

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

(Translation):

Hon. Cyrille Vaillancourt: Honourable senators, my first words are for the Queen of Canada. Long live the Queen and may her reign be a happy one! I said before and I repeat that as Queen of the Commonwealth, as Queen of Canada and as Queen of all our homes, our sovereign is a model. She is also a model for all the mothers in the world.

Each year, at Christmas time, the Queen broadcasts and telecasts a message addressed to her realm and to all the members of the Commonwealth. A few years ago, she concluded her message by an appeal for harmony in every home throughout the world. In large families, she said, arguments occur sometimes, for all members do not always share the same

ideas; but when evening comes and the family gathers around the table, everybody is happy once more; brothers fraternize as members of the same family, instead of quarrelling.

In our country, as the Queen said, the family is really united. May this wish, made by our Queen some years ago, be realized fully in each of our homes.

When, in a few months, our Queen comes to Canada, we in the province of Quebec shall receive her with happiness, dignity, pride and joy. If I am still around, I shall stand shoulder to shoulder with everybody in Canada and in the province of Quebec. I shall be there, to pay her my respects and to show her my gratitude and my admiration.

If so much blatant and false publicity is at present being given some irresponsible people, perhaps television and certain newspaper reporters are to blame. I find it extraordinary, not to say revolting, that so much importance is being given, especially on television, to such agitators, to those people who wish to divide and even destroy, whereas few words are ever said about those who wish to do good and who seek to build and unite.

May I mention, for instance, the publicity given on television a few evenings ago, to an alleged separatist leader, who uttered in Toronto absolutely absurd and irrational things. I was going to mention his name, but I will refrain from doing so. I find it terrible that such utterings are allowed on television for three or four minutes, and that such a person is allowed to thus vent his spleen at his own country. Be it through the C.B.C. or a private television network—the news was broadcast on both networks—there should be some way to put an end to this, so that television and radio employees be controlled and brought to their senses.

Therefore, I take off my hat and I say: "Long live our Queen! May she come and visit us, and we shall greet her as gentlemen!"

May I also address my most sincere wishes to the man who represents our Queen with such dignity in this house, His Excellency the Governor General of Canada, General Vanier, this great Canadian who for so long has been a credit to his country. I would ask him to convey to his dignified wife my best wishes for a full and prompt recovery.

And, Mr. Speaker, I am happy to pay my respects to you, and this for many reasons. First of all, in memory of the warm friendship which existed between your father and me, just as it now exists between us. Both of us came from the same section of the country, we have been brought up in humble but dignified homes. What I admire in you is that, in spite of the great honour bestowed upon you, you have remained the modest and dignified man that you were before. If you are honoured today, Mr. Speaker, it is because you have honoured us.

At the opening of the session, a few days ago, we noted certain changes in the leadership on this side of the house. The man whose assistant I was for a few years, the man I revered and whom I still admire, has placed his duties as leader into younger hands. I ask Senator Macdonald to kindly accept my sincere appreciation for all the help and co-operation he constantly gave me. In the other place, Senator Macdonald had been a private member, a minister and the Speaker. We welcomed him in the Senate because we knew he would discharge his duties as leader with the same dignity he had shown in his other functions.

Sometimes we say: The king is dead, long live the king! Happily the king is not dead because our former leader is alive and well. Yet I may add, as we say in French: "Long live his successor". He will be, no doubt, just as worthy as his predecessor. In fact, the fine speech he made last Wednesday proved it. I may say to our new leader: "You can depend on our complete co-operation".

I welcome, with an extreme pleasure, the leader on the other side of the house. I do not say "the Leader of the Opposition" because, in the Senate, there is no official opposition. In fact, if the government introduces a piece of legislation, we must not necessarily oppose it, because I do not imagine that any man is really bad, and there is always some good in him. I admire the way the leader on the other side of the house faces problems. The French translation for "brooks" is "ruisseaux" and we usually say that a brook is a clear and limpid stream. Listening to Senator Brooks, that is the picture that comes to my mind.

I also wish to congratulate the mover and the seconder of the address in reply to the Speech from the Throne (Senators Cook and Denis). Those two new members of the Senate have shown by their speeches that the debates

of this house will benefit from their competence and their wide knowledge.

I also welcome the other new senators, valuable men who will add to the usefulness of the Senate.

And now, with your kind permission, let us look back a little—and look ahead also—because in 1967 we will celebrate the centennial of Confederation. Let us not forget, however, that this centennial is commemorating a pact which, in 1867, was entered into by two nations, two cultures. I point this out in order that we may not lose sight of the fact that the Confederation pact of 1867 was a pact between the French and the English cultures and between French-speaking and English-speaking Canadians. That takes nothing away from the Ukrainians, the Italians, the Danes, the Germans and others who came to Canada and contributed to the greatness and prosperity which now exist in the two nations. That is why a bicultural and not a multicultural commission was set up.

This being said, I quote the third paragraph from the Speech from the Throne which says:

> "My government will attempt to make its full contribution to the maintenance of peace and the improvement of international relations; to the strengthening of our national unity through a co-operative federalism".

The last two words I have just quoted have particularly struck me—co-operative federalism. For a long time I have been preaching co-operation and endeavouring to put it into practice, as I believe that it is our only sheet anchor against adverse ideas: communism, fascism, nazism or separatism as well as all other totalitarian doctrines; there is but one formula which we can use, it is the co-operative formula. This explains why I am not a separatist; on the contrary, I am all for co-operation.

While listening to our Winnipeg colleague, Senator Yuzyk, a couple of days ago, it came to my mind that the Ukrainians also practise co-operation. That is the reason why they do so well in western Canada.

Now I say that it is useless to ask here and there: "Come and help us", if we are not prepared to make every effort to help ourselves because in co-operation, everyone must make an effort. It is the only way to make a success of something.

Why am I not a separatist? Well, my argument is simple: the first thing I do when I am invited to join an organization is to ask myself whether this organization makes sense. What are its past achievements? I am also wondering whether the person who comes to see me has common sense, because he will perhaps tell me that I do not have any.

When I consider all those people who are now advocating a selfish and hateful separatism, I wonder what they did during their lifetime. I find that they did not do anything and, nevertheless, the press gives them so much importance. Look at them, one after another, and you will reach the same conclusion. One of them even spent some time in a mental institution.

It is easy to demolish, but it is more difficult to build, because it takes time and courage.

In my youth—and later on when I could discuss more easily with him—my father, who was then a member of the House of Commons, used to tell me when he came home: "It is no use complaining. One must act, do something, take one's defence into one's own hands." That principle impressed me and I never forgot it. Later, while I was in college and when I became one of the messengers of Mr. Desjardins, the founder of the *caisses populaires*, that principle kept on creeping back in my mind. I told myself that Mr. Desjardins had found the true formula. Our people, the humble people, were being exploited by usurers and it was certainly not the latter who were going to save them. Mr. Desjardins said: "Let us look after the little fellow, let us explain to him where his duty lies and teach him how to defend himself".

So he slowly launched his movement without tearing down anything but rather by convincing his people, people of small means with whom he could work. At the time of his death, in 1920, there were about 100 *caisses populaires* with assets of some $4 million. The *caisses populaires* went through a hard time then because their leader was gone. The head of the family was no more. There was no one to take the lead so we established small district groups. Then, in 1929, came the depression; that is when we realized how important it was to co-operate instead of competing with one another.

At that time, we established the basis for the *Federation des Caisses Populaires*. In 1932, it was legally organized. On January 1, 1933 there were 162 *caisses populaires* with assets of $9 million. Today, after 32 years of co-operation, we have nearly 1,300 of them with assets of $1 billion.

Moreover, we have built up and organized insurance companies to protect us and the farmers in rural areas because, formerly, insurance companies told them that they were unable to give them protection because, whenever there was a fire, a total loss would result. However, we said to ourselves: "We have now one and a half million members and there is a way of helping each other. We have our life insurance company, our trust company, and our managing company"; quite recently, we opened up an educational institution for adults. And we accomplished all this without destroying anything, without any

other body or organization having to disappear, without anybody being adversely affected. The banks are more prosperous than ever, and the same can be said of the finance companies. Thus, our people are more prosperous than in the past. They realized that, in order to save themselves, it was necessary to help one another.

I shall always remember that when I was a small boy, we went down to the river to bathe, and when one of us went a bit too far out and was in danger, mother who was sitting on the shore cried out to him to pray to good St. Ann to save him, but father said: "Start swimming first my boy, and then pray to good St. Ann." In other words, make an effort to save yourself, and God will save you.

Now, the co-operative principle goes still further. The *caisses populaires,* which originated in the province of Quebec, also were founded in the nine other provinces of this country where they are called credit unions. Each of those organizations was set up under provincial legislation, which means that those organizations are autonomous. There are ten provincial acts to administer those organizations. However, the directors of those institutions meet every year. Yesterday, the meeting was in Vancouver; today, at this very moment, while I am talking to you, there is a meeting in Saskatoon; tomorrow, there will be one in Toronto, and the day after in Quebec city. Wherever we meet, we discuss our problems, and we do not talk any nonsense.

We discuss and everyone remains independent; every province operates its association or associations of "credit unions" or "*caisses populaires*". We do not destroy one another. This movement has been growing throughout the country because we meet and talk together. We always talk in a co-operative spirit. Co-operative spirit is charity. I would like to say and to repeat what I have already said perhaps a thousand times elsewhere: this is the great charity concept that Christ taught us almost 2,000 years ago when he came to this world to redeem mankind and said: "You will be saved if you love your neighbour, if you help your neighbour." In this field, co-operation will always succeed with goodwill. But it was not an expression of goodwill that I heard on television last Sunday and I was startled that such things should be allowed. On one side, one person was saying: "I am in favour of separatism". And when he was asked why, he answered: "I want to be separated". Then, he was asked: "But how will you be able to live?" And he answered: "It does not matter, that is what I want." He was told: "Well, if that is what you want, go ahead. It will be all right, then, everything will be all right." For one hour, that was how the discussion went on.

No, it is not in this way that we shall retain a united confederation and that Canada will be as strong tomorrow as it was yesterday and it is today. It is not by listening to such nonsense that we will accomplish that.

During the war, reference was made to the fifth column. I wonder whether there is not some kind of a fifth column at this time in several provinces of Canada. In a certain province, it is for the sake of pride, and in some others it is sheer nonsense. Then, people try to point those things out in order to spread trouble everywhere.

It seems to me there should be some way to act otherwise and to co-operate. As far as I am concerned, it was always my motto to co-operate, which means to act together with someone and not against someone. People could say: "Well, dear Vaillancourt, you blow your own horn", but I do not, because if I had been alone, I could not have co-operated with anybody and it is through co-operation with others that we have succeeded in our enterprise. That is what I would like all Canadians to realize so that they would co-operate better with one another.

Before I conclude, I should like to deal with another point which came to my mind last November when I had to stay home because of an accident and when I spent my time reading, discussing with friends or relatives, and watching TV. That was on November 25 when the TV carried the funeral of the lamented President of the United States, President Kennedy. In the evening, mulling over those tragic events, I realized that in a month's time it would be December 25 and we would be celebrating Christmas day, the day when God came down to earth and when the angels sang in heaven:

> Glory be to God in the highest and on earth peace and good will toward men.

But some nineteen hundred years later, how could such a tragedy happen in a country where civilization and culture are said to be at their highest point? It makes us wonder how things could come to such a pass! It seems to me that everyone of us has his share of responsibility in that.

I want to mention all those TV programs, all those sensational reports that we read in the papers and that are seen by young people. When I was in the hospital last fall, in the same day, I counted seven movies, dramas, etc. on television depicting scenes of murder, theft, rape and adultery. Young people who see those things say to themselves: This is life, let us do the same. Is

it any wonder that juvenile delinquency is increasing today? Are we not all responsible to some extent? Why not put a stop to all those things?

Another example: you all saw last week two men thrown together to knock each other down. The papers were full of pictures of the boxing match I am speaking about. However, when a man, who worked all his life for the welfare of humanity, dies, there is no mention of it; I am referring to the death of Dr. Ramon, that scientist who discovered the vaccine against diphtheria. That man, thanks to his discoveries, saved millions of human lives, and he will keep saving hundreds of millions yet. Have you read anything in the newspapers concerning the extraordinary work of that physician? No, there was no mention of it, in spite of the fact that he gave his life for humanity, to do good.

If in some areas we have made great progress, from the moral standpoint, however, we are on the down-grade. Thus, it seems to me that each of us should try to reason with our children and grandchildren as well as the people responsible for that wild propaganda which demoralizes, destroys and kills. Let us hope that in the near future we will be able to shout throughout the world, what was heard almost two thousand years ago: "Peace on earth and good will toward men".

(Text):

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

The Senate adjourned until Tuesday next, March 10, at 8 p.m.

THE SENATE

Tuesday, March 10, 1964

The Senate met at 8 p.m., Hon. Arthur L. Beaubien, Acting Speaker, in the Chair.

Prayers.

THE ROYAL FAMILY

CONGRATULATIONS ON BIRTH OF A PRINCE

Hon. John J. Connolly: Honourable senators, I am sure I express the sentiments of all of us when I say how delighted we are to know that Her Majesty the Queen today gave birth to a prince.

As His Honour the Acting Speaker read the traditional and beautiful prayer for Her Majesty this evening, it seemed to me that honourable senators followed it with more than ordinary fervour.

Hon. A. J. Brooks: Honourable senators, the honourable Leader of the Government has spoken for all of us in what he has just said. We are very happy indeed to learn of this most joyful event.

I understand that there may be an opportunity tomorrow to say more regarding this very happy event.

CONSUMER CREDIT

PROPOSED JOINT COMMITTEE

The Hon. the Acting Speaker informed the Senate that a message had been received from the House of Commons requesting the Senate to unite with that house in the formation of a joint committee of both houses to inquire into and report upon the problem of consumer credit.

Hon. Mr. Connolly (Ottawa West) moved that the message be placed on the Orders of the Day for consideration at the next sitting.

Motion agreed to.

DOCUMENTS TABLED

Hon. John J. Connolly tabled:

Supplementary Estimates (E) for the fiscal year ending March 31, 1964. (English and French texts).

Report of the Custodian of Enemy Property for the year ended December 31, 1963, pursuant to section 3 of The Trading with the Enemy (Transitional Powers) Act, chapter 24, Statutes of Canada, 1947. (English and French texts).

Report of Trans-Canada Air Lines for the year ended December 31, 1963, pursuant to section 29 of the Trans-Canada Air Lines Act, chapter 268, R.S.C., 1952. (English and French texts).

Report to Parliament of the Auditor on the Accounts of Trans-Canada Air Lines for the year ended December 31, 1963, pursuant to section 29 of the Trans-Canada Air Lines Act, chapter 268, R.S.C., 1952. (English and French texts).

Report of Permits issued under the authority of section 8 of the Immigration Act for the calendar year 1963, pursuant to section 8(5) of the said act, chapter 325, R.S.C., 1952. (English and French texts).

Report of the Royal Canadian Mounted Police for the fiscal year ended March 31, 1962. (English and French texts).

DIVORCE

AMENDMENT OF STANDING RULES AND ORDERS

Hon. Arthur W. Roebuck moved:

That the Standing Rules and Orders of the Senate be amended as follows:

1. Immediately after paragraph (f) of Rule 23 insert the following:—

"(ff) For the adoption of a resolution of the Senate dissolving or annulling a marriage pursuant to the Dissolution and Annulment of Marriages Act;"

2. Immediately after Rule 193 add the following:—

"194. A certified copy of a resolution of the Senate dissolving or annulling a marriage shall be obtainable on payment of the sum of two dollars into the hands of the Clerk of the Parliaments.

"195. Resolutions for the dissolution or annulment of marriages adopted by the Senate of Canada during each session of Parliament shall be printed as Part II of the *Journals of the Senate* for such session."

He said: Honourable senators, I explained the foregoing motion in this house on Thursday last and, if there are no questions, I have nothing to add.

Motion agreed to.

PRIVATE BILLS

THE GENERAL ACCIDENT ASSURANCE COMPANY OF CANADA—SECOND READING

Hon. T. D'Arcy Leonard moved the second reading of Bill S-8, respecting The General Accident Assurance Company of Canada.

He said: This is a simple bill, and honourable senators will recognize the language in it because it follows precedents that have been established and accepted by both houses of Parliament with regard to previous bills, whereby a company may transact business in either its English or French name.

Honourable senators, the company in this case desires to use the name The General

Accident Assurance Company of Canada, and also the name *La Compagnie d'Assurance Générale Accident du Canada.*

This company was incorporated in 1906 by special act of the Parliament of Canada. It is licensed in each province of Canada, except New Brunswick and Prince Edward Island. It writes fire, casualty and general insurance business. It is one of a group of insurance companies which includes the Scottish Canadian Assurance Corporation, and the General Accident, Fire and Life Assurance Corporation of Perth, Scotland, which is the controlling company. This group maintains an office in Montreal, where it has some 60 employees; and, in addition it has 364 agents in the province of Quebec. Its contracts have been printed both in English and French, and it now desires to have a French version of its name as well as the English version that is now used.

If this bill receives second reading, I propose to move that it be referred to the Standing Committee on Banking and Commerce.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Leonard, bill referred to the Standing Committee on Banking and Commerce.

SCOTTISH CANADIAN ASSURANCE CORPORATION—SECOND READING

Hon. T. D'Arcy Leonard moved the second reading of Bill S-9, an act respecting Scottish Canadian Assurance Corporation.

He said: Honourable senators, the remarks I have just made as to Bill S-8 apply also to Bill S-9. The Scottish Canadian Assurance Corporation is another member of the same group. In this case, it also desires to use the French version of its name, *La Compagnie d'Assurance Canadienne Ecossaise.* This company, which is also controlled by the parent company of Perth, Scotland, was incorporated in 1920 by special act of the Parliament of Canada, and does business in all provinces except Newfoundland.

If this bill receives second reading, I shall move that it be referred to the Standing Committee on Banking and Commerce.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Leonard, bill referred to the Standing Committee on Banking and Commerce.

DIVORCE

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of reports of the Standing Committee on Divorce, Nos. 2 to 24 inclusive, which were presented on Thursday, March 5.

On motion of Mr. Roebuck, Chairman of the Standing Committee on Divorce, reports adopted, on division.

REVISED STATUTES OF CANADA BILL

SECOND READING

Hon. Jean-François Pouliot moved the second reading of Bill S-2, respecting the Revised Statutes of Canada.

He said: Honourable Senators when I was admitted to the bar some years ago I never thought that one day I would have the privilege of sponsoring a bill for the revision of the Statutes of Canada.

You all know what a statute is: It is the written will of a legislative body. To use an expression which was very familiar to one of my leaders, the Parliament of Canada has shown in that respect a great deal of good will.

The Revised Statutes of 1952, together with the supplement and the index, contain 6,690 pages, and since that time 14 sessions have passed and 14 new volumes of statutes have been published comprising a further 6,003 pages. In that figure I do not count private legislation, but only public acts.

You will readily understand the difficulties of members of the Canadian Bar and others who consult statute books when they have to refer to such a vast library to find information as to how the law stands on any particular matter at a particular time.

This is why there are occasions when the work of all those who are interested in law has to be simplified. The laws have to be condensed and put together in a smaller number of books in order to facilitate the work of those who want to know what the law is because, as you know, honourable senators, ignorance of the law is no excuse. Every time I look at one of the statute books of the Parliament of Canada or of the provincial legislatures I feel a very deep sympathy for all students at law who have to memorize the countless rules that govern society.

This is by no means the first time that the acts of the Parliament of Canada have been revised. They have been revised several times since Confederation, and many times before. If we look at the books which we can find in the library—and I must say that everyone in the library is most helpful; I convey my thanks to Mr. Tarte, one of the librarians, who shook the dust off so many folios and large books and gave me the opportunity of consulting all the Statutes of Canada from the year 1792 up to date—we see that the first revision or consolidation of the statutes took place in 1842 when the Statutes of

Upper Canada were put together up to the time of the Union; that is, from 1792 to 1840. That consolidation comprises two volumes, one for public acts, and the other for local and private acts.

Three years later, in 1845, there were published the Revised Acts and Ordinances of Lower Canada. That was under the Union, and the great Lafontaine had much to do with that important work.

In 1859 there were published the Consolidated Statutes of Canada which contained —and I quote this from the front page—"Certain Imperial Enactments concerning the Boundaries and Constitution of Canada and" —mark these words, honourable colleagues— "the Political Rights of Her Majesty's Canadian subjects." It is quite interesting to note that approximately 105 years ago our ancestors were described as Canadian subjects of Her Majesty, which is a very good name indeed.

For the first time, the Imperial Acts concerning Canada, the Quebec Act of 1774, the Colonial Tax Repeal Act of 1778, the Constitutional Act of 1791, and the Union Act of 1840, were published as a preamble to the Consolidated Statutes of Canada of 1859. It was natural that those who were concerned with the statutes should have an opportunity to find what right the legislative bodies, the Legislative Assembly and the Legislative Council at the time of United Canada, had to legislate. They legislated in virtue of the jurisdiction that was granted by those constitutional acts, a long time before Confederation.

That consolidation contained also an act concerning the Consolidated Statutes of Canada, which act was the ancestor of the bill I now sponsor. The language is practically the same because the thing to be done now is similar to what was done at that time and has been done at various intervals since.

That happened before Confederation. In 1860, and also at the time of the Union, the Legislative Assembly and the Legislative Council authorized and approved the publication of the Consolidated Statutes of Lower Canada. We find there, in the first chapter, an act respecting the Consolidated Statutes of Lower Canada. As you can see for yourselves, my honourable colleagues, before Confederation, before the British North America Act of 1867, the Legislative Assembly and the Legislative Council together decided that the laws then in force should be put together for the better use of those concerned.

Then Confederation took place. Those are all the consolidations or, if you want to use the expression, revisions that took place before Confederation. But, before I go further we must understand what is meant by "revision". Those who will form the commission for the so-called revision of the statutes will have a certain leeway, but they will not be free to change the law. They will have to respect the will and the intention of the lawmakers. They will not be permitted to make considerable changes in the law. They will have to take the law as it is. They may make minor corrections, and they will have to put all the statutes together in order, so that whenever you read a statute you will find together the whole legislation that concerns a particular point.

"Revision" is defined as the act of revising. That is not very informative. Then, we have to find the meaning of the verb "to revise". It means to look at it all over again in order to correct or improve, as to revise a printer's proof. That is one part of the work which will have to be done by the commission in charge of the revision. It will have to correct those minor errors which may be found in the text, but it will not have the right to change the meaning of a sentence. The word "revise" means also:

> To make a new, improved or up to date version of, as to revise the game laws; synonymous with *correct*.

The work of the commission will be mostly to put the law together by adding the text of the amendments to the main statute.

Honourable senators, there is another expression which comes to my mind. It is the word "compilation". It means:

> To compile, as to collect the materials into a volume; compilation, a book composed of materials gathered from other books or documents.

Honourable senators, the work of the commission is twofold. It will be to revise in the meaning of correcting, and to compile in the meaning of putting together, all the law that concerns a particular matter. It shall be divided into chapters, just as you see in the statute books.

No one will start to read the statute books from A to Z, from the first line to the last. It is impossible. As a book of reference, however, the statute book is indispensable to all the lawmakers, because when a bill comes up on any subject it is important for you to go to the source of the law. You find it there, and then you have all the light and information that one may require on any particular piece of legislation.

Now let us see about the revisions that have been made since Confederation. In the first part, I have mentioned the revisions or the consolidations that took place before Confederation. Now I come to the time of Confederation, but before coming to that I want

to read to you, honourable colleagues, one of the most important sections of the B.N.A. Act, 1867—section 129.

Section 129 concerns the continuation of the law from the time of the Union until after Confederation, and until it was changed by the proper legislative body. You knew very well that before Confederation we had all the laws which have been mentioned in the first place. It was our system of laws, our *corpus juris*.

Section 129 mentions the "Continuance of existing Laws, Courts, Officers, etc.," and in its first part it is clear. However, the second part of that section has been so badly drafted, and in such haste, that it is ambiguous. You will easily realize it.

You know that in the B.N.A. Act the Fathers of Confederation wanted to convey the idea that the Parliament of Canada on the one hand, and the provinces on the other hand, should mind their own business. It was agreed that the Parliament of Canada and the legislatures of the provinces, respectively, had exclusive rights. You know the meaning of the word "exclusive"; it is not necessary for me to quote the dictionary for that. It meant that each one should mind its own business.

Now, here is section 129, and it is the only section of the B.N.A. Act that I will read in full, because I consider it most important. I take the liberty to suggest an amendment which may be made in due course by the Imperial Parliament.

Section 129, originally read:

> Except as otherwise provided by this Act, all Laws in force in Canada, Nova Scotia, or New Brunswick at the Union, and all Courts of Civil and Criminal Jurisdiction, and all legal Commissions, Powers, and Authorities, and all Officers, Judicial, Administrative, and Ministerial, existing therein at the Union, shall continue in Ontario, Quebec, Nova Scotia, and New Brunswick respectively, as if the Union had not been made; . . .

This part is easy to understand. Now, here is the second part, which leaves a doubt in our minds:

> . . . subject nevertheless (except with respect to such as are enacted by or exist under Acts of the Parliament of Great Britain or of the Parliament of the United Kingdom of Great Britain and Ireland,) to be repealed, abolished, or altered by the Parliament of Canada, or—

Here is the obscure point:

> by the Legislature of the respective Province, according to the Authority of the Parliament or of that Legislature under this Act.

The difficulty was, can the amendment be made to any piece of legislation by the Parliament of Canada or by the provincial legislature?

Honourable senators, those last words should be amended so as to read:

> . . . or by the provincial Legislatures, according to their respectively exclusive authority under this Act.

The second part would read as follows:

> . . . subject nevertheless (except with respect to such as are enacted by or exist under Acts of the Parliament of Great Britain or of the Parliament of the United Kingdom of Great Britain and Ireland,) to be repealed, abolished, or altered by the Parliament of Canada, or by the provincial Legislatures, according to their respectively exclusive authority under this Act.

This is the suggested amendment.

Naturally there were great difficulties on account of this obscurity, and even the leaders of the bench were quite embarrassed about it. It seems that those thoughts could be expressed with such clarity and lucidity that there would be no excuse for that kind of statutory language.

Hon. Mr. Roebuck: May I ask the honourable senator a question? Has not the interpretation he has just placed upon section 129 been the interpretation in practice adopted by the courts of Canada ever since the act was passed?

Hon. Mr. Pouliot: If my honourable friend will read the judgment of Chief Justice Rinfret in the case of Jehovah's Witnesses, he will see that the Chief Justice expressed grave doubts about it. If you are interested in that, in a moment I will show you what was kept in the cupboard of 1887. The book I have here is a large one, but I will try to be as concise as possible. I am very glad that my honourable and distinguished colleague shares that opinion, but if it is the right interpretation of the law, there is no reason why it should not be more clearly expressed.

Now I come to the Revised Statutes of 1886, which were approved and came into force after Confederation. It is a most interesting publication and, honourable colleagues, there is life in the law. When we look at the statute and read it, naturally we think of those who discussed it and worried about finding the right expression to make these statutes as clear as possible, although they did not always succeed. There are most interesting things in the Revised Statutes of Canada of 1886. We learn, for instance, that at the time there were 38 chartered banks in Canada. Now the number is much less, and

the people seem to be more prosperous. Some of the banks have survived, and many have not.

I noticed also in the Northwest Territories Act (Revised Statutes of Canada, 1886, c. 50) that the lawmakers at the time did much more for the married women of the Northwest Territories than any government has done since for the married women of any part of Canada.

There are two volumes of the statutes of 1886. In volume 2 there are three schedules: Schedule A, Acts and Parts of Acts repealed; Schedule B, Acts and Parts of Acts not consolidated; and Schedule C, Parts of Acts conditionally repealed. The volume contains:

> History and disposal of acts—
> Province of Canada, 1859-1867
> Nova Scotia, 1864-1867
> New Brunswick, 1854-1867
> British Columbia, 1871
> Prince Edward Island, 1773-1873
> Dominion of Canada, 1867-1886

And it is mentioned whether the acts had been recommended for repeal or superseded. Some others are described as "provincial".

In 1887, the following year, the acts of the provinces and of Canada which had not been repealed by the Revised Statutes were put in a book, which I called the "cupboard". The book is described as follows:

> Acts of the legislatures of the provinces now comprised in the dominion and of Canada which are of a public nature and are not repealed by the Revised Statutes of Canada for the reasons set forth in Schedule B of the said Revised Statutes.

Then, what was Schedule B of the Revised Statutes of Canada of 1886, page 2299:

> Acts and parts of acts of a public general nature, which affect Canada, and have relation to matters not within the legislative authority of Parliament, or in respect to which the power of legislation is doubtful or has been doubted, and which have in consequence not been consolidated; and also, acts of a public general nature which, for other reasons, have not been considered proper acts to be consolidated.

Therefore, in this book there is nothing final. It contains acts which have been left in suspense because they were considered doubtful. It is unfortunate that the courts have not been called upon to decide whether those acts were of a federal or a provincial jurisdiction.

That being said, honourable senators, the bill will be easy to understand for anyone who will look at it. It contains just a few provisions, only 13 clauses, and it tells what will have to be done to revise or consolidate the Statutes of Canada from the year 1952 up to the time when the revision will have been completed. That may take three or four years, if the Commission is diligent enough. Just imagine, at the present time there are 6,000 pages of new laws from 1952 until now to be dealt with. There will probably be 1,500 or 2,000 more pages in four years from now, and all that will have to be put in order to be clarified and simplified. My earnest hope is that the commission will succeed in making the law as understandable as possible.

I also suggest that the commission should bring to the attention of the Department of Justice logical improvements they could suggest to that legislation. The members will be appointed by Order in Council, and the duties of the commission shall be to arrange, revise and consolidate all the statutes. The roll will have to be certified and deposited with the Clerk of the Parliaments, and the approval and signature of His Excellency the Governor General are required to give effect to that legislation.

The powers of the commission as to alterations are very limited, and the commission will have to prepare good tables and a complete index. That is most important. It must be done with the greatest care, because a well prepared index is a most valuable asset for any official publication. Then the proclamation will be issued to declare the statutes in force.

When those statutes come into force, the Revised Statutes of 1952, and the public acts which are in the subsequent statute books, will be useful only for reference purposes, because from then on the Revised Statutes of 1967 or 1968, the new Revised Statutes, shall be the law of the land.

I will not elaborate on that, but I have noticed in my research that there were very few encroachments by the Parliament of Canada on the rights of the provinces. I could make a very long speech about it, but I will abstain from doing so tonight; I will have other occasions to do so. The Parliament of Canada at all times has been most respectful of the jurisdiction of the provinces, and when the provinces complain that there have been encroachments on their jurisdiction it is just to distract the attention of the public from their own encroachments on the jurisdiction of the Parliament of Canada. That is my experience, and those who are learned in the law know what I mean, without my insisting any further.

Speaking of the law, when the Revised Statutes are printed they will be the evidence before the courts. You could take a copy of the statute book and present it to

the court, and you would not have to bring any witness to prove it. It becomes the law of the land when it is published by the Queen's Printer after the required formalities are fulfilled. The Revised Statutes which will come into force in three or four years' time, on the occasion of the centennial or a year later, will be the law of the land, and this is why it is so important and why I appreciate so much the opportunity of telling you about the importance of the matter. Then these Revised Statutes will be distributed in the same manner as the statutes you have already received.

Before concluding, I have an observation to make. The first session of this Parliament started early in the year, after the last general election. There was a long adjournment during the summer. The session was in two parts. We received only a few days ago the statute book containing all the legislation of that session, which means that after the adjournment for the summer we had to wait eight months to have the official text of that legislation.

The suggestion I have to make comes from the Province of Quebec. I hold in my hand a most useful publication, the supplement to the official *Gazette* of Quebec. The copy I have I will send to my honourable Leader (Hon. Mr. Connolly, Ottawa West) so that he may show it to his colleagues. His colleagues of the province of Quebec know about it, but those of the other provinces probably do not know what it is. All the laws that are passed in a session are published in the supplement to the Quebec official *Gazette* two weeks after the session is prorogued or takes a long adjournment. It is indispensable. I hope that my honourable Leader will be kind enough to convey that suggestion to his colleagues.

Now, honourable senators, I thank you for your kind attention. My speech was very dry; I could have spoken differently, but I abstained from doing so because I have such a great respect for the law of the land; I want the law to be clear, I want the law to be simple, and I want the law to be easy to understand, not only for the bench and bar but for all those who want to be guided by the law and who abide by it.

It is impossible to expect great clarification or simplification of the law from a revision or consolidation of the kind that will be effected, although it must be done by competent people under the direction, probably, of the Chief Justice of the Supreme Court of Canada, as has been done before. I do not know who will be appointed, but if it is the present Chief Justice of the Supreme Court of Canada who will be the chairman of the commission, he could give good advice. He is a man of great experience, knows his law and is surely the best jurist to head such a commission. I hope that all of us will have the opportunity to appreciate the usefulness of the report of the commission when it is tabled. Let us hope also that it will be for the greatest benefit of all.

Hon. Mr. Choquette: Honourable senators, I move the adjournment of the debate.

Hon. Arthur W. Roebuck: Honourable senators, before the debate is adjourned may I make one comment? I see by section 1 that the revision commission to be appointed is to consist of the Minister of Justice and five other members to be appointed by the Governor in Council. I presume that that commission is not yet appointed, but when it is it will probably consist mainly of civil servants, thoroughly informed in matters of this kind. However, I would suggest to the Government Leader that it should also include the Clerk of the Senate. I know I speak for every member here in saying that we would be pleased to see the Clerk of the Parliaments, who also happens to be our own Clerk, a member of that committee. While I dislike speaking in superlatives I must say that he is one of the best informed legal authorities available to the Parliament of Canada.

Some Hon. Senators: Hear, hear.

Hon. Mr. Roebuck: For this reason I should like to see him nominated to that commission.

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

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, March 11, 1964

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

Prayers.

DOCUMENTS TABLED

Hon. John J. Connolly tabled:

Copy of the Final Report of the Fraser River Board on Flood Control and Hydro-Electric Power in the Fraser River Basin. (English text).

Report of the Department of Trade and Commerce, intituled: "Private and Public Investment in Canada—Outlook 1964—and Regional Estimates". (English and French texts).

Report of the Board of Transport Commissioners for Canada, for the year ended December 31, 1963, pursuant to section 31 of the Railway Act, chapter 234, R.S.C., 1952. (English text).

PRIVATE BILL

THE GENERAL COUNCIL OF THE CANADIAN BRANCH OF THE ST. JOHN AMBULANCE ASSOCIATION—REPORT OF COMMITTEE ADOPTED

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill S-5, respecting The General Council of the Canadian Branch of the St. John Ambulance Association, and had directed that the bill be reported without amendment.

Report adopted.

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

Hon. Mr. Kinley moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

DIVORCE

REPORTS OF COMMITTEE PRESENTED

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 25 to 61, inclusive, and moved that the said reports be taken into consideration on Tuesday next.

Motion agreed to.

RESOLUTIONS PRESENTED

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the following resolutions:

Resolution 1, for the relief of Linda Ruth Kirsch Lach.

Resolution 2, for the relief of Evelyn Margaret Henderson McConnell.

Resolution 3, for the relief of Ingrida Elisabeth Prieditis Lorenzi.

Resolution 4, for the relief of Inge Moeller Weinhandl.

Resolution 5, for the relief of Paula Elaine Segal Kurland.

Resolution 6, for the relief of Pauline Georgette Mary Malo Corp.

Resolution 7, for the relief of Ann Nanasi Moskovits.

Resolution 8, for the relief of Ruth Gittleson Shapiro.

Resolution 9, for the relief of Florence Freda Tadei Dingman.

Resolution 10, for the relief of Constance LeBaron Dibblee Lank.

Resolution 11, for the relief of Millicent Eileen Goobie Davis.

Resolution 12, for the relief of Suzanne Mary Goodger Garrett.

Resolution 13, for the relief of Vanutelli Deschenes.

Resolution 14, for the relief of Margaret Elizabeth Taylor Hall.

Resolution 15, for the relief of Helen Sivwright Maxner Black.

Resolution 16, for the relief of Marion Irma Friefeld Dickman.

Resolution 17, for the relief of Ruth Greenberg Mire.

Resolution 18, for the relief of Bernice Ruth Serlin Mroz.

Resolution 19, for the relief of Marianne Renate Schimkatis Kramer.

Resolution 20, for the relief of Anna Hasapa Dionissatos.

Resolution 21, for the relief of Monique Nicole Theriault Ladouceur.

Resolution 22, for the relief of Marie Bernadette Guitar Guitard.

Resolution 23, for the relief of Kathleen Alice Priestley Morrow.

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

Hon. Mr. Roebuck: Honourable senators, I move that these resolutions be considered on Tuesday next.

Motion agreed to.

PRIVATE BILL

BANK OF WESTERN CANADA—SECOND READING—DEBATE CONTINUED

The Senate resumed from Wednesday, March 4, the adjourned debate on the motion

of Hon. Mr. Leonard for the second reading of Bill S-6, to incorporate Bank of Western Canada.

Hon. Thomas Vien: Honourable senators, I have very little to add to the remarks I made when the honourable senator who sponsored this bill (Hon. Mr. Leonard) moved its second reading. However, I have given some thought to a few questions which, in my humble opinion, arise at this juncture, when we talk of creating a new bank.

The first consideration I would like to bring to your attention is that we have in Canada, I think, one of the most remarkable systems of banking that exists anywhere in the world; it is admirably adapted to the requirements of trade and commerce and our banking requirements generally in Canada.

I recall that in 1923 and 1924 in the other place, the Honourable James Alexander Robb was acting Minister of Finance, due to the illness of Mr. Fielding, and I was chairman of the Banking and Commerce Committee of that House. At that time there were about 53 Progressive members who clamoured for the establishment of a central bank and the fundamental revision of our Bank Act. We resisted some of their requests, but we yielded to them to the extent of calling as witnesses before the committee several high ranking officials of the Federal Reserve System. It had been suggested that we should have in this country a banking system similar to that created and inaugurated by President Wilson in 1913. These high ranking officials of the federal system took advantage of their presence in Ottawa to familiarize themselves with our banking system in Canada and how it functioned. When they appeared before the committee they were a great disappointment to the honourable members who had called them because they said a federal reserve system would not meet our requirements, and they explained why.

They said, at that time, that the Federal Reserve Bank of the Federal District of New York could not balance its budget unless it had a billion dollars outstanding. Therefore, they pointed out, if Canada had a federal reserve system similar to theirs it would be like establishing an Eaton's store, a Morgan's store, or a Simpson's store in a country village. The volume of trade and the population would not warrant such an expensive system. Furthermore, they pointed out that in Canada we had something much less expensive but just as efficient and adequate in our branch-bank system, which they did not have in the United States.

In the United States, when the federal reserve system was mooted, quite a few people requested that the branch-bank system be established. But the consensus of public opinion was against it because they feared it would centralize too much financial power in the hands of too few and it would not provide adequate banking facilities for outlying districts. But in Canada, they pointed out that branch banks spread all over the country could draw to the central bank, without additional cost, surplus deposits in one district to take care of surplus demands for accommodation in other more highly industrialized districts.

These experts also strongly advocated the creation of a central bank, like the Bank of Canada, but all Canadian bankers, at that time in 1924, resisted fiercely the creation of a Bank of Canada, or a national bank, contending that we had everything necessary, that existing Canadian banks adequately took care of the situation, that a national bank would be like a fifth wheel to a coach.

However, after the crisis of 1929 when difficulties arose, and after the United States called for a bank holiday, these same bankers were all in favour of the establishment of the Bank of Canada, and they swallowed what they had said in 1924 when they feared the loss of their right to issue bank notes. Mr. Bennett, the Prime Minister in 1934, introduced legislation creating the Bank of Canada. Today no sensible person would not fully approve of such an institution. It would be difficult for any bank to function without the Bank of Canada.

The Bank of Canada is not perfect, and especially so in one particular. The Bank of Canada demands a large deposit of money from each of the individual commercial banks, on which it pays no interest. So hundreds of millions of dollars, deposited by the commercial banks with the Bank of Canada, produce no interest. I discussed this with some bankers and asked them why they did not protest. They answered, "Well, it is a kind of taxation, and we would not have a leg to stand on, if we opposed it". That is the situation in that regard.

As regards the creation of a new bank, I think that the field of operation of the existing banks must be considered. Those banks are entitled to a profitable operation in certain districts, and too great a number of banks could impair their ability to function profitably, and, perhaps, entail a difficulty of supervision of banks springing up in numbers, a supervision which is necessary for the protection of depositors. Be that as it may, it is not easy to determine in a particular case whether certain areas are adequately served or not. For that reason no bank can be created except by special act of Parliament. It is our duty, therefore, when an application of this kind is presented, to

study the situation. We shall be better able to judge that particular aspect of the problem when the bill is in committee, where the promoters can be heard.

As regards this application, I find that many of the promoters have experience in banking. Mr. Coyne, for instance, will be of great help. Other promoters are also men of substance; I have no doubt they are capable of making a success of that bank.

Nevertheless, honourable senators, there are other problems to be considered. Several other applications have been announced: three or four have been mentioned.

Is there not a question to be determined in each case as to whether the district where they are to be established is adequately served, or needs more banking facilities?

At the last revision of the Bank Act we had eleven banks. Mergers of large banks have taken place and, if I am not mistaken, the number is now reduced to eight. On the other hand, Canada has grown by leaps and bounds, new districts have been developed and, maybe, additional banking facilities are needed. That is a question for the committee to determine, after careful study.

As regards forthcoming applications, I have in mind, in particular, a bank to be created in British Columbia. In that territory it has been rumoured at least that the provincial government would hold a substantial number of shares of the capital stock of that bank. Does not a problem arise there? If a provincial government holds a substantial number of shares in the capital stock of a bank, and if a question arises between the Department of Finance and the Bank of Canada, on one hand, and commercial banks on the other hand, with respect to credit curtailment or expansion, or to some other policies affecting the volume of our currency and otherwise, would the Bank of Canada and/or the Minister of Finance be just as free in case of such divergence of opinion? This, to my mind, is a bit disturbing.

There is no doubt that the credit of Canada, the stability of our currency in the international trade and otherwise, the value or the purchasing power of the Canadian dollar, at home and abroad, are questions on which the Minister of Finance and the Bank of Canada have great responsibility and must have, in the national interest, a free hand.

If a provincial government differs on questions of policy advocated by the federal Government, what then? Must we not try to avoid creating such possible causes of friction?

Moreover, if British Columbia enters that field, would not other provinces be tempted to do likewise?

These aspects and others suggest themselves to my mind, and I have brought them to your attention. I would suggest that we give second reading to this bill so as to allow it to go to the Standing Committee on Banking and Commerce.

Hon. M. Wallace McCutcheon: Honourable senators, I will take but a few moments of your time, for reasons which will become apparent as I proceed. I would adopt without qualification the views that have been expressed by Senator Vien, the doubts and the problems that he has raised.

Senator Leonard, with his usual ability, left us with the impression, when he spoke on March 4, that this was a routine matter.

As he said on second reading, it is with the principle of the bill that senators are concerned. This is a private bill. Parliament has also prescribed the principles governing the incorporation of a bank.

Senator Vien settled that point when he said a few minutes ago that the banks are incorporated only by act of Parliament. If this were a pure formality, then the sponsors of the bank would make an application to the office of the Secretary of State and file the appropriate forms and receive a charter, just as most companies receive charters. After all, the charter of most companies is the Company's Act in the particular province or territory in Canada, or just as the Bank Act in Canada is the charter of the banks.

However, the fact of the matter is that it is not quite so simple, nor is it so inconsequential. Parliament has said in the Bank Act, the Insurance Act, and in other acts that I could mention had I carried out some more research, that this is the form in which one must apply for charter, that these are the conditions which will apply if a charter is obtained and that one must go to Parliament and that Parliament will decide. This is not a formality. It is not a case where you get three solicitors together and $500 and send an application to the Secretary of State or the Provincial Secretary.

Honourable senators, I want to make it clear that in anything I say I have nothing but respect and regard for the promoters of this bill, many of whom I know and count as friends of mine. However, I cannot accept the proposition Senator Leonard put forward that second reading was just a formality because, as he said, the principles had already been set forth in the legislation. Merely forms have been set forth in the legislation, and the principle has been left to this chamber and will ultimately be left to Parliament.

Had it not been for a conversation I had with the sponsor of the bill (Hon. Mr. Leonard) this morning, I probably would have spoken much longer this afternoon and taken a very different position. If I do not vote against second reading of this bill it will not be because I accept in principle the

fact that a Bank of Western Canada should be incorporated, because I do not accept that at this stage. Anyone who cares to turn up the *Canada Year Book* for 1937 will find an interesting history of the banks which have been incorporated in this country and the way they have withered on the vine. I think it is probably because of that history that we have something more than a mere formal procedure for incorporating banks.

The sponsor of the bill will correct me if I do not state his position correctly. When I discussed this matter with him this morning he indicated, and I can quite understand why, that he would like the bill to go to the Banking and Commerce Committee. Of course it must go. I am willing that it should do so, reserving, as I have said, my position that its mere reference to the committee does not commit me to approval in principle.

The sponsor went further and said that he was prepared, as far as he could give such an undertaking, that the bill would not be reported out of committee until the members of the committee, and honourable senators in this chamber, had seen the report of the Royal Commission on Banking and Finance and had had an opportunity to study it, and that the bill would be then considered in the light of that report. With that I agree. After all, banks, corporations, live a long time. We had a Royal Commission on Banking and Finance established a few years ago. We anticipate that we shall have its report in two or three months' time. It would seem foolhardy to proceed with an important matter like this, as Senator Vien has so ably pointed out, without having the benefit of the views of that commission, which are going to be available to us shortly.

This is a private bill; it is not a party matter. I told the sponsor of the bill that I wished to reserve my position to this extent. When the bill goes to the Banking and Commerce Committee next week, or the week after, the committee members will listen to everything the sponsors have to say; and officials of the Government, of the Bank of Canada, and perhaps other representatives will come and give explanations. Then we shall have the opportunity to consider the report of the royal commission. So far as I personally am concerned, I want to reserve my position to this extent: it may be that having read and considered the report of the Royal Commission on Banking and Finance, I shall take the view that we should not proceed with this bill or any other proposed applications for bank charters—and all I know about them is what I read in the press—until the Bank Act has been revised.

I speak for only myself in this matter, and that is the one caveat I add as a result of my discussion with the sponsor of the bill. I would think that it was altogether possible, following the receipt of the report of the Royal Commission on Banking and Finance and consideration of its recommendations, that we might want to recall witnesses, and so on. Subject to that, honourable senators, I am not going to vote against the bill going to committee.

Hon. G. Percival Burchill: Honourable senators, my remarks will be very brief because Senator McCutcheon and Senator Vien have said practically everything I intended to say. I, too, think that the bill should be sent to the Banking and Commerce Committee. However, I wish to emphasize the fact that, in my judgment, it would be the part of wisdom for us to delay approval of the bill until at least we receive the report of the Royal Commission on Banking and Finance. I think that is very important.

Honourable senators, this occasion gives me the opportunity of paying tribute to our Canadian banking system. We as Canadians should be very proud of a system that has lent itself so well to the development of this great nation. This is an age of criticism. There is hardly a newspaper or a television show which does not contain some criticism of our national institutions, but our banking system has pretty well escaped such criticism, and therefore it must be accepted and approved by Canadians generally. There is not very much to complain about in our banking system, and it would be a sad day indeed if this chamber did anything to impair the stability of a banking system which should be the pride of all Canadians.

Honourable senators, I indeed hope that the bill will go to the Banking and Commerce Committee, and, as Senator McCutcheon has said, that it will stay there until we have had a chance to read the report of the Royal Commission on Banking and Finance.

Hon. David A. Croll: Honourable senators, I am not going to say anything detrimental to our banking system, nor shall I say anything in praise of it except that I am the owner of bank stocks, and that perhaps indicates my confidence in the banks and our banking system. On the other hand, I know that banking is a monopoly in this country, and I am opposed to monopolies. I believe in the free competitive system, I believe that competition is healthy, whether it be in trade or in commerce or in finance. That is one of the reasons I support the bill but it is not the only reason; I support this bill because it recognizes the totality of Canada, and I will explain that to you in a few minutes. I do know that there are some other applications in the wings although I shall not attempt to discuss them at the moment.

When I heard about this application, I sent for the petition and read it rather carefully. I tried to obtain the other petitions but they have not yet been filed. After reading this petition, and then the bill when it was presented here, I came to a conclusion. I shall give you my reason for coming to that conclusion. On May 25, 1961 in this chamber, on the third reading of the bill respecting The Canada Permanent Trust Company—and that was before the great "B. and B." dialogue even started in this country—I prepared, in the best tradition and advice of Senator O'Leary (Carleton) on public speaking, a speech which was moderate and reasonable. I gently but forcibly reminded this house that banks, insurance companies, mortgage companies and trust companies have neglected or failed to bring into their organizations any number of people other than Anglo-Saxons as directors or senior executives. I did not think anyone paid much attention to what I said. Of course, I do not think this bill has been introduced as a result of what I said, but it may be that people are listening and there are signs of a change in this country.

I looked at the petition very carefully, I read the bill, and I share the view of Senator McCutcheon that this is not a routine and formal matter. What I saw and read, I liked. The names in the petition were music to my ears, because they reflected the kind of Canada I have always wanted. For here is the first major breakthrough in the "dollar curtain" in this country. They do not just come here with $10 million, important as that is, but they come as people representing a broad cross-section of this country. What they are asking us for today is a charter for a people's bank. Senator McCutcheon said that money was not enough. I agree with him, as I am sure all members of this house do. It is important; it is essential. There is no use talking about money in Ottawa. Under some circumstances, you cannot even give away half a million dollars in this city.

The sponsors of this bill understand the meaning of Canada; they know the spirit of our times; they know the history of this country, as well as being aware of its shortcomings, and they have this proposed bank oriented in the right direction, where it is needed most.

They certainly know something of the history of this country. To a large extent the west was built up by the immigrants who came over here between 1908 and 1913 at the rate of a thousand a day for those four years.

Hon. Mr. Thorvaldson: What about the immigrants who came earlier?

Hon. Mr. Croll: I do not think they came in such large numbers earlier.

Hon. Mr. Thorvaldson: They did come in large numbers.

Hon. Mr. Croll: Some stayed in the east, but most of them went out west. And they were dumped—that is the term. There were no old age pensions, no relief office, no family allowances or other social welfare benefits waiting for them.

Hon. Mr. Horner: That is why they did so well.

Hon. Mr. Croll: They were told, "There it is. Get busy. Scratch!" And they did. I am not suggesting that the immigrants alone built up the west. There were others equally as important, but the immigrants certainly did their share. I feel I speak for this house when I say that I resent it when a minister of the Crown in the province of Quebec says that they created a second-class melting pot. What a way to win friends and influence people!

With the passing of time the doors of opportunity did open, but the doors of high finance and big business remained closed. In the main, these people and their sons and daughters were not permitted to participate in these enterprises, no matter how great their abilities and no matter what their merit. I know that during those times people referred to us in short, descriptive terms. We survived all that. After a while we became just immigrants, and in time we too joined the Canadian stream and no matter whether we or our people were immigrants we often refer to the new ones as "D.P.'s" and we think nothing of it at all. It merely indicates how fast we are getting on in the Canadian way of life. In the two World Wars, I need hardly remind you, we made common sacrifices. We became part of the soul of Canada. We tilled the soil, we broke the ground, and the dust of our forebears enriched its earth.

Looking around today, many of us sit in the seats of the mighty, the seats of power. It is our responsibility to speak out. In any event, this is no time for silence. We find some of the originals or some of their sons and daughters in Parliament, in provincial legislatures, in municipal government, in universities, the professions, commerce and industry, and we find some in clerical work and doing menial jobs, but all doing their utmost to become good Canadians and to be accepted as such. In my view, the promoters of this bill caught the Canadian dream. They are the first ones who are opening the door of opportunity for those who, without distinction, helped build the country.

Hon. Mr. Brooks: May I ask the honourable senator a question? Have we any guarantee that this new institution will carry on business of banking any differently from the way it has been carried on in the past; and are we dissatisfied with the banking system we presently have?

Hon. Mr. Croll: Senator Brooks, I am not the slightest bit dissatisfied with the banking system as it is at the present time. I have very high regard for the banking institutions. As a matter of fact, you may recall that I was chairman of the committee which revised the Bank Act in 1954. However, as I develop my arguments you will see what the banks and others have neglected to do up to the present time.

What I am saying is that some of those people who helped build this country are for the first time being invited to participate and share in its bounty. Here is an enterprise of responsibility and trust which, heretofore, has been reserved for others.

I note with approval the dialogue that is going on in the country, and when you finally understand what it is all about you come to the conclusion there are people in this country who say, "We want equality of opportunity." That is what they are saying. That is exactly what we are asking for, and I ask my colleagues in this house to help us get it. I make this observation to my colleagues from the Province of Quebec. They have permitted grievances to pile up year after year after year until we have now reached the point where a bold and imaginative step needs to be taken to meet the minimum of their aspirations.

One thing we are not going to do—at least if they take my advice they are not going to do it—and that is to become the collector of grievances. If they have merit, we are going to place our problems before the people of this country, and if they are without merit we are going to forget about them.

A charter by this Parliament is the most cherished and most valuable gift or licence, whichever you like to call it, at the disposal of Parliament. And my complaint, Senator Brooks, is that in so far as the banks, mortgage companies, insurance companies and trust companies are concerned, they have closed the doors at the higher levels to these people to whom I refer as immigrants. Now and then, so to speak, they throw a poultice on a festering sore, but they have always kept these people at arms length. They have never allowed them to participate to the full. This is the first time that this situation has changed. That is the point I am making. This is the first occasion where an institution says from the beginning "Come in, join us, participate, we will do this together." And this is something different. This is one of the reasons why I am sold on the idea that this bank should be chartered, because, as I have said, the people who come before us seeking this charter represent a cross-section of the people of this country.

I do not want to be in the position, if I am here ten years from now, of having to bring in a bill of complaint saying, "You didn't do this or you didn't do that—we want a new deal." Let us deal with it on a day to day basis. Furthermore, I don't want to be faced at that time by people who say, "Well, if you had asked for it we would have given it to you." I am asking for it now because I think that what I ask for is right and proper. And I do not think I am asking for too much.

This bill represents a forward step, and all we ask is for the right to participate in what is going on. We want the pride of participation; we want to share in these great undertakings and responsibilities; we want to be trusted and to respond to that trust. We don't recognize any elite or any establishment in this country whether self-proclaimed or measured by dollars.

My concept of the bill is that it opens new horizons and welcomes "grass roots" and it recognizes people for their ability and their own merits. What is more important in this bill is the recognition of the principle of participation as of right.

Hon. Mr. Horner: May I ask a question? What does it do for those people you are speaking of who now hold shares in our existing banks?

Hon. Mr. Croll: Perhaps I bleed a little, cut my own throat but I intend no harm. This country is growing; the people who had investments in banks have made money hand over fist. Over the years, bank stocks have risen and there is room for everybody. I am not one of those who fear whether they will make money or not. I think bank shares are the best investment one can have at this time. But that is not important; the principle is far more important.

Hon. Mr. Beaubien (Bedford): What is the difference in principle between this bank and any other bank?

Hon. Mr. Croll: This bank, if you read the names of the petitioners, has in it people of every race and nationality.

Hon. Mr. Beaubien (Bedford): Look at the shareholders of any big bank.

Hon. Mr. Croll: At their inception they have never welcomed such people on their boards of directors.

Hon. Mr. Beaubien (Bedford): These people named in the bill are not on the board.

Hon. Mr. Croll: Some of them are bound to be. I don't know who they are.

Hon. Mr. Reid: I bet you they are all well off.

Hon. Mr. Croll: I don't know who they are but it seems from the names in the petition that they are people who are not too well off. They seem to be middle-class people.

Hon. Mr. Aseltine: Read paragraph 2 of the bill and you will find out who the promoters are.

Hon. Mr. Croll: I know at least one of the promoters of the bill by name.

Hon. Mr. Hollett: How are they different from the rest of us, these people whose names you have read?

Hon. Mr. Croll: I said these people represent a cross-section of Canada. I said, when I read the names it was like music to my ears.

Hon. Mr. Hollett: Will you read the names in this chamber?

Hon. Mr. Croll: They are in the petition.

An Hon. Senator: Are there any Irish names?

Hon. Mr. Croll: Just enough to make it interesting.

This is an opportunity for these people, no matter how much or how little money they may have, to sink roots in this country. One thing that is disturbing in Canada is the constant fear we have that we will be taken over by Americans. I have said time and time again that one of the things we have not done is to allow our own people to participate in enterprises, and to become part and parcel of them. If we see to it that these people are given the opportunity, I don't think we will have to worry much about Rockefeller or Schlitz.

Hon. Mr. Choquette: Don't you like the name Schlitz?

Hon. Mr. Croll: I like the beer, but I don't like what happened.

I repeat again what I have already said: I don't think money is enough. I have tried to make clear that it is people who count. I have indicated why I am supporting the bill. I have not seen the other petitions for charters and I do not know what they contain, but if in my view they don't contain a cross-section of Canada, I certainly will not support them.

I think this is a good bill for the reasons I have already indicated; I think the strength of the bill lies in the fact that it reaches out to various ethnic groups across this country and welcomes them. That is something new insofar as financial institutions are concerned. It is about time we broke the ice and this is a good opportunity for us to make a start.

Hon. T. A. Crerar: Honourable senators, it was not my intention to say anything with respect to this bill, but I am really somewhat provoked to rise by the remarks of honourable Senator Croll.

Senator Croll loves to set up straw men. We all admire the vigour and energy he puts into his contributions to debates in this house, but he does, I am afraid, have the knack of setting up straw men and then, with great vigour, proceeding to demolish them. His performance this afternoon was quite an exercise in that delightful sport, and I rather strongly disagree with him on some points. He appears to think that most of the new Canadians who have come to our shores in the last 50 years have been ignored, deliberately pushed aside, and refused their place in the sun. That I certainly cannot agree with.

Some Hon. Senators: Hear, hear.

Hon. Mr. Crerar: Moreover, our colleague is not very well informed. If he made a survey today of those who guide our financial institutions, our corporations and businesses, those who participate in the work of the press of Canada, or even those who write some of the books published in Canada, he would find very little support for the sort of arguments he advanced this afternoon. I dislike that. I dislike it because it tends to leave the impression in the minds of many people that they have been abused; that they have not had their opportunity. I entirely disagree with that point of view. There is no place in the world today where a man has a finer opportunity to demonstrate what he can do, and how far he can climb, than in Canada.

Some Hon. Senators: Hear, hear.

Hon. Mr. Crerar: Honourable senators, to speak and give a contrary impression is really trading a great deal on our incredulity, and doing a disservice to Canada.

So far as this bill is concerned, it is to charter a bank to be known as the Bank of Western Canada. Everyone knows—Senator McCutcheon referred to it, and so did Senator Leonard when he introduced the bill—that we have a Bank Act. The Bank Act, in a sense, is a charter for all the banks, and it prescribes the steps necessary to be taken in order to organize a new bank.

Senator Croll stated he would like to see a people's bank. I wish he had elaborated a bit on that theme. How would he define a people's bank? Are not the banks today more or less people's banks? It is a mistake, a

gross mistake, to imagine that a bank like the Bank of Montreal or the Bank of Nova Scotia, or any of the other banks, are simply the sanctuaries of a few rich men. Look at the number of shareholders. I know that the same is said of many of the life insurance companies. The notion that there are only a few privileged people who can obtain admission to this charmed circle is, in my judgment, plain nonsense.

As I said a moment ago, the Bank Act provides the means whereby any group of people who can put the necessary capital together—because a minimum of capital is necessary—and who can conform to the provisions laid down in that act, can apply for a charter. I hold this view if the people behind the Bank of Western Canada conform with all the requirements of the law and apply here for a charter to set up business as a bank, that this house would be taking quite a serious responsibility if it refused that charter. That is why the provisions are in the Bank Act. I am old-fashioned enough—"old-fashioned" is the wrong term, honourable senators—

Hon. Mr. Choquette: "Conservative" is better.

Hon. Mr. Crerar: I am enough of a Liberal—I will put it that way—to say that if people want to compete and conform with the law I, for one, do not want to deny them the right of their opportunity. That is all we shall have to do here. All we have to do is to see that this bank is properly organized in conformity with the law. That, I think, is the important consideration.

I am not much afraid of a monopoly in banking. I have had quite a long journey through this vale of tears that we call our life. I do not claim it as a distinction, but I think, perhaps, in point of years, I am senior in this chamber today.

Hon. Mr. Lambert: Hear, hear.

Hon. Mr. Crerar: My experience goes back many years. I happened to have had a rather responsible job in business when I was quite a young man, and I remember having to go to banks to ask for a line of credit. One had the feeling upon entering the manager's office, and particularly upon entering the general manager's office or the president's office, if one ever reached that far, that the proper thing to do was to take off one's shoes before entering. Today that is gone. I know of no legitimate enterprise that is denied credit today if it is worthy of it.

Not only is there the financial factor involved in the conduct of the banking business, but also the other factor of—what shall I say—the character of the people behind it. It was J. P. Morgan who said on one occasion that he would rather lend a million dollars to a man whose character he knew was solid and sound than a thousand dollars to someone whose character he doubted. There is much truth in that.

The moral factor, the old virtues of honesty, thrift and character are the most important things in the conduct of these financial arrangements. I think it is one of the sorry signs of decline in society today that these virtues which our fathers recognized, practised and believed in have come under a very considerable shadow in the life we lead today. The old-fashioned courtesy, honour, honesty and frankness have been to some degree washed aside, and I do not like that. So far as I am concerned, honourable senators, I am supporting Senator Leonard's motion.

I have one other point to make. Senator McCutcheon thought it would be desirable to wait until we had the report of the royal commission that is examining into these affairs. I regret that Senator McCutcheon did not give the reason why he thought that was necessary. I do not see what bearing that has, of necessity, on the motion we are considering today.

It may be that when we get into committee something will be produced or outlined that would make that necessary, but at the moment I do not see it.

At any rate, honourable senators, as far as this old senator is concerned, he is behind Senator Leonard's motion.

Hon. Arthur W. Roebuck: Honourable senators, so far as this bill is concerned, if it does carry out, as Senator Crerar suggests, the principle that there is no restriction on admission to the charmed circle, I am all in favour of it. I am satisfied with this situation as it exists, but I wish to make a comment on the principles on which we should view this question.

I agree with Senator Crerar in his later remarks, but I disagree with his criticism of my deskmate (Hon. Mr. Croll). If this bill does as Senator Croll thinks it will do, that is, recognize in some way the ethnic groups that have not been recognized so much in the past, then that is a point in favour of the bill. I do not know whether it will do that or not, as I have not gone into that question. However, he thinks it does and, if it does, then it is a point in favour of the bill.

Honourable Senator Vien said that we must see that our banking system functions profitably. Well, the banking system has always been kind to me; I have admiration for the management of our banks; and I appreciate the courtesy of those managers who from time to time businessmen must interview. That has been perfectly satisfactory from my standpoint.

At the same time, I do not know that we are so particularly concerned with the profitable operation of the banks. If we go into any of our towns or cities we will see magnificent bank buildings on the most expensive corners in town; I do not think we need be too concerned about the profits the banks have been making.

Senator Croll has said that bank stocks are the best buy on the market. I agree with him to some extent in that regard. I am not a director of a bank, and if I own a very few shares I do not think it means anything at all. The banks have been very profitable.

But the point I want to make, and the only reason I rose to speak, is with respect to the statement made by Senator Vien, that it is our duty to observe whether the localities are adequately serviced by the present banks. That is a point for us to consider, but I do not think it is the final point, whether in our judgment the banks are sufficiently servicing the localities. The same might be asked in regard to any other institution, such as insurance companies or big stores or little stores.

My suggestion is that that is not what we should inquire into; rather, it is whether we should sustain a fence around the institution of banking, and whether there is now sufficient competition among the banks to produce the best results in banking service for the Canadian people. That is the prinicple upon which we should view this general situation and, in consequence, decide whether or not we incorporate this bank.

I am not in a position to say whether this bank should be incorporated; we have not yet gone into that question. I think the bill should be sent to the Standing Committee on Banking and Commerce, where that question can be studied. No doubt a common sense decision will be reached by the committee, and by this chamber when the committee's report is delivered to us.

Honourable senators, what I wish to make clear to you, as it is clear to me, is this: The question we must ask ourselves is not whether the banks are making too much money or too little money, or whether they are giving service in all localities, but rather whether there is enough competition among the eight banks only in the Dominion of Canada to ensure the cheapest and the most efficient service—it is, of course, an honest institution—to the people of Canada.

Hon. Jean-François Pouliot: Honourable senators, I should like to put a question to my honourable friend Senator Croll, in the friendliest way. It is simple and short. Looking at all of you, honourable senators, I see ladies and gentlemen from all the corners of this country who belong to the two major parties. Until now I presume that you agree with me.

My question is obvious, very simple and very clear. With one single exception, that of Senator Gladstone, are we not all immigrants or descendants of immigrants?

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

CONSUMER CREDIT

APPOINTMENT OF JOINT COMMITTEE

Hon. John J. Connolly moved:

That the Senate do unite with the House of Commons in the appointment of a Joint Committee of both Houses of Parliament to enquire into and report upon the problem of consumer credit, more particularly, but not so as to restrict the generality of the foregoing, to enquire into and report upon the operation of Canadian legislation in relation thereto;

That twelve members of the Senate to be designated by the Senate at a later date be members of the Joint Committee;

That the minutes of proceedings and the evidence received and taken by the Joint Committee on Consumer Credit at the past session be referred to the said committee and made part of the records thereof;

That the said committee have power to call for persons, papers and records and examine witnesses; and to report from time to time and to print such papers and evidence from day to day as may be ordered by the committee; to sit during sittings and adjournments of the Senate; and

That a message be sent to the House of Commons to inform that House accordingly.

Hon. Mr. Brooks: Will this committee have the same authority as the committee set up last session? There is no change?

Hon. Mr. Connolly (Ottawa West): It will have the same authority. This is the motion that was passed at the last session, and the joint committee was established and held some meetings. It is now proposed to re-establish that joint committee. We have from the House of Commons an invitation to join with them in establishing a joint committee, and this motion simply authorizes us to do so. We will very shortly designate certain members of the Senate, in compliance with the motion.

Hon. Mr. Brooks: Has the Commons already named its members of the committee?

Hon. Mr. Croll: The members have not yet been named. This is just a motion to appoint a joint committee.

Motion agreed to.

REVISED STATUTES OF CANADA BILL

SECOND READING

The Senate resumed from yesterday, the adjourned debate on the motion of Hon. Mr. Pouliot, for the second reading of Bill S-2, respecting the Revised Statutes of Canada.

Hon. Lionel Choquette: Honourable senators, I have no wish to delay the passing of this bill. However, I would in the very least like to compliment Senator Pouliot on the clear and capable manner in which he moved second reading. As I listened to his remarks, which indicated the most careful kind of research, and which were couched in clear and concise language, I could not help but feel that he would have made a wonderful professor of jurisprudence. However, the universities' loss is the public's gain.

I must say also that I share his basic premise—and I quote his words:

> I want the law to be clear, I want the law to be simple, and I want the law to be easy to understand.

The honourable senator said yesterday, as reported at page 105 of the *Debates*, that it took eight months to bring out the annual statutes. I think he meant eight weeks.

While I am not opposing the present bill, I do have some suggestions to make as to how the system of law revision might be improved for the future, perhaps following the present contemplated consolidation.

My first observation must be that there is too long a time between revisions, and my understanding is that from time to time the Canadian Bar Association has made recommendations to this effect. It was at first contemplated that there would be a revision every 20 years: hence the revisions of 1886, 1906 and 1927. There was a delay of 25 years between the revisions of 1927 and 1952, no doubt owing to the intervention of the war years.

I would like to point out that I am in good company when I say that there is too long a time between revisions. May I be permitted to read from the report of the Glassco Commission, volume 2, at page 384. The report contains this recommendation:

> It is customary, at rather prolonged intervals, to prepare and publish consolidations of the Statutes of Canada. This is a relatively expensive matter; the consolidation of 1952—the only one since 1927—cost roughly $500,000. Despite the cost, the importance of this service to the public suggests the need for more frequent consolidations, possibly every fifteen years. Consolidations could be more economically and rapidly prepared if the staff of the Department of Justice (temporarily enlarged, if need be) were employed rather than a special revising commission.

My own thought in the matter is that there might well be established a continuing committee which would continuously, and from year to year, prepare consolidations of the statutes. This would be invaluable preparatory work and would enable any commission which might be established in the future to perform the work of revision more often and more quickly. Perhaps, indeed, as a result of this kind of experiment, we might reach the position, as I understand to be the case in England, where the statutes are revised continually rather than periodically, by a committee known as the Statute Law Revision Committee.

I would like to quote from Dr. Olivier's book, entitled, *British North America Acts and Selected Statutes 1867-1962*, in which we have evidence that our own constitution was amended by that very committee, the Statute Law Revision Committee. The footnote at page 117 reads as follows:

> "The story of the amendments is simple. Periodically the British Parliament passes a Statute Law Revision Act, the object of which is to clear the English statute law of enactments which have either ceased to be in force or have become unnecessary, but which have not been expressly repealed. The revision Act is prepared by the Statute Law Committee, set up in 1868 by Lord Cairns to superintend the publication of the revised edition of the statutes." F. R. Scott in The Canadian Bar Review, April 1942, p. 340.

The schedule on the following page enumerates some of the amendments to our constitution that were made by this committee, namely, the Statute Law Revision of 1893:

> The British North America Act, 1867
>
> In part: namely,—
>
> From "Be it therefore" to "same as follows."
>
> Section two.
>
> Section four to "provisions" where it last occurs.
>
> Section twenty-five.
>
> Sections forty-two and forty-three.
>
> Section fifty-one, from "of the census" to "seventy-one and" and the word "subsequent."
>
> Section eighty-one.

Section eighty-eight, from "and the House" to the end of the section.

Sections eighty-nine and one hundred and twenty-seven.

Section one hundred and forty-five.

Repealed as to all Her Majesty's Dominions.

Rupert's Land Act, 1868.

Further amendments were made in 1927 repealing in part the B.N.A. Act of 1915 and amendments to the B.N.A. Act of 1916.

We are all aware that there are some statutes which are substantially amended every year or so. I name a few: Criminal Code, Canada Shipping Act, Income Tax Act, Customs Tariff and taxation laws in general. The result in many cases is a "dog's breakfast," which situation is only partly relieved by the publication from time to time of so-called office consolidations.

My further suggestion is that the taxation statutes, which impose a financial burden on the public, might well be published together in a separate volume. I now read the suggestion which I have before me.

Whenever it may be found necessary for better understanding of the law and for bringing this law up to date, the act with all its amendments should be introduced either in the House of Commons or in the Senate and the procedure in relation to the adoption of this revised, or consolidated act should be as follows:

The minister in the house, or the minister that is the Leader of the Government in the Senate, in introducing a measure should on first reading make a declaration that the bill he is introducting is simply a consolidation of the law as it stands at present, that no changes in substance are being made and that he asks the house for those reasons, by consent, that the bill should receive first, second and third reading without discussion.

This could very well be done early in the session, more particularly in the case of taxation measures, and would have the advantage for instance when the budget bills are introduced in the house to make easy the understanding and effect of these measures, as the members would then have before them the consolidated bill adopted earlier.

In conclusion, honourable senators, my own feeling is that most careful consideration should be given to the improvement of our system of statute revision, in order to make it speedier and more effective.

So far as the present bill is concerned, we have no alternative but to support it. Nor do we see any need for it to go to committee. For our part, we are quite prepared to have it dealt with on the floor of the house.

(Translation):

Hon. Jacques Flynn: Honourable senators, I do not intend to deal with the principle of this bill. I agree with what Senators Pouliot and Choquette said.

I should like, however, to put a question to the sponsor of this bill.

Under section 5, the commission is authorized to make such minor amendments as are necessary to bring out more clearly what it deems to be the intention of parliament, etc.

The first paragraph of section 9 reads as follows:

> The Revised Statutes shall not be held to operate as new laws, but shall be construed and have effect as a consolidation and as declaratory of the law as contained in the acts and parts of acts so repealed, and for which the Revised Statutes are substituted.

My question is as follows: Is the second paragraph of section 9 not at variance with the principles set forth in the first paragraph of section 9 and in section 5 since it reads as follows:

> If upon any point the provisions of the Revised Statutes are not in effect the same as those of the repealed acts for which they are substituted, then . . . the provisions contained in them prevail.

I do not have to quote the rest. The provisions contained in them prevail. It seems to me that this legislation empowers more or less the Commission to amend the act. Evidently, the Commission would not do so intentionally but if it does, this change would effectively be enacted.

I looked up the previous act, that of 1948, and found the same provision. I have not had time to check if the meaning of that text has previously been discussed in this house or in the House of Commons or been the subject of a legal decision, but it seems to me that this provision goes very far because, once again, in principle, it gives the commission the right to amend any act, and that change will come into force when the revised statutes are published. It seems to me that it would be better to take the view that the text, as contained in the revised statutes, is supposed to be the law until such time as it is proven to be different from the text that was meant to be consolidated.

That is the question I am asking the sponsor of the bill. Since Senator Choquette said that this act would not be referred to a committee, I think it would be useful to me and to the Senate if we were reassured about the scope of the bill.

Hon. Mr. Pouliot: Honourable senators, in reply to the question asked by my honourable

colleague, we would of course have to agree to do, with regard to sections 5 to 9, the work that the commission will be supposed to do about all the revised statutes. I will even admit that there may be some contradictions, but the question asked by Senator Flynn is extremely interesting. It is to the point and deserves to be studied thoroughly.

(Text):

Motion agreed to and bill read second time.

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

Hon. Mr. Pouliot moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

TRANS-CANADA AIR LINES ACT

BILL TO CHANGE NAME—SECOND READING

Hon. Salter A. Hayden moved the second reading of Bill C-2, respecting the Trans-Canada Air Lines Act.

He said: Honourable senators, this bill proposes the substitution of the name "Air Canada" for the name "Trans-Canada Air Lines", and the French equivalent *Lignes aériennes Trans-Canada*, wherever those words appear, either in the Trans-Canada Air Lines Act or any other statute or regulation.

The proposal to make this substitution in name is not something new; it is not novel; it is not even the inspiration of the moment, because when the Trans-Canada Air Lines Act was amended in 1952-53, among the provisions in the bill of that year which passed into law was one section which conferred a number of additional authorities on Trans-Canada Air Lines. One of them, section 6(2)(k), reads as follows:

> to use the words "Air Canada" as a trade name for any purpose connected with the business of the Corporation.

From 1953 until the present time you will find, if you study the advertising and documentation of Trans-Canada Air Lines, that in an increasing way the name Air Canada has been superimposed, and in many instances you will see "Air Canada", and underneath it, "Trans-Canada Air Lines". So I point out first that this is not an idea that was suddenly thought of, as a good idea, and then was reached out for and fastened on to. This is something of which the step now being taken is a sort of logical and natural culmination, after a proving period of 10 years.

Secondly, I would point out that in the beginning, when we established the Trans-Canada Air Lines, such a name for a purely domestic operation may have been perfectly proper. But in these times, with the extent of international operation and contacts that we have in the outside services of Trans-Canada Air Lines, it is misdescriptive, in my opinion, to use the title "Trans-Canada Air Lines". "Air Canada" is a much better description, and is one the connotation of which would be more easily understood in various countries of the world where the air line carries on or extends its operations today.

We have Air France, Air India, Swissair, Alitalia—and these designations are easily understood. There could be no possibility of conflict.

Hon. Mr. Connolly (Ottawa West): Aer Lingus.

Hon. Mr. Hayden: I leave it to my friend, the Government Leader, to bring in the Irish air lines, which I assume my friend was referring to. However, the interjection my friend has just made is a potent reason in support of making use of this wording.

In the United States there is the Trans-Continental Air Lines, and when you get down to the trade mark "T.C.A." in various parts of that country you have a conflict right away. They ask, "What is T.C.A.? Is that Trans-Continental Air Lines?" I say this is just a case of Trans-Canada growing up, and becoming international as well as national, and we should use the connotation which will best fit that role. It is very fortunate too that in French and in English you use exactly the same words; at least in my poor French I would say it as I say it in English.

I suggest that this bill receive second reading and that it go to committee. I do so because I feel there are some amendments which should be made. One would be to make provision for the preservation of the name Trans-Canada Air Lines as a trade name and of T.C.A. as a trade mark, so that no other organization could attempt to make use of those once we adopt the name Air Canada. The form which that amendment will take can be settled by the legal advisers and will be prepared by the time this gets to committee.

The Hon. the Speaker: It is moved by honourable Senator Hayden, seconded by honourable Senator Bouffard, that Bill C-2 intituled an act respecting the Trans-Canada Air Lines Act be now read a second time.

MOTION IN AMENDMENT

Hon. Orville H. Phillips: Honourable senators, I move, seconded by honourable Senator

Welch, that the motion for second reading of Bill C-2, intituled, "an act respecting the Trans-Canada Air Lines Act" be amended by striking out the word "now," and by adding the words "this day six months," at the end of the question.

I wish to make a few remarks and I hope they will be very much to the point. I was somewhat surprised when this bill passed the other place and was forwarded to the Senate.

As honourable senators know, many members in the other place have a habit of introducing bills they really do not expect to pass and become law. They are quite content with the publicity they receive from such bills. I point to a classic example of this in the situation after Mr. Knowles was defeated—as honourable senators know, he was a past master at introducing private bills on every subject—and the same bills appeared on the Order Paper under Mr. Fisher's name, and the same speeches were made on them. When Mr. Knowles returned he found it difficult to get repossession of private bills.

It is my understanding that one of the objections to the name Trans-Canada Air Lines is that there is difficulty in translating it into French. Unfortunately, my French is so poor that I cannot comment on this. In fact, when I left Prince of Wales College, Mr. Blanchard, my French teacher, asked me to promise him that I would never try to speak French to any person who understood the language. Therefore, I shall not go into the merits of trying to translate "Trans-Canada" into French. On the other hand I feel that the term Air Canada is meaningless. It could be a radio wave, or a radar wave, and at this time of the year it could simply be a cold blast of air from the North Pole. It does nothing to convey the idea of an air line. In fact, one of my French-speaking friends told me that in his opinion Air Canada was as flat in French as it is in English.

Now, I realize that France uses the name Air France—and other nations have similar names—but France is a unilingual nation, whereas Canada is a bilingual nation. At the present time we have a royal commission studying bilingualism and biculturalism, and many people of both races are making a sincere effort to become bilingual, and yet we are now considering a bill which provides simply for a unilingual designation. I would point to the fact that most English-speaking people have accepted the term Air Canada as being the official French name of Trans-Canada Air Lines, and I find that many of them feel that the English name has been removed from the Crown corporation.

No mention has been made of the cost of introducing the new name, which I would point out to honourable senators would be considerable. All aircraft would have to be repainted, and you cannot repaint a DC-8, for example, for a song. In addition, the initials T.C.A. and the name Air Canada would both have to be removed from terminals. All bilingual tickets would have to be changed, as would uniforms and literature, and I suggest the cost would run well into millions of dollars.

I understand, as Senator Hayden points out, that there is some objection to the prefix "trans" in Trans-Canada Air Lines, on the basis that T.C.A. operates in other countries as well as in Canada. The same can be said of Canadian Pacific Air Lines, and I do not think they have run into any difficulties in this regard. I am not aware they are going to become "Air Pacific". I would point out to honourable senators who object to the prefix "trans" that the Oxford dictionary defines trans as "across, beyond, over, to, or on the further side." I realize we think of "trans" in its more narrow Latin meaning, but it does have the English meaning "beyond."

Honourable senators, if the Government or anyone else objects to the prefix "trans" I would suggest that the Government bring in a bill to change the name to one that would be acceptable in both our official languages, and which would convey to the world that Canada is a bilingual country. I would be happy to support such a measure. By adopting such a measure the Government would have an opportunity to put forward a new and bilingual name for Trans-Canada Air Lines.

(Translation):

Hon. P. H. Bouffard: Honourable senators, I find somewhat regrettable the motion that was just proposed, asking to allow six months as regards the translation into French of Trans-Canada Air Lines. This is one time when the French-speaking people of Canada have asked a government service to translate a name or to take such measures as will provide this company with a name that will be both French and English.

It is the first time also, to my knowledge, that a member of the Senate asks that a bill be put off for a period of six months, when the intention of the bill is just to express in English and French a name that will be agreeable to both races.

That question is not altogether new. I understand that it was submitted to the Trans-Canada Air Lines board of directors

three or four years ago. I understand also that three or four years ago, T.C.A. accepted a resolution of its board of directors for a project which had been proposed, namely, to make the name perfectly bilingual. Moreover, I understand that it was the cabinet of that time which was responsible for the fact that it was not passed before now.

Is there any objection on the part of T.C.A. to a name which would be at the same time French and English?

We have now a very good opportunity to give a public service in Canada a name which will be understood by all throughout the world, and which will be at the same time French and English. Do we realize, in the circumstances, what is going on today? Do we realize the complaints of the province of Quebec with respect to the treatment given to French Canadians? It seems to me that this is no time to postpone for six months something which should have been done four years ago.

A great number of people in my province will consider this action as anti-French-Canadian, but I am convinced that the senator who made this suggestion had no such intention. Who is behind this action, this request, this motion? I do not know. It is extremely painful at the present time. Someone gave the reason that Air Canada either in French or in English, means "air coming from Canada". When we speak of Air France, are we talking of air coming from France? And in the case of Air India, is it air coming from India?

The word "trans" can apply either in French or in English to a flight made outside Canada. Very well. "Trans-Canada" means across Canada, not in Europe or in the Western countries.

I am really sorry to see that such a motion has been moved, for it will surely be misunderstood in Quebec. I hope that members of the Senate will not hesitate to adopt a bill which will have no other effect except give satisfaction to those who insist that Canada be bilingual and, also, that the name of the company be bilingual, since it provides such a service in Canada and elsewhere in the world, especially when provided by the Government.

I hope the bill is passed by a huge majority.

Hon. Jacques Flynn: Honourable senators, I also want to object to the motion submitted by Senator Phillips. The only argument I will mention among those he advanced in support of his motion—because he did not seem to attach great importance to any other—is, for instance, the cost resulting from a change of name, which would be the same if some other designation were to be agreed upon later, as he suggests. I therefore say that the only serious argument is that the name Air Canada would not be acceptable in English. Yet, Senator Hayden and various other senators to whom I was able to submit the matter did not seem to agree with him, as they all told me that it was an acceptable name in English. It nevertheless remains that, if this is a problem of semantics, it would certainly, to my mind, not be solved by a motion to postpone the discussion for six months—which means killing the bill which is now before the house.

The proper place to discuss that facet of the bill would certainly be the committee.

I think that if Senator Phillips admits that this is his only argument, i.e., whether "Air Canada" is acceptable in English, he will admit that the matter would be best discussed in committee. Therefore, if he agrees with me, I would, under the circumstances, suggest to him to withdraw his motion. Otherwise, his motion might obviously be wrongly interpreted.

I agree with Senator Bouffard that this is hardly the time to add, even unwittingly, to the dissension which may exist at present between French-speaking and English-speaking Canadians.

At any rate, if Senator Phillips maintains his motion, I hope the Senate will reject it without hesitation.

However, in all sincerity, I know Senator Phillips and I am sure that his only objection is one of semantics. I suggest to him once again that he has a good reason to withdraw his motion since the problem can be discussed in committee.

(Text):

Hon. M. Grattan O'Leary: Honourable senators, I would like to join with Senator Flynn in suggesting to my colleague (Hon. Mr. Phillips) that he withdraw his amendment, my reason being that in my view this bill is about the only sensible thing that has come to us from the other place since last April.

Why call an air line something that it is not? My honourable friend Senator Phillips said that "Trans-Canada" means something more than some English people attach to it, that some people think that "Trans-Canada" implies a line across Canada. I am sure that Trans-Canada Air Lines today covers more miles outside of Canada in the Caribbean and over the Atlantic than it covers in Canada.

I have another reason for saying what I do. In naming our Crown companies we have a sort of affluence of volubility. We attach

names and letters to them, and so on, and it is awfully difficult half the time to know what they are. As the honourable Leader of the Government (Hon. Mr. Connolly, Ottawa West) said a moment ago, we have Aer Lingus, Air France, and all these other European air lines which are called what they are. We have Pan American Airways because Pan American Airways was the first air line to go from the United States to the Caribbean. There is an endeavour to make these names accurate descriptions of what the air lines are.

My honourable friend said that it is going to cost a great deal of money to repaint the name on the planes, but I would think, judging from the rate of obsolescence of commercial aircraft, that not too much painting will be necessary. Every year there seems to be a new type of plane. This, surely, is not a relevant argument at all.

I do believe, honourable senators, that Air Canada is a sensible name to give this air line. It can be said that the name contains "Air" in English and "Canada" in French. Both languages are used, but, for heaven's sake, let us not give racial overtones to this mere matter of doing something that will be more efficient. Surely, this has nothing to do with biculturalism or whatever else exists in the way of disagreement and disaffection in this country.

We may have to face up to certain things in this country in the days ahead, but as far as possible let us not aggravate this by trying to introduce racial overtones into a simple proposition like this, to make a change in the name of an air line to give it a better name.

I hope the senator will withdraw his amendment, but if he does not I must say that I shall vote against it.

Hon. A. J. Brooks: Honourable senators, I had no intention of speaking on this bill, but there is one point I would like to draw to the attention of honourable senators. This is a private bill which was introduced in the other place, and has come to us now. There are no party connotations. The only reason I am speaking is that honourable Senator Bouffard, in his very good remarks, said he would like to know what was behind honourable Senator Phillips' motion.

I am sure that there is sincerity behind it; Senator Phillips is behind it, but whether or not anyone else is behind it I do not know. I do know that this is a private bill, and anyone who has spoken here today, including Senator Phillips, has spoken entirely his own mind and on his own behalf. It is a private bill and comes to us today for our private decision.

Honourable senators, I am in favour of the bill. I agree entirely with my good friend Senator O'Leary (Carleton), and with the other senators who have spoken, and evidently with all the members of the House of Commons, that to change "Trans-Canada Air Lines" to "Air Canada" would be a good idea.

I have not the least doubt that there are probably many people in Canada who agree with Senator Phillips, that possibly the semantics might be studied a little more, but as far as the big majority of the people in Canada are concerned I believe they are behind this bill. I feel it is logical, and I am sure that Senator Phillips will feel that if it went to committee and were studied there, this would meet his desire as much as having second reading withheld now. I will leave that to the wishes of honourable senators.

Hon. John J. Connolly: Honourable senators, I intend to speak only for a few moments.

In the first place, I wish to tell the honourable Leader of the Opposition (Hon. Mr. Brooks) that this is not a private bill in the strict sense of the word. This is a public bill that was sponsored by a private member: it is a private member's public bill, and in that sense it is a public bill. In the sense that it is not a party measure, Government legislation officially sponsored by the Government, that is quite true.

There is a motion before the house, and it has to be disposed of by the house. It can be withdrawn only by consent, and I would think that such consent must be unanimous.

Perhaps the proceedings would be furthered if His Honour the Speaker would call for the contents and non-contents and perhaps he could gauge the sense of the house by doing it in that way.

Hon. Gunnar S. Thorvaldson: Honourable senators, I should like to say a few words on this bill, because I have just returned from western Canada where I spoke to many people about the proposal contained in it. Nowhere did I find any dissent from the wisdom of this change of name from T.C.A.

Personally, I feel that the legislation is overdue. Indeed, I recall that there were suggestions previously that the name should be changed. I recall hearing that the Trans-Canada Air Lines management was at one time opposed because they said it would cost them a lot of money to paint the new name on its aircraft, and so on. However, I think the time has come when we should change the name, as is being proposed here.

As I said, I did not find anyone amongst those to whom I spoke in western Canada who made any suggestion that there were

any overtones of bilingualism or anything like that connected with this proposal. All to whom I spoke deemed it to be a logical development in face of the fact that Trans-Canada Air Lines now is an international airline, that our airplanes travel all over the world and, therefore, the name "Trans-Canada" is now in fact a misnomer.

Consequently, I hope that there will be no disagreement in the Senate in regard to this bill.

Hon. L. M. Gouin: Honourable senators, I would like to say just a few words.

I believe that the question in this bill is really a matter of national interest. It was a great satisfaction to see that the principle of bilingualism was consecrated in this way. If the words "Air Canada" are not bilingual, I am sure it will be absolutely impossible to find any other name which would satisfy everybody.

It is quite common for English-speaking people to hear about Swissair, Air India, Air Liban. Those words are almost international. There is no reason now why we should perpetuate the expression "Trans-Canada" when our air lines now cover practically the whole world. The expression Air Canada is already used on travelling bags and for publicity purposes in France and elsewhere in Europe. T.C.A. represents a name which is confusing; it is used also by other lines, such as Transcontinental Air Lines and Trans Caribbean Air Lines.

I think the best answer we can find to the remarks by Senator Phillips is the editorial which was published in the *Financial Post* of Toronto, and which was the object of an editorial also of *La Presse* of Montreal, by Mr. Ayotte, on October 12, 1963.

The editorial of the Toronto newspaper was entitled: "Be Brave, Ottawa". Among other things, it said:

> The Government and T.C.A. show a remarkable restraint in using the words "Air Canada" except in a limited way and in appropriate places. But why should the government not call this service "Air Canada" while maintaining a double wording which is unsatisfactory. quite confusing and unnecessary.

I believe very sincerely that "Air Canada" is a fine and prestigious designation throughout the world for our air line, of which we are very proud.

The change would be a gradual change. Mr. MacGregor does not object to it. He wants to preserve also the right to use "Trans-Canada" for certain purposes, and that is perfectly correct. But the situation is as I described it, and I am speaking with much emotion.

This gesture of the House of Commons, the adoption of the measure by unanimous consent of all the parties agreeing upon this point, gave us the hope that the same thing would take place in this chamber.

Since I became a senator in 1940, this is the first time that I am faced with a motion which can have only a very bad result. We are trying to preach national unity. We want Canada to be more bilingual and, under the present circumstances, if the Senate defeats this bill, it will be interpreted by French-speaking Canadians as being a gesture which would simply mean that the door is closed and that we cannot hope for any satisfactory and fair solution to our present problems.

MOTION IN AMENDMENT WITHDRAWN

Hon. Mr. Phillips: Honourable senators, I am somewhat surprised that various senators commenced to interpret my motion as being anti-French.

I assure you that was not the case. I had thought that in my remarks I had asked for a bilingual name, a name that could be bilingual, which therefore would have covered any objections of this nature. I regret very much that some senators interpreted it as being anti-French.

My objections were based purely on a dislike of the name Air Canada, which to me is meaningless and does nothing to convey the idea of an air line. With the consent of the Senate, I am quite prepared to withdraw my motion. I would ask that the committee give consideration to my suggestion, that we attempt to find a better name, a new name for the air line, that will be more meaningful in both languages. May I have the consent of the Senate to withdraw my motion?

The Hon. the Speaker: Honourable senators, has the honourable senator permission to withdraw his motion in amendment?

Some Hon. Senators: Agreed.

Motion in amendment withdrawn.

The Hon. the Speaker: Honourable senators, it has been moved by the honourable Senator Hayden, seconded by the honourable Senator Bouffard, that this bill be now read a second time. Is it your pleasure, honourable senators, to adopt the motion?

Motion agreed to.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Hayden, bill referred to the Standing Committee on Transport and Communications.

CANADA SHIPPING ACT

BILL TO AMEND—ORDER FOR SECOND READING STANDS

On the Order:

Second reading of Bill S-7, intituled: "An Act to amend the Canada Shipping Act".

Hon. Mr. Connolly (Ottawa West): Honourable senators, in asking that this item on the Order Paper stand, I should say that it was the intention of the honourable Senator Bouffard to explain this bill, this afternoon. For various reasons, including the need to get the bill to committee so that people who have asked to make representations should have ample opportunity to do so, I would appreciate it if by consent the bill could be placed on the Order Paper for second reading tomorrow immediately after second reading of Bill S-6, to incorporate Bank of Western Canada.

Some Hon. Senators: Agreed.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, March 12, 1964

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

Prayers.

THE ROYAL FAMILY

BIRTH OF A PRINCE—ADDRESS TO THE QUEEN

The Hon. the Speaker: Honourable senators, I have the honour to inform the Senate that the following message has been received from the House of Commons:

> Resolved: That an humble Address be presented to Her Majesty the Queen in the following words:
>
> To Her Most Excellent Majesty Elizabeth the Second, by the Grace of God of the United Kingdom, Canada and her other Realms and Territories, Queen, Head of the Commonwealth, Defender of the Faith:
>
> Most Gracious Sovereign:
>
> We, Your Majesty's...Commons of Canada, in Parliament assembled, respectfully desire to offer our loyal and warm congratulations to Your Majesty and His Royal Highness the Prince Philip on the birth of a son, and to assure Your Majesty that this happy event gives the Members of the ... House of Commons of Canada great joy and satisfaction.
>
> Ordered:—That the said Address be engrossed.
>
> Ordered:—That a message be sent to the Senate informing their Honours that this House has passed an Address to Her Most Excellent Majesty the Queen, expressing congratulations on the occasion of the birth of a Prince, and requesting their Honours to unite with this House in the said Address.
>
> Attest.
>
> Léon J. Raymond
>
> Clerk of the House of Commons

Honourable senators, when shall this message be taken into consideration?

Hon. John J. Connolly: Honourable senators, with leave of the Senate, I move, seconded by the honourable Leader of the Opposition (Hon. Mr. Brooks):

> That the Senate do agree with the House of Commons in the said Address by filling up the blank spaces left therein with the words "Senate and".

Honourable senators, I may say at the outset there are four motions that are to be presented to the Senate in connection with the message which has reached us from the House of Commons. I think it now appropriate to comment upon the message. This message gives us an opportunity to express our deep pleasure that Her Majesty the Queen was delivered of a third Prince of the Realm, her fourth child, two days ago.

As I indicated last Tuesday evening, at this time our beautiful opening prayer was all the more fervent, I think, when Mr. Speaker asked Almighty God to behold our Most Gracious Sovereign lady, Queen Elizabeth.

This news is received with great satisfaction in every part of the Western world and, indeed, beyond the West. Her Majesty is the Queen of Canada. Her visits to this country and, indeed, her presence in this chamber at the opening of her Parliament of Canada in 1957, we remember with respectful affection. At a time like this, one thinks of such occasions that Her Majesty graced, and I am sure that all honourable senators have personal recollections of this kind.

I have often thought of the tremendous impression she made in Westminster Hall in 1959, when the Atlantic Congress was opened there and when delegates from all the NATO countries were present. The atmosphere created by the presence and the speech of Her Majesty on that occasion was one of those intangible factors which seemed not only to bind the delegates together in their pursuit of means to defend the West but, as well, it fortified their determination to preserve the peace of the world. The dignity and, indeed, the beauty of that occasion clarified resplendently the truth which lay behind the objectives of the NATO alliance.

Of the 18 nations of the Commonwealth, both developed and developing, Her Majesty is a symbol of good, of order and of peace. But there is more than this. Her family life, her personal deportment and the messages which she has given through modern means of communication to the Commonwealth and to the world have brought her personally to the hearths and into the hearts of the people she has addressed. There is great significance too in the fact that many of these messages have come at Christmas which is preeminently the feast of the home. In this she continues in the tradition created by her father and, indeed, by her grandfather. It is a tradition which has been shaped by a devotion to the interests of the people over whose destiny she has been called upon to preside.

To His Royal Highness the Prince Philip, whose interest in this country and its development has been so often demonstrated by his

visits here with the Queen as well as on missions of his own, we express our pleasure at the birth of his third son.

(Translation):

Honourable senators, I wish to tell the Senate how much the people of Canada rejoice in the birth of a new prince, a son, to Her Majesty Queen Elizabeth, Queen of Canada.

It is a welcome addition to the royal family. It strengthens Her Majesty's devotion to her family and to the idea of the Christian home which she holds dear.

This is indeed a very happy event and we extend to Her Majesty our most loyal congratulations.

(Text):

Hon. A. J. Brooks: Honourable senators, it was good news indeed that the honourable Leader of the Government (Hon. Mr. Connolly, Ottawa West) gave us last Tuesday, when he told us that a prince had been born to the Royal Family. It was one of the few rays of sunshine that this world has received so far as news is concerned during the last few months.

I have the honour this afternoon of seconding the motion of the honourable the Leader of the Government. I consider it a great honour to express on behalf of Her Majesty's Loyal Opposition the joy and happiness we feel. This is a most happy event, and one which, as the honourable the Leader of the Government has told us, is shared not only by the loyal subjects of Her Majesty in the Commonwealth but also by most people in the world. The birth of a child, whether it happens in a palace or in a cottage, is an event which touches the heart and which makes the whole world kin.

The honourable the Leader of the Government has spoken of the Royal Family as being a "home family". I think that is one of the many reasons why the Queen has held and holds the affection of her subjects in all parts of the world. The Royal Family sets an example of love and affection in their home.

In events of this kind the husband seems usually to be forgotten; thus, I was very pleased to hear the remarks of the honourable the Leader of the Government on this occasion with respect to His Royal Highness Prince Philip. Prince Philip is a great man. He would have been a great man quite apart from the honours he holds as the husband of the Queen. We are told that he would have been a great scientist, and I think he has shown every indication of that. He would have been a prominent businessman, and we all know that he is and has been a renowned sportsman.

One of the greatest attributes of Her Majesty the Queen is not so much her queenliness—there is no more that can be desired in that respect—but the wonderful example that she has set to the womanhood and motherhood of the world.

If I may be excused, honourable senators, for mentioning a personal experience, I may say that I had the honour as Minister of Veterans Affairs to accompany Her Majesty on four different occasions. On the first occasion I was very nervous, and I wondered what I would have to say to the Queen of the United Kingdom and Canada, but, through her graciousness, it was very easy to talk. I recall that the subject we discussed most was home life. She asked me about my family, and she spoke about her own family. At that time Prince Charles was going to school, and she spoke of how well he was getting along there, both in his studies and in athletics. She was a proud mother and, like any other mother, was very happy that she had a good, all-round son.

There is nothing further I can say, but I would like to read to you the remarks made a few days ago by a very distinguished senator. These are words that any loyal subject of Her Majesty in any part of the Commonwealth or the world would be very proud to utter.

The honourable Senator Cyrille Vaillancourt opened his speech on the address in reply to the Speech from the Throne, with these remarks in French:

> My first words are for the Queen of Canada. Long live the Queen and may her reign be a happy one! I said before and I repeat that as Queen of the Commonwealth, as Queen of Canada and as Queen of all our homes, our sovereign is a model. She is also a model for all the mothers in the world.

No finer thing could have been said by anyone. Later in his speech, Senator Vaillancourt said:

> Therefore, I take off my hat and I say: "Long live our Queen! May she come and visit us, and we shall greet her as gentlemen!"

I say, honourable senators, "God bless the Queen and God bless her family." Long may she reign.

Motion agreed to.

Hon. Mr. Connolly (Ottawa West): Honourable senators, I now move, seconded by the honourable Leader of the Opposition (Hon. Mr. Brooks):

That the Honourable the Speaker do sign the said Address to Her Majesty the Queen on behalf of the Senate.

Motion agreed to.

The Hon. the Speaker: Ordered, That the Clerk do go down to the House of Commons and acquaint that house that the Senate do agree to the Address to Her Most Excellent Majesty the Queen offering congratulations on the birth of a Prince, and have inserted in the blank spaces therein the words "Senate and".

ADDRESS TO THE GOVERNOR GENERAL

Hon. Mr. Connolly (Ottawa West): Honourable senators, I move, seconded by the honourable Leader of the Opposition (Hon. Mr. Brooks):

That the following Address be engrossed and presented to His Excellency the Governor General, namely:—

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

MAY IT PLEASE YOUR EXCELLENCY:

The Senate ... of Canada, in Parliament assembled, have agreed to an Address to Her Most Excellent Majesty the Queen offering congratulations to Her Majesty and His Royal Highness the Prince Philip on the birth of a Prince, and respectfully request that Your Excellency will be pleased to transmit the said Address to Her Majesty the Queen.

Motion agreed to.

Hon. Mr. Connolly (Ottawa West): Honourable senators, I move, seconded by the honourable Leader of the Opposition (Hon. Mr. Brooks):

That the Honourable the Speaker do sign the said address to His Excellency the Governor General on behalf of the Senate.

Motion agreed to.

The Hon. the Speaker: Ordered, That the Clerk do go down to the House of Commons and acquaint that House that the Senate have passed an Address to His Excellency the Governor General respectfully requesting that His Excellency may be pleased to transmit the Joint Address to Her Most Excellent Majesty the Queen offering congratulations on the birth of a Prince, and requesting the House of Commons to unite with this House in the said Address.

DOCUMENTS TABLED

Hon. Mr. Connolly (Ottawa West) tabled:

Budget Papers, 1964-65, for the information of Parliament, as follows:

Part I—Economic Review of 1963.

Part II—A preliminary review of the Government Accounts for the fiscal year ending March 31, 1964. (English and French texts).

Hon. Mr. Aseltine: Have these papers been distributed?

Hon. Mr. Connolly (Ottawa West): I cannot answer as to that, but I shall look into the matter and let the honourable senator know.

TRANS-CANADA AIR LINES ACT

BILL TO CHANGE NAME—REPORT OF COMMITTEE

Hon. Harold Connolly, Acting Chairman of the Standing Committee on Transport and Communications, reported that the committee had considered Bill C-2, respecting the Trans-Canada Air Lines Act, and had directed that the bill be reported with the following amendments:

1. Strike out clause 2 and substitute therefor the following:—

2. All property, rights, obligations and liabilities that existed, and anything done by or to Trans-Canada Air Lines before the coming into force of this Act shall be deemed to be property, rights, obligations and liabilities, and to have been done by or to or acquired or incurred by Air Canada.

2. Immediately after clause 2, insert the following as clause 3:—

3. Paragraph (k) of subsection (1) of section 14 of the Trans-Canada Air Lines Act is repealed and the following substituted therefor:

(k) to use the words "Air Canada" "Trans-Canada Air Lines", "Lignes aeriennes Trans-Canada", or any abbreviation thereof, as a trade name, mark or designation for any purpose connected with the business of the Corporation, and no other person shall hereafter use any such name, mark or designation for any purpose.

3. Renumber clause 3 as clause 4.

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

Hon. Mr. Hayden: Now.

Hon. Mr. Connolly (Halifax North) moved that the report be placed on the Orders of the Day for consideration at the next sitting.

Motion agreed to.

AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Mr. Connolly (Halifax North), presented the following report of the committee on Bill C-2, respecting the Trans-Canada Air Lines Act:

> Your committee recommend that authority be granted for the printing of 800 copies in English and 200 copies in French of their proceedings on the said bill.

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

Hon. Mr. Connolly (Halifax North): I move, with leave, that the report be adopted now.

Report adopted.

PRIVATE BILL

THE GENERAL COUNCIL OF THE CANADIAN BRANCH OF THE ST. JOHN AMBULANCE ASSOCIATION—THIRD READING

Hon. John J. Kinley moved the third reading of Bill S-5, respecting The General Council of the Canadian Branch of the St. John Ambulance Association.

Motion agreed to and bill read third time and passed.

REVISED STATUTES OF CANADA BILL

THIRD READING

Hon. Jean-François Pouliot moved the third reading of Bill S-2, respecting the Revised Statutes of Canada.

He said: Honourable senators, I wish to thank my colleague, the honourable Senator Choquette, for his kind words and his practical suggestions. I must add that I had a conference with the Leader of the Government (Hon. Mr. Connolly, Ottawa West) with respect to the important question asked by the honourable Senator Flynn, and it was understood, after careful examination, that I should write to the Leader about it and he would submit my letter to the Minister of Justice, to be considered at the time the bill comes before the House of Commons. I hope that will be satisfactory.

I thank you all, honourable colleagues, for the interest that you have shown in such an important matter as the revision of the Statutes of Canada.

Motion agreed to and bill read third time and passed.

PRIVATE BILL

BANK OF WESTERN CANADA—SECOND READING—DEBATE CONTINUED

The Senate resumed from yesterday, the adjourned debate on the motion of Hon. Mr. Leonard for the second reading of Bill S-6, to incorporate Bank of Western Canada.

Hon. Fred M. Blois: Honourable senators, in rising to speak on Bill S-6, I wish to state that I am opposed to the establishment of additional banks, because I feel the people of Canada are adequately served by the present chartered banks, and I shall endeavour, as briefly as possible, to outline my reasons for this belief. Perhaps if there were a request for only one chartered bank I would not hold the same view, but I believe we all know that a number of applications are now before the house for consideration, or in prospect, and there is no telling just how many more there may be in the near future.

Honourable senators, the Bank Act clearly outlines the conditions under which a new commercial bank may be established. No one can object, in principle, to a move in this direction by a responsible group of private Canadian residents who have adequate resources, financial backing, character, reputation, and a record of good general business performance to support such a move and give our Government the necessary assurances that such a bank would, in fact, operate successfully and not eventually fall into the hands of other banks, as occurred on a number of occasions years ago.

However, I think we should consider this point: Is there a need for another chartered bank, or for several new chartered banks? I believe we are all aware that applications will be presented for additional charters, possibly several, in the very near future.

Honourable senators probably noticed in the Montreal *Gazette* this morning an editorial headed, "Still Another Bank in the Making", and it goes on to refer to an application for one by the Province of Quebec. In fact, I was approached about a week ago to see if I would support and be interested in a new chartered bank for the Maritime provinces. It is safe to say that none of us knows whether there will be four, five or a thousand applications for charters; but there is certainly reason to think that there may be 50 or even 100 new banks asking for charters within the next few years. That fact backs up what I have to say, that in my opinion we have sufficient chartered banks at the present time. I am of the opinion that the present Canadian chartered banks, with their branches in every province, are quite capable of taking care of our financial requirements.

For the information of honourable senators, I have prepared a list of the branches in each province as of January 31 of this year, and I am going to quote these because I think it will help to back up the statement I am

making, that the people of this country are adequately served by the present banks and their branches. These are the figures:

	Branches
Newfoundland	88
Prince Edward Island	26
New Brunswick	121
Nova Scotia	180
Quebec	1,517
Ontario	1,977
Manitoba	256
Saskatchewan	303
Alberta	433
British Columbia	547
Yukon	8
Northwest Territories	7

In 1936 the Canadian chartered banks had 3,448 branches. By 1961 these had grown to 5,225, and by January 31 of this year—the figures I have just quoted—there were 5,643 branches in Canada. In addition—and this, I think, is important when we are considering the banking service in this country—these same chartered banks have 180 branches outside of Canada.

A widely distributed and efficient network of banking offices has always been essential to any banking system, particularly in rendering services to its customers—and perhaps that was never more true than it is today. Branch banking, as it has developed in Canada has, I believe, shown it is capable of meeting this need admirably, from the earliest times up to the present day.

I believe the figures I have just quoted support my claim that Canada does not need more chartered banks. There is only a certain amount of business in Canada. True, it is growing year by year, and we all trust that this growth will continue; but for the present, in my opinion, any new chartered banks would have to take some of their business from the existing ones. Not only will a new bank take business from the existing chartered banks, but I believe they will have to recruit at least a portion of their staff from the present established banks.

I think we all agree the cost of doing business in every line—and this applies equally to the banks—is increasing all the time; and the addition of new chartered banks will make it more difficult for a new bank to recruit its staff. Further, should a number of new banks be chartered it will, in my opinion, make the situation that much harder and have a tendency to increase the cost of doing business to an even greater extent than at present.

There is another reason why I feel additional chartered banks are not necessary to our economic growth—that is, the relative rates of growth of the chartered banks and competing financial institutions. I believe it is generally agreed that the banks are not progressing as rapidly as other financial institutions. From 1955 to 1960 the Canadian dollar deposits of chartered banks increased by slightly over 19 per cent. By contrast, in the same period the shares and deposits of credit unions increased by 98 per cent, the deposits and certificates of 17 trust companies increased by 90 per cent, the deposits and debentures of seven mortgage companies increased by 60 per cent, and the notes and debentures of finance companies increased by 89 per cent.

The chartered banks' share of the savings deposit business is still large, but the significant point is that the rate of growth of other institutions in the field is substantially greater than that of the chartered banks, and the share of the community's total money deposits going into chartered banks is declining steadily on a long-term basis. A fundamental reason, in my opinion, for this trend is the ability of the competing institutions to pay more attractive rates on savings deposits. Another and, perhaps, a very important reason why credit unions are growing so fast is the easy manner in which deposits can be made and borrowings arranged. We must remember that very many members of the credit unions never had bank savings accounts, but it is amazing the number there are today who have savings accounts with the credit unions.

When a petition comes before this honourable Senate to grant a charter to a new bank several things must be considered: firstly, the need for an additional bank; secondly, whether the proposed bank can meet all the requirements of the Bank Act; and, lastly, the primary functions of a chartered bank, and how the Canadian chartered banks have fulfilled their obligations.

In introducing Bill S-6, the honourable Senator Leonard referred to various other financial institutions which have an interest in the incorporation of the new bank, and with which the provisional directors are prominently connected. Among these institutions are: York Trust and Savings Corporation, Wellington Financial Corporation Ltd., and Canadian Finance and Investments Limited.

In this connection I might also refer to an enterprise known as British International Finance (Canada) Limited, of which I believe Mr. Stevens, one of the provisional directors of the new bank, is president. According to various press reports, for example, in the *Financial Post* of August 24, 1963, British International Finance (Canada) Limited owns or has a substantial interest in a considerable array of mortgage, finance, trust and investment companies. In addition to the York

Trust and Savings Corporation and the Wellington Financial Corporation Ltd., some of the other financial institutions which are partly or wholly owned by British International Finance (Canada) Limited are, I believe, the Scarboro Finance Corporation, Simcoe Retail Acceptance Limited, Guardian Growth Fund Limited, Cardiff Investments Limited, and First Canadian Mortgage Corporation.

The point of referring to these various financial institutions which appear to be very closely associated with the backers of the proposed new bank, is to seek clarification as to exactly what role it is expected that the bank will play. Is the Bank of Western Canada to stand on its own feet as a chartered bank under the terms of the Bank Act, or is it to be in some sense an adjunct to this group of associated finance, trust and investment companies?

If there is any indication that the operations of the new bank are to be integrated in any way with the operations of this closely related group of other financial institutions, the question arises whether this is appropriate within the present terms of the Bank Act. For example, with respect to the rates which may be charged and the kind of security which may be taken, there are limitations on chartered bank operations which do not apply to other financial institutions. If the new bank were to be only a modest segment of a network of related financial institutions, with overlapping ownership and executive control, it might be rather difficult to establish whether the operations of the bank as such were separate from the other operations and were clearly within the present terms of the Bank Act.

If there is any suggestion that the promoters of the new bank are counting on changes in the Bank Act which would modify some of the distinctions between banks and other financial institutions, this would be an argument in favour of postponing consideration of the new charter until the Royal Commission on Banking and Finance has reported and until the conclusion of the Bank Act revision proceedings. However, any proposal to incorporate a new bank at the present time must be solely on the basis of the present Bank Act.

These references to the financial companies and other financial institutions with which Mr. Stevens and Mr. Coyne are associated are particularly significant in the light of some indications in the press as to the type of banking business in which the proposed bank would seek to specialize. I believe that the spokesmen for the new bank have referred to "aggressive merchandising in the field of retail banking." Some of you have, no doubt, read these articles, one in the *Financial Post* of December 21, 1963 and another in the *Globe and Mail* of February 11, 1964. Quite frankly, I am not sure what is meant by the phrase "retail banking," but it would seem to suggest emphasis on consumer credit, possibly through the medium of personal instalment loans. This is, of course, the area of financing associated prominently with finance companies, and it might be questioned whether it is appropriate to form a new chartered bank to engage mainly in this rather limited activity. A reasonable proportion of the funds acquired by a chartered bank might normally be invested in consumer credit, but there could perhaps be legitimate doubts as to whether a very large proportion of a bank's resources should be invested in this one category of asset. In Canada the deposits of a chartered bank, whatever their technical form, are in practice demand obligations. There might, therefore, be some question from the point of view of the depositors as to whether there ought not to be a better balance of assets from the point of view of ensuring adequate liquidity.

From time to time in Canada there have been periods of credit restriction imposed on the chartered banks by the operation of the monetary policy of the Bank of Canada. For example, the report of the Governor of the Bank of Canada for the year 1956 outlined in some detail the efforts of the Bank of Canada during that year to bring about at least some moderation of the rate of increase of consumer credit, particularly in the form of instalment finance. I believe that the report indicates that there was a good deal of co-operation from the chartered banks to this end, but that agreement could not be reached with the major instalment finance companies.

In a speech given in Vancouver on June 29, 1960, the then Governor of the Bank of Canada remarked that, "rapid expansion of consumer credit can hardly be regarded as conducive to stable growth, and the use of bank credit for this purpose obviously cannot take priority over the requirements of normal commercial loans." The point of these references is to inquire what the situation might be for a bank which specialized heavily in consumer finance, if monetary policy should indicate the desirability of restraining or cutting back this form of financing in order, during a period of credit stringency, to make adequate provision from the limited resources available for the necessary financing of productive industrial and commercial activity.

Another aspect of the proposed operations of the new bank is its regional character. One

of the great sources of strength of the Canadian chartered banks has been that they are nation-wide institutions, providing a full range of banking services to communities all across the country. This has contributed in an important way to the mobility of capital in Canada. Enterprises and communities with worthwhile projects, including many in western Canada, have been able to obtain access to financial resources far beyond the volume of local saving. The proposed new bank seems to represent a move in a different direction. One indication I have seen was to the effect that all loans and investments would be made "as far as possible in the same areas as deposits are received." It seems to me that if this approach were strictly applied it would lead to a very cumbersome and uneconomic, and perhaps inequitable, allocation of credit.

Perhaps some of you noticed in this week's *Financial Post* the editorial which said that there were "too many getting into the act." It says in the body of the article:

> . . . a plethora of small new banks raises a host of large new questions.
>
> How well protected is the ordinary depositor if the competition among many new banks gets too rough?
>
> What would happen to Canadian banking if, in a fiercely competitive situation, the smaller banks joined forces with U.S. banks to get the new financial backing that they suddenly found was necessary?
>
> Is it in the over-all public interest to have a commercial bank partly owned by a government, as under Premier Bennett's plans?
>
> What happens to the stability of the banking system if each province decides to open a bank and steer suppliers toward it and away from the established banks?

That is part of an editorial in the *Financial Post* for the current week.

All of these questions that I have asked lead up to a consideration of what is fundamentally involved in the granting of a charter to do banking business under the terms of the Bank Act. What, if any, are the obligations inherent in a charter under this act? Is it not fair to say that a bank which is chartered under the Act is expected to provide a comprehensive banking service? This includes providing short-term funds for working capital purposes to business and industry as well as what the sponsors of the bill have called "retail banking."

If the bank is intended to operate mainly as a special kind of finance company, or if it is intended mainly to attract savings deposits which may in practice be invested through the network of other associated finance companies, is it appropriate that an operation of this sort should be carried on with the benefit of a charter under the terms of the Bank Act? Would a banking institution operated on such narrow lines be in a sound position to meet its liabilities to depositors in a period of financial stringency or economic adversity?

I think an important aspect of the chartered banks' function is to gather funds from those who have surpluses and to make them available for use by others in the economy. One of the primary functions of a chartered bank, therefore, is to loan these funds to persons, companies, or governments, under careful supervision, so that they may pay interest to their depositors.

It may interest honourable senators to know that in 1945 interest on deposits in the Canadian chartered banks amounted to $34.8 million, and that by 1961 this figure had grown to $290.8 million. Interest paid on deposits is now the largest single item of expense of any bank.

Of Canadian dollar deposits in chartered banks in 1961, personal savings amounted to 53.7 per cent of the total. In 1935 the average size of individual savings accounts was $365, and by 1961 the average of these accounts was $711.

I think also of particular interest to banking circles is the fact that not since 1923 has there been a bank failure in Canada. Thus, for a generation no Canadian has lost a night's sleep worrying about the safety of his money in the bank. Indeed, the Canadian banking system enjoys a world-wide reputation for soundness and stability, and this in itself has been a factor of no small significance in the nation's economic development.

A little over a year ago, while I was a delegate to the United Nations in New York, I was invited to a luncheon given by the president and directors of one of the larger United States banks. I was pleased to hear the president say that the Canadian banking system was the envy of the world.

I know some people are going to say—I have heard it said within the last few days, but not in this chamber—that the chartered banks play a prominent part in our labour situation. I quite agree that they do. I went to the trouble of getting some information. According to a survey made as of October 31, 1961, the banks gave employment to a staff of 27,846 males and 36,511 females—a total of 64,357. In addition, of course, there were some 5,000 and more wage earners. The chartering of more banks will not necessarily increase this part that the banks are playing in the employment situation. In fact, as I mentioned earlier, where there is just a certain amount of money available it probably would not increase employment to any great extent.

When Senator Leonard moved the second reading of Bill S-6, he mentioned the fact that it would be of special interest to those senators from west of the Great Lakes, because the name of the bank would be Bank of Western Canada and its head office would be in Winnipeg. He also mentioned that no Canadian bank had a head office west of Toronto. In this connection it is interesting to note that of the five provisional directors, three are from the City of Toronto, in the Province of Ontario, and there is one each from the provinces of Manitoba and Alberta. I am not sure whether the directors will all be from the west or not, but this is what the list of provisional directors shows.

According to the *Financial Post* of March 7, 1964, the Royal Bank of Canada is going to erect a 16- or 18-storey building in downtown Winnipeg to house the bank's Manitoba headquarters. This would lead one to believe that the Royal Bank of Canada, one of the chartered banks, is certainly preparing to be in a position to give good banking service to the western provinces. One should also consider the fact that the four western provinces are now served by 1,539 branches of the Canadian chartered banks, and this figure does not include all the provincial savings banks, the various credit unions and all the other savings associations that have grown up. As I mentioned earlier, other applications for bank charters are on record, and I know that another application will follow this one. It was only about a week ago that some of us from the Maritime provinces were approached as to whether we might be interested in supporting a bank in the east.

Hon. Mr. Baird: You have snowbanks instead.

Hon. Mr. Blois: We have snowbanks, but they are not, thank heaven, as large as those in Newfoundland.

In respect to a bank in the Maritime provinces, I gave it as my opinion that Canada was presently adequately served by the Canadian chartered banks.

Honourable senators, I would suggest that, as we are still awaiting the report of the Royal Commission on Banking and Finance, the Government and this honourable body can justifiably tell the sponsors of the Bank of Western Canada, and those sponsoring other banks, that their applications will be held in abeyance until the findings of the royal commission have been tabled and considered, and also that it may even be necessary to delay these new applications until the revision of the Bank Act, due in 1964, has been completed.

The Hon. the Speaker: Honourable senators, I must inform you that if the honourable Senator Leonard speaks now it will have the effect of closing the debate.

Hon. T. D'Arcy Leonard: Honourable senators, in closing this debate I shall endeavour to make my remarks mercifully brief.

First, I must express my appreciation to those senators who have spoken in this debate. While I do not think it is incumbent upon the mover of the second reading of the bill to answer all of the arguments that are advanced, particularly where, as in this case, I have no special personal interest in the bill, nevertheless I am sure that the comments that have been made in this chamber, whether in support of the bill or against it, will receive the careful consideration of those who are applying for this charter. When the bill reaches committee, as I assume it will, honourable senators will be able to have their comments dealt with by those who are applying for this charter.

May I say to Senator McCutcheon that I am sorry if I left him with the impression that this was a routine matter, because such was not my intention. Indeed, the incorporation of a new bank in Canada is, in my view, a extremely important matter.

What I was endeavouring to do—and perhaps unskillfully—was to separate the various stages in the legislative progress of a bill to incorporate a new bank, and to point out that in so far as the second reading stage was concerned, the Bank Act, as I understood it, did set out a code for the incorporation of a bank, a code that must be complied with by those seeking the incorporation.

Having satisfied that code and established that it had complied with it, then the bill could move on to the more important stage, in my view, namely, the committee stage, where at that time those who are proposing the new charter could come before the committee—in this case our Standing Committee on Banking and Commerce—and the committee could collect all the relevant evidence as to the need and the desirability, the wisdom and the judgment, required in connection with establishing a new bank. It could examine those who are proposing it, find out who they are, what their qualifications are; it could ask Mr. Stevens, for instance, what his connections are, have him satisfy Senator Blois, as I hope he can, as to his associations, and give the necessary evidence as to the share capital, the intentions of those proponents of the new bank, and how and where it is to operate.

In addition to this special evidence from those who are asking for the incorporation of this bank, the committee could seek also general evidence as to the banking business. I myself would hope that, for example, we

would have before the committee the Inspector-General of Banks, to give general evidence with respect to banking institutions in Canada. Possibly we might have the Governor of the Bank of Canada, Mr. Rasminsky, who, as we all recognize, is a very able Governor of the Bank of Canada. In this committee stage, all this very necessary and very relevant evidence would be obtained.

It was due to my feeling that this would be the more important stage, that I had the conversation with Senator McCutcheon to which he referred yesterday. I desire to confirm my understanding with him, namely, that I am prepared, as far as I can give this undertaking, that the bill would not be reported out of committee until the members of the committee had seen the report of the Royal Commission on Banking and Finance and had had an opportunity to study it, and then to consider this bill in the light of that report.

There were two other observations which honourable Senator McCutcheon made on which I wish to comment, but neither my comments nor his observations derogate from that understanding. He suggested that the report of the royal commission might not be out for two or three months. Of course, none of us can make an accurate estimate on that. I am just expressing my hope that the report would be out next month. The other observation he made related to his reserving his position that after the report of the royal commission was out, he might wish then to say that in his view the application, and any other application for a charter, should not be proceeded with until the Bank Act had been revised. I quite respect and recognize his position in that regard. At the same time, other senators, including myself, are free to argue that there is no necessity to wait until the revision of the Bank Act.

I might put forward some comments on that at the present time, so that they may be considered by Senator McCutcheon, Senator Blois and others.

There are very different considerations applying to the question of the revision of the Bank Act from those applying to the report of the royal commission. One is that a good deal of time is required after an act of incorporation passes Parliament, before a bank can commence business. It has to take steps in order to get its shares issued and its directors elected. Also, it cannot start business until it receives a certificate from the Treasury Board. There is a period of one year within which that certificate may be issued by the board.

Then there is a further point, that this charter, if granted, like the charters of all chartered banks presently in existence, expires now on July 1, 1964, subject to the extension it is intended to make, namely, to July 1, 1965. The Bank Act, as revised, will then apply to this charter, if granted, and to all charters of other banks. Therefore, the revised Bank Act will have a retroactive effect, which means that the charter should, in my view, more properly be granted before rather than after the revision of the Bank Act. If the charter is granted after the revision of the Bank Act, it will not come again before Parliament for consideration, for a period of perhaps eight, nine or ten years.

I would point, as a precedent, to what happened when the last charter was granted. The Mercantile Bank of Canada was incorporated in 1953 and the revision of the Bank Act took place one year later, in 1954. So the Mercantile Bank's charter, like the charters of the other banks, became subject to whatever was put in the revised Bank Act as to its operations.

I have one last point, and that is to refer to those other applications for charters of which we have read in the newspapers and which Senator Blois mentioned today. If other such applications do reach the stage of a bill before this chamber, I am sure that all honourable senators will agree that each one should be considered on its own merits.

As to this particular bill now before us, I think it is only fair that it be entitled to the approval of Parliament on its own merits, regardless of whether it is the only application or whether there are other applications. It should neither be prejudiced nor suffer any impairment of its entitlement merely because of other applications, possible or actual, or because of the considerations that may apply to other applications.

The proponents of this bank are prepared to submit their case on its merits to the most careful scrutiny and examination of the Standing Committee on Banking and Commerce in order that the members of the committee may satisfy themselves as to whether or not it is right and proper to have the Bank of Western Canada added to the present banking system, strong and efficient as the present banking system is.

For that purpose, if the Senate now gives the bill second reading, I shall then move that the bill be referred to the Standing Committee on Banking and Commerce.

The Hon. the Speaker: It has been moved by the honourable Senator Leonard, seconded by the honourable Senator Inman, that this bill be now read the second time. Is it your pleasure, honourable senators, to adopt the motion?

Hon. Mr. Horner: On division.

Motion agreed to and bill read second time, on division.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Leonard, bill referred to the Standing Committee on Banking and Commerce.

CANADA SHIPPING ACT

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

Hon. Paul H. Bouffard moved the second reading of Bill S-7, to amend the Canada Shipping Act.

He said: Honourable senators, I can assure you that a discussion of the Canada Shipping Act is not an easy task. Crossing the St. Lawrence river between Quebec City and Levis, and Riviere du Loup and Murray Bay, has not helped me at all to become better acquainted with the Canada Shipping Act.

The Canada Shipping Act has approximately 758 sections. Some of them are extremely difficult to understand. Probably that is because the act is always involved in one way or another with conventions concerning navigation which have been passed by several countries in the world, and which apply to the act.

For a long time I have wondered what is the best way to obtain a clear understanding of the 37 sections contained in this bill S-7, which proposes to amend the Canada Shipping Act, and I have come to the conclusion that the best way is to examine the conventions which have been amended during the past two or three years, and to find out which sections of the present bill apply to the amendments of the conventions, which I shall enumerate in a moment. Some of the amendments proposed have nothing to do with the conventions, but they are few in number and are more easily explained. I have examined the bill, therefore, and in order to explain it I propose to enumerate the conventions that have taken place, to which Canada has been a party concerning navigation and its rules and regulations.

The first convention we need to look at to consider the different sections of the bill is the International Convention for the Safety of Life at Sea, which was first passed in 1929, was then considerably amended and revised in 1948, and again revised in 1960. In 1948 we passed a few amendments to the Canada Shipping Act to conform with the 1948 convention, and since Canada will be a party to the convention of 1960 it is proposed that a revision of the Canada Shipping Act be made to conform with the new articles or new amendments of the convention. The sections of the present bill which relate to the Convention for the Safety of Life at Sea are section 1 and sections 6 to 27 inclusive.

Hon. Mr. Burchill: Who proposed the convention?

Hon. Mr. Bouffard: I understand the conventions are usually passed in London, between great numbers of maritime countries. As a matter of fact, the Convention for Safety of Life at Sea was discussed between at least 15 countries, of which seven must have one million tons of shipping per year, and of which at least eight have less tonnage but are also important in navigation. The 1960 convention has been discussed in London, but whether only in London, I do not know. As a matter of fact, of the countries having one million tons of shipping a year to make the convention applicable, only one country is missing, namely, the United Kingdom, which at the present time is considering the amendments necessary to continue to be part of the convention. I am given to understand that this convention is going to become applicable within a very short time, because the United Kingdom is going to pass the amendments to conform with the 1960 convention for safety at sea.

The second convention to which this bill relates is the International Convention for the Prevention of Pollution of the Sea by Oil. The only section of the bill which relates to that convention is section 28, which I will explain later.

The third convention is the International Convention Relating to the Limitation of Liability of Owners of Seagoing Ships. This convention was passed for the first time in 1957, and was amended in 1961, and all countries which became parties to the convention are at the present time passing the necessary legislation to conform with the new setup of the convention, which is the limitation of the responsibility not only of the owners of shipping but also of officers who may, directly or indirectly, be responsible for damages caused by accident.

The fourth convention is the British Commonwealth Shipping Agreement of 1931. The only section of the bill which applies to that convention is section 35. So at the present time we have article 1 and articles 6 to 27 which relate to the convention for safety at sea, and article 28 which relates to the convention for prevention of pollution of the sea by oil. The third is the convention for the limitation of liability, articles 31 to 34.

The fourth convention is the Merchant Shipping Agreement of 1961, a convention of which Canada is a party and which is related to the coastal trade.

I do not intend, of course, to give all the details of the articles, of each of the sections which are amended by this act, because it would be too cumbersome and would require a tremendously detailed explanation. The bill will be referred to a committee, if it passes second reading, and there will be present at the committee officers of the Department of Transport to give explanations and to answer any questions with reference to the articles. I may be able to answer questions put to me about these articles, but I must confess that I am not too well acquainted with the details of the Canada Shipping Act or with the different regulations which have been passed and discussed at these different conventions. However, it is quite in order to say that each one of these conventions has been accepted by the main maritime countries of the world, and the amendments which were made to the conventions were the result of experiences they had since the passing of the last previous convention. The amendments are not complicated for one who understands details of navigation, but they would be extremely complicated for a layman like myself, and I am confident this would apply also to many other members of the Senate.

I will commence my discussion of the bill with the sections to amend the convention for safety at sea, being article 1 and articles 6 to 27 inclusive.

Article 1 deals with definitions only, and these definitions have been changed by the convention to a certain extent. For instance, the new convention applied to a nuclear ship —the first time it was mentioned in any of these conventions, probably because such a vessel did not exist at the time of the last agreement of 1948. At the present time its existence is a fact, and consequently the convention contains certain rules concerning the nuclear ship, and it is in the definition also.

Some other definitions have been slightly changed. A change has been made according to the classification of "passenger ship" "nuclear ship", and "cargo vessel". Things like that have been differently defined than they were in the last convention. So if Canada is going to be a party to that convention it has also to change the definitions which apply under the present act, to conform with the definitions contained in the new convention. There is nothing very important in article 1.

If we now go to sections 6 to 27 you will find that in most cases these amendments relate to the classification of certificates. They have a much larger number of certificates than they used to have. Previously there was no certificate for nuclear ships. They will have one now. They have changed to a certain extent the classification of passenger boats and cargo vessels, according to their tonnage. Certificates have to be changed, and they have been changed in the convention. Consequently, if we want to be a party to the convention, these have also to be changed in our own act.

Some changes have also occurred with regard to the inspection of ships. They are no worse for the shipowners. In some cases a relief is involved, because inspections do not have to occur as often, but some inspections have to be made and have to apply to the nuclear ship, which was not the case in the past convention. So if you look at article 6, it refers to the convention instead of the 1948 convention. It also dispenses with the necessity of having the convention printed as an appendix to the act. The old convention of 1948 was an appendix to the act, in schedule 4, which disappears now because it is getting more and more lengthy. But at the committee hearing there will be enough copies of this convention, about 20 to 25, to be distributed to all members of the committee and those who wish to take cognizance of that convention. It is actually 191 pages long, and relates to all kinds of details. I must admit I have not read it, and if I had I do not think I would have the details which are contained in that convention. Anyhow, it will be available to members of the committee to study and to report on the bill.

Hon. Mr. Connolly (Ottawa West): It is a reference document.

Hon. Mr. Bouffard: Yes, it is a reference document.

Article 7 concerns a survey of hulls and machinery of cargo ships, and a survey of nuclear ships. It is the coming into existence of the nuclear ship that especially has to do with the amendment of article 7.

Article 8 deals with new certificates to apply to cargo ships and nuclear ships; and it also exempts government nuclear ships from being certified. It may be that this will apply pretty soon to a government ship which may be constructed as an icebreaker, but that has not been done yet.

Hon. Mr. Hollett: May I ask the honourable senator a question? Are you referring to the articles of the convention or the sections of the bill we are discussing?

Hon. Mr. Bouffard: It is the section of the bill, to conform with the convention. That is the reason why the amendment is made, to conform with the convention. All these articles, from 6 to 27, apply to changes made in the convention so that the act in Canada—and we want to continue to be a party to the convention—will be applicable to the convention as recently passed.

Hon. Mr. Hollett: I thought we were discussing this bill and not the articles of the convention.

Hon. Mr. Bouffard: It is the bill.

Hon. Mr. Hollett: It is not the bill.

Hon. Mr. Bouffard: The section I am referring to is section 8, and that is an amendment to article 393 of the act; but it is to conform to the new convention. Article 393 has to be amended if Canada is going to be a party to the new convention. It is a proposed amendment to the act.

Hon. Mr. Hollett: Do I understand that the honourable senator—who admits he has not read article so-and-so—is discussing that now?

Hon. Mr. Bouffard: No. I said I have not read the convention, but I have read every article of the act which is being amended at the present time.

Hon. Mr. Roebuck: Every section.

Hon. Mr. Connolly (Ottawa West): Could I intervene for a moment? I think the confusion has arisen out of the use of the word "article" and the word "section". If I may say so, Senator Bouffard, being like myself a member of the Bar of the Province of Quebec, is accustomed to referring to "sections" of the Code of Quebec and, indeed, of statutes, as "articles" rather than as "sections," as is the normal usage in the common law provinces. In discussing this bill—and I think he is quite clear in his own mind about it—when he refers to "articles" he is referring to "sections" of this bill, which he calls "articles" and, I think, quite properly so. He is not referring to the articles of the convention.

Hon. Mr. Hollett: The reason I raised the point is that I have read the articles of the convention, and I was not quite sure whether the honourable senator was discussing the article or the section.

Hon. Mr. Connolly (Ottawa West): The word "article" and the word "section" are used interchangeably in the Province of Quebec; and very often I do so myself, subconsciously.

Hon. Mr. Bouffard: I am sorry if I have wrongly referred to articles. They are really sections of the act. In the Province of Quebec, and maybe in some other provinces also, we call them "articles" of the Civil Code instead of "sections." I am referring at the present time to sections of the act.

The purpose of clause 8 of this new act is to put section 393 in conformity with the new convention of safety at sea.

Section 9 concerns only inspection certificates, and the section which is amended is section 394, to make it conform to the convention of safety at sea. It only concerns certificates that may be issued at the time a ship is launched or afterwards, after inspection.

Article 10 is exactly the same thing; it amends section 395 of the act—

Some Hon. Senators: Section 394.

Hon. Mr. Bouffard: Article 10 makes provision for a cargo ship safety construction certificate, nuclear passenger ship safety certificate, and a nuclear cargo ship safety certificate.

They give other names to certificates to comply with the convention, because the convention also applies to nuclear cargo and nuclear passenger ships, and they have to issue new certificates. They give the certificate that exists today additional names, to classify the certificates the same way as they classify the ships. Section 11 is of the same order.

I am sure that if anyone wants to have an explanation as to the kinds of certificate or classification of boats, this explanation can be obtained in committee from witnesses who know these details by heart. It would be very difficult for me to give you a clear idea of the division of certificates, the division of inspection and the division of the equipment, and how often they have to be inspected; but, anyone who is interested can obtain these details in committee.

Clause 12 of the bill amends section 397 of the act. This is again concerned with the inspection certificates which carry new names compared to those that existed before the amendment of the safety convention.

Clause 13 of the new bill amends section 399 of the act, and it also affects the safety convention certificates for passenger ships. There is no change in intent.

Clause 14 of the bill which also concerns certificates, amends section 400 of the act, and here also there is no change in intent.

Clause 15, amending section 401 of the act, concerns only the changes in name of certificates of safety.

Clause 16 of the bill amends section 402 and is consequential upon the change of names on the safety convention certificates.

Clause 17 which amends section 403 includes nuclear ships, and cargo ships between 300 and 500 tons, whereas previously it affected only ships of 500 tons and over. It concerns the radio equipment that a ship of that kind must carry. This is also in conformity with the convention on safety at sea.

Clause 18, amending section 411, also concerns ships from 300 to 500 tons, and those from 500 to 1,600 tons. All cargo vessels between 300 and 1,600 gross tons must be fitted

with a radiotelegraph station that complies with the requirements of this act, and the regulations of the safety convention.

Clauses 19, 20, 21 and 22 all relate either to inspection or radio equipment. There is no change in intent in any of these articles, but they are amended so that they conform with the new convention. This also applies to the clauses up to clause 27 of the bill, details of which can be given to members of the committee when the bill goes there. I might point out that clause 25, which amends section 454, will require the master of a ship to give information on gales and icing conditions encountered during a voyage. This is required in the interests of safety of others.

Clause 6 empowers the Governor in Council to make regulations giving effect to the requirements of the safety convention. Apparently the law cannot lay down all the regulations, so the Governor in Council may authorize whatever regulations are necessary to conform to the requirements of the convention.

Clause 27 amends section 484 of the act and authorizes the collector or other chief officer of customs to demand all necessary certificates without naming each one individually. Some of the certificates bear long names, and it is intended that he shall be able to demand all certificates necessary for that kind of ship without specifying them individually. This is all intended to comply with the regulations of the convention for safety at sea.

The second convention we have to consider is that dealing with the question of pollution of the sea by oil. This convention was amended in 1962, and section 28 of the present bill deals with it. It imposes the obligation of discharging waste oil by placing it in special tanks installed in the ship. Heretofore the discharge of such waste oil at sea was limited to an area at least 50 miles from the shore. Now such discharge cannot be made in any area less than 100 miles from the shore, in so far as Canada is concerned. In the case of larger vessels, oil cannot be discharged even at this distance but must be contained in a special tank in the vessel to be discharged or disposed of only when such vessel is anchored in a port where facilities are available for doing so. This change is the result of numerous complaints from people, particularly in Newfoundland and Nova Scotia, that the discharge of tanks within 50 miles of the coast caused annoyance and concern to people living along the shore, and was also harmful to fish and animals in that area. Consequently, this amendment extends that limit from 50 to 100 miles.

Hon. Mr. Hollett: Canada requested that?

Hon. Mr. Bouffard: Yes, and it was agreed to by the countries concerned. Now we are amending the act so that no Canadian vessel may discharge waste oil at a distance of less than 100 miles from shore, and no vessel of any country which is party to the convention may do so either. In making this amendment the fine to be imposed on a ship contravening this regulation has been increased quite considerably so as to constitute a deterrent and to ensure that no master of a vessel will choose to discharge waste oil and pay the fine. It has been increased to $5,000.

The other convention with which we are concerned relates to the limitation of liability of owners of sea-going vessels. This convention, first adopted in 1957, was amended in 1961. Article 31 relates to that convention and to the amendments made at that time.

Under the new convention the responsibility of shipowners will be calculated at a rate which amounts approximately to $220 a ton for the ship. It used to be calculated in pounds, but it is now going to be calculated in gold francs, and it works out to approximately $220 per ton. So, the shipowner will never be liable for more than an amount of $220 per ton in respect of any accident or any damage that he may cause to persons or property. That is the complete limitation.

Out of that limitation a preference is given in respect to personal liability. If a man dies or is injured he has a preference on the amount available for distribution. To give you an example, the total responsibility of a tugboat of under 300 tons would be approximately $66,400. If it is a cargo ship of 253 feet which is involved, the liability would amount to $365,500. If it is a ferry vessel like the *Bluenose*, for instance, the liability would be $1,195,000, and a bulk carrier of 730 feet would carry a total liability of $3,500,000.

That being the total liability, a preference up to two-thirds of the total amount is given to persons in respect of damages claimed by them. If the total liability is $3,500,000, then a little over $2 million will be used exclusively to settle damages caused to persons, whether killed or injured. Of the total liability such persons have a preference as to two-thirds of the total amount.

The balance of the amount of liability will be used to settle claims for property damage. In the case of liability totalling $3,500,000, this would amount to about $1,200,000. As I said, this amount would be used to settle claims for damage to other vessels, to cargo or to damages caused on the shore. If the amount of two-thirds that is set aside to settle claims for personal damages is not sufficient to pay all the damages at the rate of 100 per cent, then those claiming personal

damages can share in the amount left to cover property damage. So, in my example, if the amount of $2,500,000 is not sufficient to cover all the personal liability, then those who have a claim against the ship can share on a proportionate basis with the owners of property that has been damaged in the amount that is set aside to cover property damage, or in the distribution of the balance of the money which is on deposit.

Another thing which the new convention settles is that the responsibility of the owners of the ship, or the limitation, if you wish, of responsibility, will extend also to those who may be responsible with them, such as the master, the mate, the pilot and any other officer. They are limited to the same responsibility as the owner.

Apparently that was the unanimous decision of the courts in years gone by, but it had never been expressed in any legislation or convention. It is now in black and white that the responsibility of the officers will be limited in the same way as is the responsibility of the owners.

Clauses 31, 32 and 33 and 34 of the bill also provide for the bail to be given by the owner of a ship who wants to leave when there is some liability that has not been paid or settled. Bail equivalent to the amount of the liability at the place may be allowed. These clauses also provide for the deposit of funds in the amount of the total liability in the Exchequer Court, which funds would then be distributed by the court.

They also provide for the possibility, if the ship is in Canada, of entertaining all the claims for liability whether they be incurred in another country or in Canada. So, Canada may be chosen to be the recipient of all the funds, and it will also make distribution of them. If the accident has occurred in another country, and the owner of the ship is depositing in Canada for all the claims from people living in Canada, or in respect of property existing in Canada, the court may set aside some amount of the funds so as to be able to settle damages that might have been caused in another country, or to property situate somewhere else. These clauses contain much detail with respect to the deposit of the money, and with respect to the court that has to decide as to the apportionment. All this is in conformity with the convention.

This has been, I might say, recommended in Canada by the Canadian Bar Association and also by the Association of Ship Owners, which is advised by lawyers who are acquainted with the legislation and the claims which may be made when an accident occurs. Those are all the details I can give you in respect of clauses 31, 32, 33 and 34 on the limitation of liability.

This limitation of liability has existed for a long time. It has been varied on numerous occasions. It was extensively studied, and the courts and lawyers have had experience with it in more than one way. This new limitation of liability, and the sections that concern its distribution, and the privileges granted to persons who are damaged, comprise the latest improvements in respect to limitation of liability which, apparently, has to exist when it concerns a ship. Nobody seems to object to it at all. It seems that the limitation is less important than it used to be, because there is more money being given at the present time to those who are damaged by seagoing vessels than there used to be. The limitation was not always as high as it is today. There has to be a limitation, of course, because otherwise it would be impossible to insure a ship. If it was unlimited it would be too costly to insure a ship.

Section 35 concerns the last convention to which I have referred, the British Commonwealth Merchant Shipping Agreement of 1931. That section provides that the coasting trades of the signatory countries should be open to the trade of other countries embodied in the agreement. That means that any ships of countries which had signed the agreement of 1931 could come to the coast and do the shipping business and the coasting trade.

The most important result of this for Canada has been that British shipping has participated widely in the coasting trade on the Atlantic coast. It has won an important place for itself there, and its continued participation there is highly necessary. No change in this is made by the present amendment.

The Great Lakes coasting trade was entirely under the Canadian flag until the opening of the seaway and until it became practicable for British and British West Indies vessels to engage in it. The chief disadvantages of this from the Canadian point of view include:

(1) The lower wage scales and repair costs for British registered ships would give them an advantage over Canadian lake shipping.

(2) British ships would be able to withdraw in winter and continue in business elsewhere while Canadian lake vessels must remain tied up.

(3) Repairs and refitting of such ships would not likely be done in Great Lakes yards.

(4) Transient nature of such competition would create fluctuation in shipping rates. Partial displacement of the Canadian fleet by this means might create shipping scarcity at future dates when more lucrative cargoes are available in ocean trades.

(5) Canadian shipping obtains no reciprocal advantages from the Commonwealth agreement since Canadian vessels would have too high costs to participate in U.K. coasting trade even if there were any vessels available to do so.

Those are the disadvantages of the agreement on merchant vessels, since applied to the coastal trade in Canada.

There were some advantages also. These include:

(1) Prompt action will prevent any vested interest in U.K. shipping from gaining a foothold in the Lakes Trades from which it would be more difficult to dislodge it later.

(2) No interference with U.K. shipping on the Atlantic Coast will result.

(3) There will be no restriction against U.K. or any foreign flag vessels engaging in foreign trade on the Great Lakes. Such vessels will still be able to carry grain direct from Fort William to overseas points.

(4) The competitive effect of such foreign shipping on rates will thus be retained.

What Canadians have done is this: they are restricting to Canadian ships the coasting trade on the lakes and on the St. Lawrence, and also from a point on the Gaspé Peninsula to Anticosti Island, and from a point situated about the middle of Anticosti Island to the north shore. Therefore, vessels of the United Kingdom or any other vessel will not be able to go through. To do that, they had to amend the agreement to which I referred a moment ago, which is the British Commonwealth Merchant Shipping Agreement. This agreement contains Part IV, concerning equal treatment, so that everybody may be treated the same way.

If the Canadians have taken away the coasting trade from any other ship than Canadian ships, it is because they have succeeded in coming to an agreement with all countries which were parties to the agreement. They agreed with the Canadians that Canada would do that, and it is only in that light that we can see the amendment to this agreement, which was a valid agreement and which still exists as to any other part of the agreement; but, with the unanimous consent of all countries concerned, Canada was allowed to protect its coasting trade shipping.

Hon. Mr. Lambert: Does this section provide for a reciprocal basis with respect to Canadian ships?

Hon. Mr. Bouffard: I think it does, but I am not sure. At any rate, there is no coasting trade by Canadian ships around Australia, New Zealand or England.

Hon. Mr. Lambert: I was thinking of the exclusive character of this clause as applied to incoming British ships through the seaway, up to the head of the lakes. This would make that impossible?

Hon. Mr. Bouffard: It would make that impossible.

Hon. Mr. Connolly (Ottawa West): No, that is not quite right.

Hon. Mr. Bouffard: The coasting trade on the St. Lawrence and the Great Lakes are closed to British ships, which used to have a pretty important coasting trade in that section.

Hon. Mr. Connolly (Ottawa West): Only for the coasts.

Hon. Mr. Isnor: Would you consider that a privileged class was created by the St. Lawrence Seaway development?

Hon. Mr. Bouffard: It might be so—

Hon. Mr. Isnor: In the Nova Scotia coasting trade—

Hon. Mr. Bouffard: It does not close the coasting trade in Nova Scotia. It only closes the coasting trade in the St. Lawrence, the Great Lakes and this part of the St. Lawrence River going as far as the north limit of the Gaspé Peninsula, and north to about the middle of Anticosti Island. It does not affect any other coasting trade.

I should like to read section 35. It says:

> Notwithstanding subsections (1) and (2), no goods or passengers shall be transported by water, in any ship other than a Canadian ship, from one place in Canada to another place in Canada each of which is on the Great Lakes or its connecting or tributary waters or on the River St. Lawrence or its connecting or tributary waters as far seaward as a straight line drawn
>
> (a) from Cap des Rosiers to West Point Anticosti Island...

Hon. Mr. Isnor: In other words, it applies only to the St. Lawrence?

Hon. Mr. Bouffard: The St. Lawrence and the Great Lakes.

Hon. Mr. Isnor: It does not apply to coasting trade in other provinces?

Hon. Mr. Bouffard: No. It is limited to the St. Lawrence and the Great Lakes; and that is the arrangement which has been made and unanimously approved by all countries who were parties to the agreement.

Hon. Mr. Pearson: If a foreign vessel brought a cargo and unloaded it in an American port on the Great Lakes, and another foreign ship entered the port on the way

back, could it pick up this cargo and take it farther up the lake and tranship it to a Canadian port?

Hon. Mr. Bouffard: No, I do not think so. There must be some other agreements concerning that, which are not touched by the present legislation. The only convention which is touched at the present time is the one in regard to Canada and the British Commonwealth. It does not affect any other convention at all.

I would not know whether there is another convention which would permit American ships to come into any coasting trade. I am not aware of that; I do not know. This convention is the only one affected by the present legislation. It relates to the Commonwealth of Nations, the United Kingdom, Australia, New Zealand, South Africa and Canada.

Hon. Mr. White: I would like to ask a question. When the honourable senator was speaking on the limitation of liabilities, there was a comment on the limitation of liability in the last two disasters, the Andre Doria and the Greek ship that caught fire. If there had been a total loss of life aboard ship, what would be the level or limit of liability? Would it be exactly the same?

Hon. Mr. Bouffard: It depends on the tonnage of the ship. I would not be in a position to tell the honourable senator what the tonnage of the ship was. It would also depend on the total responsibility of the ship that was at fault. Whether it is enormous or small, the limitation is always there and would apply to any ship of countries which are part of the convention.

Hon. Mr. White: This means that all one could collect, in some cases, would be a relatively small sum?

Hon. Mr. Bouffard: Yes, it could happen. If there was much loss of life, the amount that could be collected by anyone affected might be small. It might be a small boat, whose responsibility is very small compared to a liner or a large vessel, where there are many passengers affected and who sustain personal injury. Otherwise, how can you ensure that a small vessel will be able to stand the expense which might run from $3 million to $5 million.

Hon. Mr. White: I wonder if the honourable senator could tell us if the amount of liability, so far as ships are concerned, is more or less comparable with air lines?

Hon. Mr. Bouffard: There is a limitation on liability with regard to shipping, and also a limitation with regard to air lines. The air lines are governed by the International Convention by Air, to which I believe Canada is a party. I do not know how that limitation compares with that of shipping, except that the latter is higher today than it used to be. The limitation is $220 per ton. I understand that amount includes the engine rooms, but it does not include the quarters of the men. It is calculated on the basis of the amount of change that will be covered by the calculation of the limitation. For instance, a tug which is below 100 tons may hit a large ship and cause tremendous damage, and its responsibility may be limited to an amount not even reaching $75,000. However, the calculation must begin somewhere. Apparently no one objects too much about this limitation, because it has been acceptable to the main countries engaged in the business of shipping throughout the world. The limitation must be satisfactory, otherwise it would not be agreed upon and renewed.

Hon. Mr. Lambert: Does this clause throw a different complexion on the seaway from that of when it was originally conceived and built, that is, that it should be an open waterway from the Atlantic Ocean to the head of the lakes?

Hon. Mr. Bouffard: I think that is covered by another agreement with the United States, which participated in the cost of the work. I do not think there was any agreement other than with the United Kingdom and the Commonwealth, in so far as St. Lawrence shipping is concerned. We must remember, of course, that in some places the St. Lawrence River forms the boundary between Canada and the United States, and I understand there have been several agreements between the two countries concerning navigation on the St. Lawrence.

Hon. Mr. Lambert: One has in mind particularly the shipment of iron ore to Cleveland by iron ore companies. Does that clause not interfere with that trade?

Hon. Mr. Bouffard: No. It only affects what is really coasting trade. I am inclined to believe that the transportation of iron ore from a port in Canada to a port in the United States is not what we call coasting trade, but is rather transport between Canada and a foreign country. Coasting trade as described in the bill is only that which is from one place in Canada to another place in Canada. That is what is affected. Transportation of grain, say, from one part of Canada to another country, is not affected; nor is the transportation of iron ore from Seven Islands to Cleveland, because that is transport from one port in Canada to a port in a foreign country.

Hon. Mr. Lambert: My honourable friend has clarified this clause pretty well, but I do think it should receive further attention in committee.

Hon. Mr. Bouffard: Oh, yes. As I said earlier, I am not an expert in the matter. I am doing my best as a layman.

Hon. Mr. Lambert: I am not being critical.

Hon. Mr. Bouffard: I would certainly be glad if the bill were referred to committee for further information, at which stage I am inclined to believe that all questions would be answered.

Hon. Mr. Burchill: I think my honourable colleague has done a wonderful job in his explanation of the bill. However, I would like him to clarify one point, if possible. Am I to understand from his explanation that a British steamer is denied the right to engage in coasting trade here in Canada, while a Norwegian steamer, or any other, may participate in coasting trade?

Hon. Mr. Bouffard: I do not believe a Norwegian ship could engage in coasting trade in Canada. The United Kingdom became a party to the Merchant Commonwealth Convention of 1931. That is the reason its vessels were able to come and trade from one port to another in Canada—which is coasting trade. A foreign ship which comes to Canada cannot engage in coasting trade unless it has an agreement with Canada. The agreement we have with England is modified so that even a commonwealth ship will not be able to engage in coasting trade from one part of Canada to another.

Hon. Mr. Lambert: Could a Norwegian vessel sail up the St. Lawrence and go to the head of the lakes, take on a cargo of grain and return to Norway?

Hon. Mr. Bouffard: Yes. In that case it does not come to any other Canadian port.

Hon. Mr. Aseltine: That would not be coasting trade.

Hon. Mr. Bouffard: No, that would not be coasting trade.

Honourable senators, there are a few clauses to be dealt with that are not the result of a change in any agreement. Some of them are the most contentious sections of the bill. May I refer to clause 2, which must be studied in conjunction with clause 30. Clause 2 concerns the issue of licences to small vessels, crafts below 20 tons, and other vessels below 15 tons. It gives the Governor in Council the right to issue regulations concerning the licensing of such vessels; and that is all it does. Clause 2 has a connection with clause 30, and we shall see by clause 30 what the Government has in mind. I am sorry to delay the house so long, but this is a difficult bill to deal with.

Hon. Mr. Aseltine: That is what we are here for.

Hon. Mr. Lambert: You are doing very well.

Hon. Mr. Bouffard: The present subsection 4 of section 645 of the Canada Shipping Act gives to the Governor in Council the authority to make orders or regulations for the Government and regulation of any part or parts of the inland, minor or other waters of Canada, and for the licensing of operators of vessels on such waters.

That means the regulation of small craft which may operate on lakes and rivers, in many cases where there are bathing facilities, and also where there are many summer hotels and cottages to which tourists would be attracted.

The purpose here is to enable the Governor in Council by order or regulation to prohibit or limit the navigation of vessels up to 15 tons gross tonnage on three general grounds, either in the interest of public safety or for promoting or ensuring the effective use of such waters in the public interest or for the protection or convenience of the public.

I believe it is not necessary to dwell at any length on the safety aspects of this proposal. What is intended here primarily is to supplement the provisions of section 226A of the Criminal Code, which deals generally with the dangerous operation of small vessels. This provision of the Code, which was directed particularly at operators of power boats, was enacted in 1961 because of the alarming number of boating accidents attributable to the dangerous operation of power boats and the necessity for providing effective deterrents to such operation.

The control of power-boat operations, particularly in the interests of public safety, has been the subject of consultations over the past several years by officials of the Department of Transport with the R.C.M.P., provincial governments and representatives of boating organizations, and also with people engaged in the boat-building and the tourist industry.

Just about a year ago a conference to deal with this subject was convened in Ottawa, at which all the provincial governments were represented. The delegates to this conference expressed a keen interest in the problem and indicated the willingness of their governments to co-operate so far as practicable in its solution. There was general agreement that the educational program undertaken by the Department of Transport was serving a most useful purpose and should be continued, and also that the amendments

to the Criminal Code to which I have referred would facilitate more effective control. However, the view was expressed on behalf of most of the provinces that we should go further and secure the necessary legislative authority to prohibit or restrict the operation of power boats, particularly where this was required in the interests of public safety, but also in other cases where the public interest generally required it. Reference was made to the importance of such prohibition or restriction, in a relatively limited number of cases, in the interests of fish and game conservation; to protect wild life sanctuaries and to secure the greatest benefit to the greatest number in the recreational use, particularly of those of our inland lakes in which navigation serves no commercial or other economic end. Quite persuasive arguments were advanced in favour of providing the necessary authority to prohibit or restrict the use of noisy high-powered boats on small and secluded waters where their operation constitutes a nuisance to the local residents.

Some Hon. Members: Hear, hear.

Hon. Mr. Bouffard: That is the purpose. This does not affect the convention, but it is for the benefit of all people who are subjected to a lot of nuisance in that respect on very small lakes and rivers, where they have bathing beaches which are used by children and local people, and where a hotel might receive a lot of tourists, where they have an organized beach for bathing purposes but cannot use it because of the danger that might arise from the operation of these small craft. It is for the protection of these people that more authority is given, even to go as far as prohibition or restriction of navigation in these rivers and lakes.

In so far as clauses 3 and 5 are concerned, I understand these are the most contentious sections of the bill.

Clause 3 amends section 114 of the act, to the effect that large fishing vessels will be required to be in the charge of certificated personnel. Representatives of the fishing industry have been consulted over a period of years on this matter, and there is general agreement that this measure is a desirable one. There is still some difference of opinion, however, as to the standards which should be required of the persons in charge of such fishing vessels. Representatives of the fishing industry on the east coast feel that the department's suggestions do not go far enough, while those on the west coast wish the suggested standards to be lowered. For this reason it is requested that this clause of the bill shall come into effect on a date to be proclaimed by the Governor-in-Council. This will permit us, we hope, to reconcile the views expressed by the two parts of the industry.

Clause 5 provides an additional section 116A to permit the Governor-in-Council to make regulations respecting the certificates of competency and service to be held by masters and mates of fishing vessels.

I would point out that a certificate of service is a certificate which would be issued to those fishermen who have already served in the capacity named for a designated period of time, and such certificates would be issued on the basis of that service only without further examination. That is, they will not send away people who have had experience in fishing vessels, whether or not they have or could get a certificate. They will not be subject to any further examination and they will have a certificate of competency which will enable them to continue in their livelihood. I am given to understand that we may rest assured nothing in these clauses of the bill could have the effect of suddenly depriving a serving fisherman of his livelihood, as such.

The clause concerning the improved qualification of officers lowers the tonnage from 150 tons, which it used to be, to 25 tons. Some people on the east coast do not desire the same thing as those on the west coast. That is why the section is going to be put into force by proclamation, after the possibility of coming to an agreement has been further discussed. This may be the most contentious clause of the bill. It will go to committee, like the rest, and the reasons why the tonnage has been lowered that way will be given by the officers who for a long time have discussed these matters with the owners of fishing vessels. Honourable senators, I thank you very much for allowing me to take so much of your time. I have done my best to give you an explanation. It is not complete, but it will be completed before the committee to which the bill will be referred.

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

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Friday, March 13, 1964

The Senate met at 3 p.m., the Acting Speaker Hon. Arthur L. Beaubien in the Chair.

Prayers.

BUDGET SPEECH

ACCOMMODATION FOR SENATORS IN COMMONS GALLERY

The Hon. the Acting Speaker: Honourable senators, as previously announced, the Minister of Finance will deliver his Budget Speech in the other place on Monday next, March 16, at 8 o'clock in the evening.

May I be permitted to remind honourable senators that none but senators will be admitted to the Senate gallery of the House of Commons on that occasion. This arrangement is being made for the purpose of providing accommodation in the gallery for as many senators as possible. In this manner, senators will not be excluded from the gallery because of many of the spaces being occupied by relatives and friends of senators.

May I add that such instructions were first issued in 1931 by the then Speaker of the Senate, the Honourable P. E. Blondin, and this practice has been followed ever since by succeeding Speakers.

DOCUMENTS TABLED

Hon. John J. Connolly tabled:

Copies of Statutory Orders and Regulations published in the *Canada Gazette*, Part II, of Wednesday, March 11, 1964, pursuant to section 7 of the Regulations Act, chapter 235, R.S.C., 1952. (English and French texts).

HIGH COMMISSIONERS IN CANADA

NOTICE OF INQUIRY

Hon. Jean-François Pouliot: Honourable senators, I have two questions to ask. If the first one, which contains four different parts, cannot be answered completely, I should like to receive whatever answers can be given. However, I presume that all the questions can be answered. The first question is:

1. Are the High Commissioners to Canada for
   (a) the United Kingdom of Great Britain and Northern Ireland,
   (b) Australia,
   (c) Ceylon,
   (d) Ghana,
   (e) Malaya,
   (f) New Zealand, and
   (g) South Africa

qualified as electors in virtue of the Canada Elections Act, (R.S., c. 39, as amended), inasmuch as they comply with the provisions of section 14 of the said act?

2. Are the British subjects referred to in No. 1 enjoying in Canada the same public rights as Canadian citizens do, upon the same conditions?

3. Is the political status of a British subject the same in Canada as in any other part of the Commonwealth?

4. If not, are there any
   (a) degrees, or
   (b) differences in the British nationality and what are they in each country?

I could not answer No. 4 myself. I think, but I am not positively sure, that I could answer the first three questions. As I am not positively sure, I put them on the Order Paper.

PARLIAMENTARY RULES AND ORDERS

NOTICE OF INQUIRY

Hon. Mr. Pouliot: My second question is:

In 1963, were there any copies of *The Rules of the Senate of Canada* and of *The Standing Orders of the House of Commons of Canada* at the Ottawa libraries of the Department of Justice and of the Supreme Court?

This one is easy to answer.

EMERGENCY SITTINGS

AUTHORITY TO CONVENE SENATE DURING ADJOURNMENT

Hon. John J. Connolly moved, with leave of the Senate, seconded by the honourable Leader of the Opposition (Hon. Mr. Brooks):

That, for the duration of the present session of Parliament, should an emergency arise during any adjournment of the Senate, which would in the opinion of the Honourable the Speaker warrant that the Senate meet prior to the time set forth in the motion for such adjournment, the Honourable the Speaker be authorized to notify honourable senators at their addresses registered with the Clerk of the Senate, to meet at a time earlier than that set out in the motion for such adjournment, and non-receipt by any one or more honourable senators of such call shall not have any effect upon the sufficiency and validity thereof.

He said: Honourable senators, this is a motion which is made in anticipation of adjournments for any period of time. It is also

a motion which is available and useful for the Senate in the event that the Senate has to be called into emergency sitting during an adjournment, even if it is a short one.

Hon. A. J. Brooks: Honourable senators, we all recognize that the motion which the honourable Leader of the Government has made is a useful one.

While we are discussing adjournments, I wonder if he could give some idea as to when we might expect to adjourn for the Easter recess. I know that honourable senators are concerned about transportation and reservations.

Furthermore, when giving that information, could he say just what business we might expect between now and the recess?

Hon. Mr. Connolly (Ottawa West): Honourable senators, I will try to answer as fully as I can. As honourable senators know, it is proposed that the other place will adjourn for the Easter recess on Thursday, March 26 and resume on Monday, April 6. The Senate of course will be adjourned during that period.

As honourable senators know, it is proposed that on Monday night next the Minister of Finance will bring down his budget in the other place and under normal circumstances, the budget debate would follow very shortly after. The debate on the budget will prevent any real progress being made in the House of Commons on its legislative program. I understand that there are two bills before that house for consideration today. One is an interim supply bill and the other is a bill regarding the last of the supplementary estimates.

I am hopeful that these bills will reach us next week. If these hopes are justified, I think we could arrange for royal assent some time next week or early the following week, well in advance of the time that we adjourn here for Easter. Therefore, we must provide time for those matters to be considered and for the royal assent to be given.

As all honourable senators know, we have on our Order Paper now substantially the following matters—I say "substantially" because there are some bills which are ready or nearly ready for third reading in addition to those which I will mention now. First, there is the Canada Shipping Act; secondly, the Harbour Commissions bill; thirdly, the Blue Water project bill; and fourthly, the motion for an address in reply to the Speech from the Throne.

I would personally express the hope, which I think may be shared by all honourable senators, that we could conclude the address in reply to the Speech from the Throne before our Easter recess. It is proposed that the bill to provide for the establishment of Harbour Commissions will be explained at the earliest of sittings next week, and find its way to committee.

Hon. Mr. Brooks: We have already dealt with that, have we not?

Hon. Mr. Connolly (Ottawa West): Yes. I was about to say that last year the Standing Committee on Transport and Communications gave an extensive amount of consideration to this legislation, and therefore the bill should not necessarily take up too much time.

The Blue Water Bridge bill, which comes to Parliament as a result of certain negotiations between this country and the United States, concerns the bridge at or near the City of Sarnia, in Ontario, and Port Huron, in the State of Michigan. I would hope that this bill would be explained on second reading some time next week, and referred to a committee for further consideration. Without in any way suggesting to honourable senators that this must be done, I would think that these bills could reasonably be expected to get full consideration and passage by the Senate before the Easter recess.

I am hopeful that the same result will be possible with the Canada Shipping Act, but it may not. The bill itself has already been explained, and there will be speeches on it this afternoon. The proposal is that the debate on second reading be adjourned until early next week for further brief remarks, and then be referred to the committee. I am informed that there are many interested parties from various parts of the country who would like to make representations in respect of certain sections in the Canada Shipping Act. I know all honourable senators will feel that the forum we provide for legislation of this kind to interested parties is most valuable, and we want to give all these parties an opportunity to present their views. Whether or not this can be accomplished within the two weeks available between now and Easter, I am not in a position to say. Some of these representatives will come from far-distant places, but as soon as the bill has been given second reading in the house, instructions will be given to the Chief Clerk of the Committees to notify all interested parties, and the committee will then be assembled.

Hon. Mr. Reid: Has this bill been before the House of Commons?

Hon. Mr. Connolly (Ottawa West): No. These are all measures which have been introduced in the Senate. Perhaps I should add, and I am sure all honourable senators will be delighted to know this, that the distinguished

chairman of our Transport and Communications Committee, Senator Hugessen, expects to be back with us next week.

Hon. Senators: Hear, hear.

Hon. Mr. Connolly (Ottawa West): Having said this, I am sure that all honourable senators will agree that the emphasis which we want to place upon this matter of work and adjournment should first be upon the reasonable dispatch of business, and secondly upon adjournment. I would feel that, in view of the situation in the House of Commons and the intervention of the budget debate, we probably will not have enough work before us when the time arrives for the Easter recess to expect the Senate to reassemble, unless an emergency arises, at the same time as the House of Commons. I would not like to be pressed as to how much longer we might adjourn than the House of Commons for the Easter recess, but it is likely to be for a longer period; but I emphasize that it will be because the Senate at that time will have completed the work on its Order Paper.

Motion agreed to.

THE ROYAL FAMILY

BIRTH OF A PRINCE—ADDRESS TO THE QUEEN

The Hon. the Acting Speaker informed the Senate that the following message had been received from the House of Commons:

> Resolved: That this house do concur in the Address of the Senate to His Excellency the Governor General, respectfully requesting that His Excellency may be pleased to transmit the Joint Address to Her Most Excellent Majesty the Queen offering congratulations on the birth of a Prince; and
>
> That the words "and Commons" be inserted in the said Address from the Senate.
>
> Ordered: That a message be sent to the Senate informing Their Honours that this house doth unite with the Senate in the said Address.
>
> Léon-J. Raymond
> Clerk of the House of Commons

TRANS-CANADA AIR LINES ACT

BILL TO CHANGE NAME—REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the report of the Standing Committee on Transport and Communications on Bill C-2, respecting the Trans-Canada Air Lines Act, which was presented yesterday.

Hon. John J. Connolly, on behalf of Hon. Salter A. Hayden, moved adoption of the report.

Report adopted.

THIRD READING

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

Hon. John J. Connolly: With leave, I move that the bill be read the third time now.

Motion agreed to and bill read third time and passed.

CANADA SHIPPING ACT

BILL TO AMEND—SECOND READING—DEBATE CONTINUED

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Bouffard for the second reading of Bill S-7, to amend the Canada Shipping Act.

Hon. Malcolm Hollett: Honourable senators, in rising to say a few words on the Canada Shipping Act, I do so in fear and trembling on this particular date—Friday the 13th. However, I should like first to take the opportunity of congratulating the six honourable senators who have been appointed to the Senate since last session, to whom I have not had the opportunity of publicly extending my congratulations. So far as I can ascertain, they all seem to be much younger men than the rest of us. I am quite sure, therefore, that they will be able to add considerably to the strength of this chamber, particularly in view of the fact they have all been active in public life and, I am told, most have been active in the political life of this country, which does not hurt them a bit, I think.

I certainly want to congratulate the honourable Senator Connolly (Ottawa West) on the high position he has reached in the Senate. Judging by his actions since he was elevated to this position, and gauging his ability by the excellent speech he made in the debate on the motion for an address in reply to the Speech from the Throne, I am convinced that he will do great credit to the high position he now holds and also to the Senate as a whole.

Honourable senators, the bill before us is an act to amend the Canada Shipping Act. As we all know, this act has been amended many times; it now contains between 700 and 800 sections. It is an act which reflects very much upon the economic welfare of this country. I have looked very carefully through the amendments which are set forth in the bill, and I feel quite sure that most of them will greatly tend to improve the Canada

Shipping Act, and will give much wider protection to the seamen on our ships as well as to the companies who operate them.

However, there is one section to which I wish particularly to make brief reference at this time, and that is section 28. This section repeals paragraph (a) of subsection (2) of section 495A of the act. As you will remember, under that particular section the Governor in Council could make regulations to give effect to the provisions of the International Convention for the Prevention of Pollution of the Sea by Oil.

In that particular section, which was passed in 1956, there was prescribed a fine not exceeding $500 or imprisonment not exceeding six months, or both fine and imprisonment, to be imposed upon summary conviction as a penalty for violation of a regulation made with regard to the oil pollution of our coastal waters.

We in Newfoundland, particularly, are very well aware of the extensive destruction in the past of sea birds of all kinds as a result of the contamination of the sea by oil discharged from ships passing around our coasts to the various ports on the Atlantic seaboard. It is a well-known fact that year after year reports have been made of the destruction of many thousands of sea ducks, terns and other wild birds which have to dive into the sea for their food. Once these birds alight on a patch of oil which has been thrown overboard from a ship they are, in nine cases out of ten, never able to take flight again. Nor, indeed, is such a bird able to dive beneath the surface of the sea for its food; the cold sea water penetrates through the feathers and down, and as a result the birds die from exposure. The destruction of these birds around the coasts of Newfoundland has been terrific and disgusting. If you go down on the beaches you see the wind driving in dead birds covered with oil. Mind you, I have to point out that in the past, but not so much now, many of our people on the seacoast had to use these birds for food.

Hon. Mr. Connolly (Ottawa West): Would the honourable senator mind my asking a question? Can he tell us what it is that the oil does to the bird that causes this damage?

Hon. Mr. Hollett: The bird has a natural oil of its own which it puts on its feathers and on its down, but this dirty old oil from the ship destroys the effect of that and makes the feathers and the down leaky so the water gets into the flesh of the bird. That is my understanding.

On the 11th April, 1962 there was held at London a conference of the contracting governments to the International Convention for the Prevention of Pollution of the Sea by Oil. Such a conference had previously taken place in 1954, but in 1962 it again met to consider and adopt certain amendments to this convention. It was made up of some 14 nations bordering on the Atlantic Ocean. Among the various other articles adopted, these nations agreed generally that all areas within 50 miles from the nearest land should be prohibited zones with regard to the dumping of waste oil from the many ships using the waters. The term "nearest land" means "the base line from which the territorial sea of the territory in question is established in accordance with the Geneva Convention of 1958."

I note that along the Canadian Atlantic seaboard, and this includes Newfoundland, the distance of prohibition now is 100 miles. This will make quite a difference if a ship should happen to dump oil accidentally or otherwise. If it should do so outside the 100 mile limit, it may not do quite as much damage.

Since April 1962 we have had need of a section such as the one about which I am speaking, section 28, subsections 1 and 2 of the amending act, and I am very happy indeed to see it now coming into force. Under the rules of the convention, it was left to the various countries bordering upon the Atlantic to make regulations which would tend to help enforce the observance of these prohibited areas by the various ships sailing in these waters. You will notice that the main purpose of this particular amendment is to increase to $5,000 the maximum penalty provided for the infringement of these regulations. In other words, the fine is increased from $500 to $5,000. This amendment is long overdue, and I am sure it will be welcomed by everybody who knows the wilful and terrible destruction caused to the bird life along the shores of this country in the past. All that now remains is the proper enforcement of this particular section.

Referring to article VIII of the convention, which is dealt with by clause 28 of the amending act, and about which there was some confusion yesterday, because in the original convention there were only 18 articles whereas in this particular amending act we have 35 sections, one of the amendments agreed upon by the governments of 14 countries bordering on the Atlantic reads as follows:

> 1. Each contracting Government shall take all appropriate steps to promote the provision of facilities as follows:
>
> (a) according to the needs of ships using them, ports shall be provided with facilities adequate for the reception, without causing undue delay to ships, of such

residues and oily mixtures as would remain for disposal from ships other than tankers if the bulk of the water had been separated from the mixture;

(b) Oil loading terminals shall be provided with facilities adequate for the reception of such residues and oily mixtures as would similarly remain for disposal by tankers...

And indeed, by all ships entering for repairs.

I have a note here which says "See also section 2," and if you do not mind, honourable senators, I will refer to that. You will find it in the International Convention for the Prevention of Pollution of the Sea by Oil, 1954, as amended in 1962. It is also part of article VIII. Again I would remind you that this was agreed to by the Canadian Government, since it was signed in 1962 by three gentlemen from the Department of Transport. It reads:

(2) Each Contracting Government shall determine which are the ports and oil loading terminals in its territories suitable for the purposes of subparagraphs (a), (b) and (c) of paragraph (1) of this Article.

(3) As regards paragraph (1) of this Article, each Contracting Government shall report to the Organization, for transmission to the Contracting Government concerned, all cases where the facilities are alleged to be inadequate.

Where the article says "Organization" it means the organization for the international convention.

Now, that is a very important article of the convention. It was not my understanding that the requirements of the particular section which I have read to you, or of article VIII as a whole, have been carried out. I quoted this article merely to raise the question as to how many such ports along our Atlantic seaboard have such facilities, and where the facilities provided are inadequate. In other words, when a ship comes into port, be it a tanker or any kind of vessel which has residue oil in her bilge or somewhere in her hull, according to this international agreement the port of entry must have facilities to enable her to discharge the waste oil. It is my understanding and, indeed, it is the explanation given of clause 28, that the purpose of this amendment is to authorize the amendment of the oil pollution prevention regulations in conformity with certain amendments to the International Convention for the Prevention of Pollution of the Sea by Oil, 1954, and adopted on April 11, 1962, by the conference I have mentioned.

I am wondering what adequate facilities there are in existence at either Halifax or Saint John, New Brunswick, or indeed at St. John's, Newfoundland, or at Holyrood, Newfoundland, for the reception of such residues and oily mixtures referred to in article VIII, and to which Canada has given her approval.

Off the cuff, I have been told that there are no facilities available, but this convention states, and it is agreed upon by 14 nations, that these facilities must be available. It says also that the contracting nations must report about any ports that do not have these facilities.

Hon. Mr. Isnor: May I ask a question? Who is responsible for determining this, the oil companies or the authorities of the ports providing the facilities?

Hon. Mr. Hollett: It is the government of the particular nation concerned. It says "The Contracting Government shall determine which are the ports and loading terminals in its territories suitable for" the various purposes.

Hon. Mr. Connolly (Ottawa West): Does it go on to say there that they shall provide facilities? I am asking for information only because I am not familiar with the article.

Hon. Mr. Hollett: I shall read the article again.

1. Each Contracting Government shall take all appropriate steps to promote the provision of facilities, as follows:

So I take it that it is really up to the Government.

Now, honourable senators, there are many other amendments to the Canada Shipping Act proposed in this particular bill. I have given them careful study, and I commend the Government—and I do not often commend the Government—for having brought them in.

Hon. Mr. Connolly (Ottawa West): The breeze is soft.

Hon. Mr. Hollett: No interruptions, please.

Consequently, in supporting section 28 I support most of the other sections, which I have read very carefully and which I am sure will assist in carrying out the safety regulations. There are many safety regulations relative to mariners in this which I am not referring to at all because I think everybody will approve of them; the articles and regulations were agreed to not only by Canada but by all other Atlantic nations in 1962 when they met at London.

Incidentally, that was signed, as I said before, by three civil servants from the Department of Transport. The first signature I notice is that of Mr. Cumyn who is a very fine gentleman.

There are two or three reservations I wish to make in regard to these amendments, which seem important to me, and I am quite sure that my honourable friend from Nova

Scotia (Hon. Mr. Kinley) is going to agree with me with respect to at least one of them. I refer expressly to section 3 of the amending bill which repeals section 114(1)(b) of the Canada Shipping Act, and substitutes another paragraph. Most honourable senators, I am sure, are familiar with section 114(1)(b) of the Canada Shipping Act. It states:

> Every British ship except . . .
>
> (b) ships solely employed in fishing, and other ships principally engaged in fishing not exceeding one hundred and fifty tons gross tonnage, . . . shall when going from any place in Canada be provided with masters and mates duly certificated according to . . .

a certain scale.

I am at the moment referring in particular to Newfoundland and to fishing vessels there of under 150 tons gross which do not at the moment require certificated masters and mates. However, section 3 of the amending bill provides that all fishing vessels of over 25 tons shall require such certificated masters and mates, and indeed from looking at section 4 it would appear that such ships, particularly motor-driven fishing vessels, would require also a chief engineer.

Honourable senators, what effect such an amendment as this will have on the fishing fleet in Newfoundland I am not yet in a position to fully estimate. I made certain inquiries relative to our registered ships in Newfoundland, and at this juncture I would like to pay tribute to the officials of the federal Department of Transport, the federal Department of Fisheries and of the Registry of Shipping here in Ottawa, as well as to the Assistant Registrar of Shipping in St. John's. I have been in contact with all of these people in regard to this bill in order to get certain facts that I needed. These officials have been most cooperative, and I would like to pay tribute to their efficiency and willingness to assist in giving any information which was within their power to give. All of them, and particularly those I have met, do credit to the Civil Service of Canada.

I gather from the information that I received that, as of January 1, 1964, the number of ships of all descriptions registered in Newfoundland total 810, with a total gross tonnage of 82,000 tons. Of this number, I believe there are 437 vessels of all descriptions, the gross tonnage of which exceeds 25 tons, and of these—these are the important ones so far as this amendment is concerned—there are some 164 ships of over 25 tons gross that are described as fishing vessels.

The records of the federal Department of Fisheries show that 79 licences have been issued to Newfoundland fishing vessels; that is, to the larger trawlers which trawl on the Grand Banks and elsewhere, most of which are over 150 tons. An additional 42 ships were operated last year as Labrador cod-trap floaters. For those honourable senators who do not know what a Labrador cod-trap floater is, I will say it is a small fishing vessel of from 30 tons to 100 tons. These vessels go to Labrador with their cod traps. They have a smaller crew. They set out their traps and live on the boat. That is why they are called floaters. There are 42 such ships, and each of these would be under 150 tons.

Of the 437 ships of over 25 tons, there were up to 200 laid up last year. That is to say, there were up to 200 ships that did no fishing; they were tied up. Another 75 vessels were probably engaged in non-fishing activities.

A reasonable figure, therefore, for the number of fishing vessels of over 25 tons gross that are actually operating in the Newfoundland fisheries would seem to be about 150. Of these 150 ships only five fishing vessels have certificated masters and only one fishing vessel has a certificated mate. If this particular amendment becomes law as it reads, then I would point out that there are early 150 ships in Newfoundland which will not be able to fish next year unless they are commanded by a certificated master and mate. That is what worried me when I first read this. If this amendment goes into effect as it reads, it could bring about a hardship to, if not the extinction of, a large number of fishing-boat owners in Newfoundland.

To what extent this enactment will affect them, I am not in a position at the moment to say, but if honourable senators will turn to section 5 of this bill they will see that it authorizes the Governor in Council to make regulations respecting the types of certificates to be held by masters and mates of fishing vessels, as well as the qualifications and examinations of applicants for such certificates. The end result, therefore, must depend on what the particular regulations are going to be.

It is rather strange to me that anyone would insert in a bill a provision which, if carried out, would do such damage, and then insert another section saying that regulations will be made to take care of that, without giving the regulations. However, I have made inquiries, as I told you, and I have been assured—but that does not mean that the Senate or the Government has been assured; and here again I pay tribute to the Department of Transport for the information they gave me—that the proposed regulations under section 5 will provide for the issue of certificates of service without any examination whatsoever to fishermen who are in command at the coming into force of such regulations. As I have said, I find it rather strange that

this should be gone about in this way. However, it is the only salvation of the fishing fleet that I can see.

Hon. Mr. Aseltine: They can get in by the back door.

Hon. Mr. Connolly (Ottawa West): It is an easy examination.

Hon. Mr. Hollett: I am talking about the man who has been fishing for the past 10 or 20 years and who knows nothing about navigation except what is necessary to sail his ship. He has not a master's certificate. If that particular section were passed into law without the so-called regulations that are going to be made, then he is ruined because he cannot fish any more. However, the regulations will provide for the issue of certificates of service without any examination whatsoever to fishermen who are in command at the coming into force of such regulations.

I am also given to understand that these regulations will be enforced for a period of at least five years after the proclamation of this act. I would assume, therefore, that the department concerned will be keeping a close watch on the effect of such amendment as we have here. In other words, these regulations will protect these fishermen for five years, but after that we do not know what will happen.

As I pointed out, there are many fishermen today who have never studied navigation and who are not certificated masters or mates, but are sailing their own vessels which are over 25 tons. I sincerely trust that the regulations, when complete, will protect them and, indeed, any other fishermen who in the meantime take it upon themselves to sail their vessels to the Labrador and other areas to learn their livelihood.

I would like honourable senators to refer also to section 35. Incidentally, I take it this bill will go to committee and that certain information which we ask for will be forthcoming.

Hon. Mr. Connolly (Ottawa West): Yes, indeed.

Hon. Mr. Hollett: Honourable senators, it has been indicated to me that the honourable Leader of the Government wishes to make an announcement on an urgent matter. I therefore yield to the honourable Leader.

Hon. Mr. Connolly (Ottawa West): Honourable senators, I appreciate the courtesy of honourable Senator Hollett in allowing me to interrupt his speech. With the unanimous consent of the house, I should like to make a statement at this time.

Hon. Senators: Agreed.

INTERNATIONAL PEACE-KEEPING FORCE

PROPOSAL FOR CANADIAN PARTICIPATION—CYPRUS SITUATION

Hon. John J. Connolly: Honourable senators, a statement has been made in the other house which I think should be made in this chamber at this time. I would like to read it in the form I understand it was made there. It deals with the Cyprus situation and the constitution of a United Nations force, to which it is proposed Canada should make a contribution.

This is the statement.

The Government expects to hear very shortly that a United Nations force will have been constituted for peace-keeping duties in Cyprus, with at least two member states contributing forces, in addition to those of the three guarantor states—Britain, Greece and Turkey.

This comes when information we are receiving in the Government emphasizes the great importance of United Nations intervention at a time of deterioration in the situation in Cyprus.

Honourable senators, if the announcement is received from New York before 6 o'clock tonight, I shall ask the Senate to be available and convene for the purpose of giving consent to consider at that time, or at the earliest convenient time thereafter, a resolution in which we would join with the House of Commons, if they pass it, approving a Canadian participation in the United Nations peace-keeping force, in a manner described in the resolution which is to be proposed.

In any event, the resolution will be placed on the Order Paper, so that it can be discussed in the other place on Monday, if no word is received from the United Nations headquarters in New York this afternoon. If the resolution appears on the House of Commons Order Paper, it will reach us in due course, as all honourable senators understand.

It is also proposed that an R.C.A.F. plane should take off this afternoon for Cyprus with a small party of Canadian officers. They will report to General Gyani, the United Nations military representative at Cyprus, and will secure from him information about facilities and administration arrangements in Cyprus for the Canadian United Nations contingent, if and when one goes forward, as is now expected.

This will be a purely reconnaissance group and a fact-finding mission, to expedite and facilitate later moves that may have to be made.

I further suggest, honourable senators, that if necessary, when we conclude the business on our Order Paper this afternoon, it may be

necessary to adjourn during pleasure to reassemble at the call of the bell around 6 o'clock.

I think this would serve the situation adequately at the moment.

Honourable senators, I thought you should know what the proposal would be. I may say that I was talking earlier today with the Leader of the Opposition (Hon. Mr. Brooks) about this situation.

Hon. Mr. Brooks: Honourable senators, I take it the understanding is that unless we hear something definite from New York before 6 o'clock, there will be no call, but if we do we will be called at 6 o'clock. Could the honourable Leader of the Government say whether we might expect to be called later this evening?

Hon. Mr. Connolly (Ottawa West): I should think that by 6 o'clock we would know whether any action is required today or tomorrow. If at that hour it seems perfectly clear that the other house will defer action until Monday; then, in view of this emergent situation we will have to adjourn, depending upon the news we receive, to Monday or some appropriate time.

I thank the honourable Senator Hollett again for his courtesy.

CANADA SHIPPING ACT

BILL TO AMEND—DEBATE CONTINUED

Hon. Malcolm Hollett: Honourable senators, the announcement which has just been made is so important that I am happy the honourable Leader of the Government asked me to suspend my remarks while he made the announcement. The end result of this situation, we cannot judge, but we are thankful to Almighty God that Canada is in a position today to help form a force for keeping the peace—a force, not for war, but for peace.

Honourable senators, I resume my remarks, and I shall not detain you much longer. I was referring to section 35, which amends section 671 of the Canada Shipping Act. As you know, that particular section prescribed that only British ships might carry goods and passengers from one place in Canada to another place in Canada, either directly or by way of a foreign port, each of which is on the Great Lakes or their connecting or tributary waters.

In the Canada Shipping Act, the term "British ships" included "Canadian ships." Not only did it include Canadian ships, but it included ships of the Commonwealth. However, this particular amendment makes no provision for other ships and, indeed, the purpose of the amendment is to provide that only Canadian ships may engage in the coasting trade of Canada between ports on the Great Lakes and the River St. Lawrence as far seaward as the present limits of the inland waters of Canada.

I am not sufficiently well versed to estimate what effect this new amendment will have, not only on our shipping on the Great Lakes but, also, with regard to our associations with other Commonwealth countries and, indeed, with the United States of America.

I merely mention it so that it might be brought properly to the attention of honourable senators. I do believe that under the Commonwealth Shipping Agreement all British and/or Commonwealth ships could engage in the coasting trade of Canada.

Similar legislation to section 35 was, I think, suggested by a former Minister of Transport in 1961. As it was 1961, I take it that would be under a Progressive Conservative Government. The intention then was to renegotiate a Commonwealth Shipping Agreement in order to exclude the Great Lakes from that agreement. I do not know if that has been done. Probably we will be told if it has been done. In any case, I think it will have to be done before this particular section can have the force of law.

In conclusion, honourable senators, I wish to stress three points.

First, oil pollution of our sea lanes and coasting water must be stopped and, if increasing the fine tenfold does not have the necessary effect, than I would implore the governments of the 14 nations of the Atlantic area to adopt sterner measures.

Secondly, the effect that section 35 of this bill will have on our trading relations with other countries.

Thirdly, let us do nothing to further impair our coastal and Labrador fisheries in the Atlantic provinces.

This we have to be careful about. Our Labrador fishing industry in Newfoundland was a thriving industry 30 years ago, but it is now reduced to about 50 ships. The Premier of Newfoundland, during the past two years at least, has been doing all he can to set up some kind of program to encourage our fishermen, and I understand that the Government is going to give attention to that program as quickly as possible. I have every confidence that in response to the appeal to the Government, it will act sensibly. An indication of its desire to do so is that last session, after the Harbours Commission bill had been before the Senate and was studied in committee, certain desirable amendments were recommended. I have seen the bill which was introduced in the Commons, and I was happy to note that the present amending bill is much more satisfactory to everybody.

I sincerely hope that any criticisms we may make on this bill to amend the Canada Shipping Act will receive the same second look—we have been told that this is what we are here for—and I have every confidence that that will be done, because this act is all important for the well-being of the greater part of Canada.

Honourable senators, anything having to do with shipping affects me personally, not in a business way but because I was born a fisherman. I fished on the Labrador coast when 13 years of age—I don't think anyone else here can make that claim—and my ancestors were fishing in Newfoundland as long ago as 300 years or more. So the question of the fishing industry is important to me. I hope that every consideration will be given to these amendments, most of which are excellent and do credit to those who drafted them. All I ask is that the two or three matters I have mentioned be reviewed and considered.

Hon. John J. Kinley: Honourable senators, this is a comprehensive bill. As one who is from the Maritime provinces, I can assure you it is of great interest in that part of Canada.

I listened with interest to the remarks of the honourable senator from Burin (Hon. Mr. Hollett), and I agree entirely with his statement about pollution of the sea by oil.

I was a member of the Transport and Communications Committee, along with several other senators from the Maritimes, when this matter was discussed. At that time we discussed what other countries were doing to protect their coasts against pollution. We could get them to accept only a 50-mile limit. I am glad that by the convention of 1962 a 100-mile limit has been arranged, although I feel the limit should be more extensive than that.

In the committee we learned that England had a 1,000-mile limit, because apparently the Gulf Stream is responsible for polluting their Atlantic coast even at that distance. The convention did not succeed in getting the United States to agree to a limit of protection of our coasts to a greater extent. Newfoundland suffers badly from pollution of its coasts by reason of the Gulf Stream. I recall speaking to Senator Bradley during the course of the meeting to which I have referred, and he pointed out that the oil floating near the coast and on the banks was disastrous to birds, because when their wings become saturated with oil they are unable to fly and become short of food.

With regard to the future, many of the ship repair firms are installing tanks in their plants to contain this oil. I know that in our part of the country they install tanks when a ship is repaired; we cannot put them in the harbour because the oil gets down around the wharves; they get saturated with oil, and become a fire hazard on the waterfront. Also, it is harmful to fish, and has a bad effect on communities generally. I agree with what Senator Hollett said with regard to pollution by oil. I hope that eventually we shall find a place to store it, or a means of forcing these vessels to stay farther out to sea when they discharge oil.

Like the honourable Senator Hollett, I am very much interested in section 3. In our province we also have hundreds of fishing skippers in vessels of 150 tons. In fact, most of the deep-sea fishing fleet is composed of vessels of 150 tons or more. However, a vessel, to fish in the wintertime, should be 90 feet long—and that is about 150 tons. We have the same problem as that of Newfoundland. We have many men who are eminently qualified, but who do not have certificates. That problem has been with us for some time. It is on the statute book that if a man, within 10 years of the date of his application, has been 12 months on a ship, he can apply for a certificate, and if he is proved to be a sober man on board ship and of good character he can apply for an examination, one which will be very easy for him to pass, because these fishing skippers are highly efficient and successful men. Many of them enjoy an income which I believe would compare well with some of our senators. But they have to work hard for it.

I was delighted to hear the speech by the honourable senator from Grandville (Hon. Mr. Bouffard) yesterday. He is a lawyer of distinction, and I am sure that what he said will be read in Senate *Hansard* with great interest by people in my part of the country. I am sure that it will prove to be a book of knowledge, which they will read carefully and remember. The Canada Shipping Act deals with complex problems, and we were fortunate in having a senator of the eminence of the honourable Senator Bouffard, who lives in Quebec, sponsor the bill and to place this information before the house.

Honourable Senator Hollett proceeded to discuss section 35, which I think is the important section of the bill. It is a new step forward in that it shows that for the first time we are giving some support and protection to our coastal service in Canada. The United States, as well as other countries, protect their coastal service. Canada, under the influence of Great Britain, has for many years been rather wide open in the operation of its coastal trade.

This is quite a long story. The statute book of 1932 contains the Statute of Westminster,

dated December 11, 1931. The British Commonwealth Merchant Shipping Agreement is dated the day before the Statute of Westminster. While the Statute of Westminster was our emancipation, we were tied up with the British on our coastal trade the day before, and that has been the position ever since.

The honourable senator spoke about what this measure would do to Newfoundland. I have been concerned for quite a while about the difference between our problem and that of Newfoundland, because Newfoundland is on the way from England and Europe, and ships coming from Newfoundland—if we were protecting wholly our coastal trade—would be coasting between Newfoundland and the mainland of Nova Scotia. So you would have difficulty, because you would take away that service which comes from Europe and goes to Newfoundland, which you value highly. So we can see how it is going to be a benefit to Newfoundland to be excluded from that section of the bill.

The bill does not annul this statute. The Commonwealth Merchant Shipping Agreement is still in existence, except that part of it which extends to the British the privilege of our coasting trade in the inland waters of Canada. In so far as it refers to the St. Lawrence River and the Great Lakes, the British cannot enjoy the privilege unless they register their ships in Canada. Mark you, a British ship can be registered in Canada, because in the Canada Shipping Act, section 7(2), called "Optional Registration in Canada," says:

> Every British ship that is owned wholly by persons qualified to be owners of British ships and is not registered out of Canada may be registered in Canada—

I do not know whether the British will register ships in Canada. It depends on whether they have to have Canadian crews, and whether they have to bear the expense that we have to bear in order to operate our ships, because, as you know, their wages and operating expenses are lower. So it seems to me that in so far as that area is concerned the Canadians may have it to themselves.

Hon. Mr. Burchill: Can a ship be registerd in two countries?

Hon. Mr. Kinley: No. A ship would have to be registered in Canada if she wanted to go under that service. Until recently, it was always a British ship or a Canadian ship of British registry. Some time ago legislation was enacted which provided that only British ships built in Great Britain could qualify under this wording. They wanted their own ships built in Britain before they could gain this privilege over here. Now this act says only Canadian ships can ply betwen the limits set out in clause 35 of the bill. It says:

> (2a) Notwithstanding subsections (1) and (2), no goods or passengers shall be transported by water, in any ship other than a Canadian ship, from one place in Canada to another place in Canada each of which is on the Great Lakes or its connecting or tributary waters or on the River St. Lawrence or its connecting or tributary waters as far seaward as a straight line drawn
>
> (a) from Cap des Rosiers to West Point Anticosti Island, and
>
> (b) from Anticosti Island to the north shore of the River St. Lawrence along the meridian of longitude sixty-three degrees west.

This conforms with what is called the inland waters of Canada, in so far as the River St. Lawrence and the lakes are concerned. Inland in Canada now includes all lakes and rivers of Canada, as well as the St. Lawrence basin and the Great Lakes.

I think this will prove quite an advantage to the people along the St. Lawrence River. The Province of Quebec is most fortunate in having flowing through it the waters in the lower reaches of the St. Lawrence, as they come from the Great Lakes. We in the Maritimes know the value of trade of this kind, and I am sure that the citizens of the City of Quebec, where the honourable sponsor of the bill (Hon. Mr. Bouffard) resides, will regard this with much interest. As you know, the City of Quebec is about 200 miles from the sea, but there they still experience the ebb and flow of the tide twice in 24 hours. It is remarkable that that far from the sea they still have the waters of the Atlantic pushing in the tides—I think it extends as far as Trois Rivieres.

I look upon the City of Quebec as one of the unique cities of Canada. Coming up from the Maritimes on the train at night, one can look out and see it there on the hill. It is a majestic sight; and when you think of its history and traditions, and the fact that it now has this advantage for traffic, which I believe will be of benefit to them, it is indeed a favoured city. I say that because I think the City of Quebec is the focal point of the area that will be affected by this legislation.

One honourable senator asked yesterday if a ship could load, say, at Seven Islands and carry that load through the lakes to Cleveland or one of the cities in the United States. The answer is yes, because that is an international voyage. All this section of the bill says is that you cannot carry goods or passengers from one port to another in that section of Canada except in a Canadian ship.

How does it affect the Maritimes? Well, I do not know, but I size it up rather this way. All they are doing is stopping the British coming over at the moment; but our ships can go up there and Canadian ships can come down to the Maritimes.

Hon. Mr. Isnor: What do you mean by "our ships"?

Hon. Mr. Kinley: The ships of the Maritimes. They can go up the river to the lakes and come down. We are Canadian ships. There is not much we lose because in Nova Scotia we have always liked free trade, and it may be that ships coming from Europe will come to Nova Scotia instead of going up the river. I am not sure what this will do to us. I think it will help Newfoundland splendidly, and it may help the Maritimes. However, I would like to see it given a try, because it is something new and affords some protection for the coastal trade. For that reason, I believe it will be good.

With regard to the section dealing with the masters, or "mates", as they call them—I have never heard them called "mates"; we usually call them "second hands" down our way—I remember a few years ago this same question came up before the Senate Standing Committee on Transport and Communications. I was a member of that committee, as were many other honourable senators. The hearings were held in May 1956, and the following honourable senators were in attendance: Senators Hugessen, Aseltine, Beaubien, Bradley, Connolly (Halifax North), Connolly (Ottawa West), Euler, Gouin, Grant, Hardy, Isnor, Kinley, MacKinnon, McKeen, McLean, Molson, Paterson, Roebuck and Smith (Queens-Shelburne). We sat in committee for a few days and at the conclusion the minutes say this:

> Following discussion, and on motion of the Honourable Senator Kinley, seconded by the Honourable Senator Smith, it was resolved that clause 6 of the bill be deleted.

That is the bill that was going to reduce the tonnage of the ship from 150 to 15 tons, which could be in charge of a skipper who did not have a certificate. After discussing it with the transport officials, and after giving it consideration and having received many telegrams from the field—and I might add there have been many telegrams from the field in this instance—they came to the conclusion that these men were qualified by service and experience, and issued certificates to all.

In the days of sailing ships the master's job was more difficult and hazardous. Now they have engines and instruments which make it somewhat easier, but still these masters are good seamen and expert fishermen.

We must also remember that nowadays these ships cost about a quarter of a million dollars each. Do you think the owner would put such a ship in the hands of an incompetent master? We do not have many casualties. Furthermore, they work on shares down there, and if a skipper is not efficient he could have difficulty getting a crew. As I say, they are on shares and there is keen competition. Furthermore, these men are trained in the school of experience. How would we like it if we were called upon to pass an examination based on school work when we are 40 years old? These men know their work. Naturally, they fear the book work and the school work necessary to pass an examination of that kind.

I was very happy, as I am sure Senator Hollett was too, to hear Senator Bouffard say in his remarks:

> I would point out that a certificate of service is a certificate which would be issued to those fishermen who have already served in the capacity named for a designated period of time, and such certificates would be issued on the basis of that service only without further examination.

I was going to ask for an oral examination—they did it for me before when it was suggested. They sent examiners down and discussed the matter with the men; they examined them and found they were all eminently qualified.

> That is they will not send away people who have had experience in fishing vessels, whether or not they have or could get a certificate. They will not be subject to any further examination and they will have a certificate of competency which will enable them to continue in their livelihood. I am given to understand that we may rest assured nothing in these clauses of the bill could have the effect of suddenly depriving a serving fisherman of his livelihood, as such.

That is good news. I think that is a splendid thing. It means that the department is willing to co-operate. You must remember that if we had 50 skippers unemployed, the situation would be serious.

Hon. Mr. Aseltine: Why did they put it otherwise in the bill, if they are going to do it this way?

Hon. Mr. Kinley: Well, since the bill came up it would appear we have been doing a little homework. We have got an assurance

that this will be done. If I remember correctly, my honourable friend supported me the last time in my efforts to bring this about, and perhaps we will be able to do it this time.

Hon. Mr. Aseltine: I will support you again. But the point I do not understand is why the bill is drawn in this fashion when we are not going to comply with the provisions.

Hon. Mr. Kinley: I am not against education as such, but you have to recognize that people who make their livelihood there, and who have money invested, cannot be put on the beach. That would not be fair.

Hon. Mr. Hollett: Does the honourable senator think it is wise to bring in a bill containing a section which says so-and-so, and then to be told, off the record more or less, "Well, of course we are going to bring in regulations which will nullify that completely." Does the honourable senator think that is correct?

Hon. Mr. Kinley: I do not like the section of the bill, but I see a little light and I am glad to see it.

Hon. Mr. Connolly (Ottawa West): Do I understand the honourable senator to say that this certificate which is being discussed is a certificate of service? It is not a certificate of competency? Competence is implied, but it is not described as a certificate of competence.

Hon. Mr. Kinley: It is competence, because they were 10 years in the service. In the 10 years they have shown themselves to be able to do the work. To get a certificate of course they may have an examination, but it may be an oral examination.

We must remember that these skippers are men who can do things at sea, and while we like people to know things, it is also important to be able to do things. One can read in a book about running an automobile, but to be able to do it well one has to actually drive it. That is the situation with these skippers.

I would point out to honourable senators that we have little unemployment down our way; we are at times short of people for the work we are doing. That has been the situation for years. The people in my county would not accept the dole when it was given years ago because they said it was "poor money" and they would not take it. That is the kind of people we have down there. We are in the forefront of the fishing industry in Canada. The town of Lunenburg is a model for other sections of the coast. They recognize that fact. It must also be remembered that these skippers are really the managers of the schooners; they must succeed, and we value them highly.

Premier Smallwood is starting a college in Newfoundland, and I hear there may be a college in Nova Scotia. I have been to such a college in Lisbon, Portugal, but there they send a man to sea for six months, and then he alternates with the teaching. There, too, it must be remembered that most of the fishing is done in one-man dories.

When it comes to the engineer, we are a little more particular. When you talk of an engine of 600 brake horsepower, you have a highly developed engine that probably weighs 25 tons.

Hon. Mr. Horner: The engineer would have to be a Liberal.

Hon. Mr. Kinley: He usually is.

Hon. Mr. Connolly (Ottawa West): It would help him—it always does.

Hon. Mr. Kinley: He always was when I was in the field anyway. I would prefer to have one good engineer than two poor ones, because when you are at sea and something goes wrong the engineer becomes very important. I should like to discuss the question of the engineer in committee because it is only across the table one can really discuss these things and get good results.

Hon. Mr. Smith (Queens-Shelburne): I wonder if I might ask the honourable senator a question at this point? I am interested in knowing if he can tell us approximately what size ship it would be that requires over 8 nominal horsepower and 600-brake horsepower? What kind of ship are we speaking of?

Hon. Mr. Kinley: That is a good engine for a ship of 150 tons.

Hon. Mr. Hollett: Six horsepower?

Hon. Mr. Kinley: No, 600 horsepower. This is brake horsepower that we are talking about; not nominal horsepower.

Hon. Mr. O'Leary (Carleton): Where do these engineers get their training?

Hon. Mr. Kinley: I have been in the ship repair business for 50 years, and I must say that the ships sometimes take out men as engineers. We employ about 300 men, and I am sorry to say that we lose some of them because they go as engineers on ships. They are usually the younger men. However, we feel that a young man should improve himself when he has the chance. They get good training in the shops, and also good training on the ships. Mind you, honourable senators, they are important men.

Hon. Mr. Aseltine: Any farmer in Saskatchewan could run one of those engines.

Hon. Mr. Kinley: Sure, but he is on the shore and he has always someone beside him to advise him. An engineer on a ship is on his own.

I come now to this matter of limited liability. I think the limit of liability was 1,000 francs per ton for loss of property, and 3,000 francs per ton for loss of life. The Government has taken the privilege of evaluating the amount of liability in francs. I think this bill would raise the limit of liability from $75 to about $200 for the same kind of ship. In this respect, whether a vessel is under 300 tons or not it is presumed to be 300 tons, so there will be a larger amount of liability available if a small vessel is involved.

The convention for the protection of life at sea is good, although it affects only vessels for 300 tons and over. We all subscribe to it. I think the only thing that has been added to it are provisions respecting nuclear ships, which have to be considered in these days. That is included in this bill, and it is a good thing it is there.

Hon. Mr. Connolly (Ottawa West): Have they any in Saskatchewan, do you know?

Hon. Mr. Kinley: I do not know whether they have nuclear ships in Saskatchewan or not. However, a navy ship does not have to be a convention ship, and the convention does not include ships of under 300 tons. Of course, the regulations speak of cargo ships and passenger ships, but they are applied more particularly to passenger ships. I point out, however, that most cargo ships now have the privilege of carrying up to 12 passengers and, of course, they are taken care of.

The two main hazards at sea are fire and collision, and the convention is concerned with the protection of life at sea. We sometimes have trouble with the authorities in respect of life-saving boats. I once had a great deal of trouble with respect to the dory. I have had engineers tell me that when a boat is down in the water she is more stable; but in a high sea the waves will ride over a boat, whereas a dory will ride over the waves. The dory is the best kind of small life-saving boat, especially in the hands of a man who knows how to handle it.

I have been talking for too long already, honourable senators, but in closing I would just like to mention the coastal trade on the St. Lawrence. I agree with these measures in regard to it. The Americans protect their coastal fleet. They even see to it that they have their own nationals aboard. There is only one nation in the world with a higher standard of living than ours, and in connection with the St. Lawrence waterway I think we ought to have reciprocity with the Americans in respect to coastal shipping. If we had reciprocity with the Americans in respect to shipping we would get along more harmoniously on the seaway; it would be good for trade and good, I am sure, for the Maritime provinces.

I commend this bill to the house. We will have an interesting discussion on it in committee, where we will obtain much information. It is really an education to attend the sittings of the Standing Committee on Transport and Communications when men who have the departmental attitude and technical education are called before it. The committee can call on the experience of those who carry on the work, and I think we shall have this bill fully and completely explained to us there.

I might say, honourable senators, that this policy of closing the coastal trade is not new. It is the policy of this Government, but it was also the idea of the last Government. The Honourable Leon Balcer, a distinguished minister in the last government, discussed this policy and was going to introduce a bill, but dissolution of Parliament intervened. There is no political aspect to it. Both sides are in favour of it, and I think it will be passed into law without much trouble.

Hon. Donald Smith: Honourable senators, I hesitate to rise at this time and follow the voice of experience in matters of this kind. My honourable colleague from Queens-Lunenburg (Hon. Mr. Kinley), who is my next door neighbour in Nova Scotia, is well qualified to speak on this subject.

I have received some information from various sources with respect to certain parts of this bill. I have also had some correspondence and telegrams in connection with it, so I consider that I am in a position now to make up my mind as to what I think of some of the sections. Perhaps I may be in a position to offer some clarification of the effect of the bill, and particularly of section 3 with which Senator Hollett concerned himself, as did Senator Kinley. I might begin by making a short reference to section 35. Indeed, it is my intention to make my contribution to the debate very brief.

The purpose of section 35 is to provide that only Canadian ships may engage in the coastal trade of Canada. There may be some confusion as to why it is appropriate that the Atlantic provinces be excluded from the provisions of this amendment. My honourable friend from Queens-Lunenburg (Hon. Mr. Kinley) has covered that point to some extent, but I have been informed that it is quite important to certain segments of industry in the Atlantic provinces to continue to be excluded from such an amendment.

In the first place, it is my impression that most of the coastal trade between various ports in the Atlantic provinces is carried on by rather small freighters, nearly all of which, if my memory serves me correctly, are rather heavily subsidized by the Canadian Government. Of course, only ships of Canadian registry can qualify for such a subsidy. A great deal of cargo is carried between the ports of the Atlantic provinces, and, as my friend Senator Hollett can endorse, much of the traffic in Newfoundland is carried in Canadian-owned bottoms. This change will have no effect on cargo rates in the Province of Newfoundland or in any other Atlantic province. However, there is another advantage which I would like to mention.

Hon. Mr. Brooks: May I ask the honourable senator a question? Can he give us an idea of the amount of British tonnage in this coastal trade that would be affected? Does it amount to very much?

Hon. Mr. Smith (Queens-Shelburne): Honourable senators, I am glad to have that question asked of me. I think the actual tonnage now carried in British ships is small indeed. Perhaps there is none at all. However, there are certain rather important exceptions which I was about to give when the question was asked.

The exception that makes it most important to continue this exemption from such provision applies to the newsprint industry. To my knowledge there is now, perhaps to the dismay of some of our friends in Quebec and Ontario, being built up in our Great Lakes ports a newsprint business. Some of our newsprint mills in the Atlantic provinces are just now edging into that market, and many ships have left Cornerbrook, Newfoundland for Toronto and other ports on the Great Lakes. In the future I think that that traffic will grow, because the publishers in the Great Lakes area are finding out, as the publishers in the United States found out many years ago, and as publishers in other parts of the world have known for some time, that the quality as well as the service makes this an attractive combination. We hope for the day when rather important shipments will be made from Atlantic provinces to inland ports. In order that ships can carry this kind of cargo economically, they must be specially built. Although it does not occur to a person without some knowledge of the matter, newsprint is in some ways a very perishable product. It must be handled carefully indeed. Therefore, specially constructed ships must be put into service. It has so happened that for relatively some years past, most of the ships which have carried newsprint from ports in this country to domestic and export market ports have been British ships. We did have some Canadian registered ships in the Port of Liverpool which carried on for many years and were able to carry newsprint at a relatively low freight rate. When the time came to replace those ships, it was considered by management to be uneconomic to replace them with Canadian ships manned by Canadian crews, as is required when a ship is registered in Canada. Therefore, for the last number of years the major export quantities of newsprint have been carried in British bottoms.

Hon. Mr. Brooks: They would not be affected now under this act.

Hon. Mr. Smith (Queens-Shelburne): Under this exclusion, they will continue to be able to ship high quality newsprint from the Atlantic provinces, dropping cargo at Toronto and Hamilton or wherever they may have a market for the product.

There are likely to be other factors which may make it an important matter to consider. Perhaps in the future it may be a very important factor to retain the availability of British ships, which means a cheaper operated ship, in order that we may have better access to markets in other parts of the country.

Honourable senators, that is all I want to say with regard to that. When I had made my mind up to say a few words this afternoon, I intended to confine my remarks chiefly to clause 3 of the bill. Considerable attention has been paid to it. As has already been brought to our attention, the history was important in the legislation that is proposed. It was back in 1956, as Senator Kinley said, that a similar proposal was made. I recall that he and I felt that then was not the time to introduce it, because there had been practically no consultation with the industry and certainly none with the operators of those ships who would be chiefly concerned.

I understand that the reason why there was not consultation—I looked up the record to ascertain this—was a misunderstanding between the representatives of the industry, not only on the Atlantic coast but also on the Pacific coast, and the Department of Transport.

In 1956, when such a section was proposed to Parliament, Mr. J. R. Baldwin, the Deputy Minister of Transport—and he is still Deputy Minister—gave a clear understanding of the special skills that were acquired by fishermen. I looked up the record of the proceedings of the Senate Standing Committee on Transport and Communications to find what he said at the hearings in regard

to the Canada Shipping Act amendment in 1956. He expressed his view in this way:

> The masters and mates of fishing vessels, through the hard lessons of experience, have become highly competent and in some cases are very brave and able seamen.

I think those are words with which Senator Hollett and all other senators will agree.

At that time it was the intention of the department to introduce proposals to certify masters and mates gradually over a period of years rather than to impose certification suddenly in a hard and arbitrary fashion. However, because of this lack of consultation with the industry—and indeed I do not believe the department gave any notice of its intentions to the fishermen themselves, we thought it necessary to have that section of the bill deleted.

Now, eight years later, a new amendment is being proposed, similar to the previous one, but this is under very different circumstances.

I think Senator Hollett has expressed doubts about the wisdom of proceeding with this at this time. At least, he has received some assurances as to how it will affect the industry, but there is some doubt lingering in his mind. I think Senator Kinley described his feeling about the matter as being one of nervousness. He is nervous about this. I have very little doubt, and I would not be nervous at all if there was written into the act some of the assurances given by the sponsor of the bill (Hon. Mr. Bouffard) and by various people in the Department of Transport.

From my correspondence with people in the industry, and from my conversations with people in the Department of Fisheries, I know that this time the introduction of the amendment under clause 3 has followed close consultation with the industry and the Department of Fisheries over a long period of time. I have been assured of this by the manager of the Fisheries Council of Canada, the industry's organization, with member organizations from coast to coast.

It might be interesting to remind my honourable friend from Lunenburg (Hon. Mr. Kinley) that in Nova Scotia these organizations are the Nova Scotia Fish Packers' Association, the Canadian Atlantic Salt Fish Exporters' Association, and the Atlantic Fisheries Byproducts Association.

These three associations take in practically all the major schemes of the fishing industry in our province. I know that the organizations on the west coast similar to those are also members of the Fisheries Council of Canada.

Hon. Mr. Kinley: They work on shore.

Hon. Mr. Smith (Queens-Shelburne): Yes, and I may come to the other places that are in my friend's mind.

A spokesman for one of the member companies of the Nova Scotia Fish Packers' Association has written to me to say that they are in agreement with the proposal but would have preferred that even more stringent regulation of the certification be enforced at this time.

This confirms the statement made last evening by the sponsor of the bill, Senator Bouffard, that people on the east coast take the view, as he put it, that these proposals "do not go far enough." Other correspondence on this subject which I have had, however, confirms the view generally held now that the proposed regulations should apply only to the future.

One of my correspondents, who may be closer to the small boat fishing industry than others, and therefore closer to the fishermen most concerned, has advised me that any requirement to conform immediately to the act would create what he describes as a situation of "complete confusion in which wholesale disobedience would arise."

I think this would have been my opinion too, if it were proposed to make the change effective immediately and to require formal examination of applicants for certification.

I was very glad, therefore, to receive the assurance of Senator Bouffard, in the course of his remarks yesterday, that there will be no interference with present fishing operations.

Furthermore, I have been assured that as a result of close consultation with the industry and with the Department of Fisheries, all masters or mates presently engaged in the fishing industry will be given certificates simply upon submission of evidence of their experience. I have been informed that acceptable evidence can be provided by fish dealers or others with knowledge of the applicant's experience in the fishing industry.

It is also understood that regulations requiring examination of applicants, who are not now captains or mates engaged in fishing, will not be put into effect for at least a year. Even at that time they will only require satisfactory evidence of competency as captains or mates of longliners and draggers, and will have nothing to fear in the way of a formal written examination.

In order to make it quite clear to all concerned, and particularly to the fishermen themselves who have had no notice of what the intentions are, I suggest that an amendment to clause (2) of section 37 of the bill be

considered when the bill is before the Transport and Communications Committee.

Clause 37 of the bill provides that section 3 of the act shall come into force on a day to be fixed by proclamation by the Governor in Council. To this section I suggest adding a provision that the date of proclamation be no earlier than one year following the publication of regulations made under section 5 of this act. This, I believe, would remove all doubts and concern which may be in the minds of those most affected by the legislation—the fishermen themselves, many of whom it has been impossible to consult.

The question may be asked: "Why is it necessary to provide for certification of fishing captains and mates, if those presently fishing in those capacities are to be certified without formal examination?"

One answer would be that recognition of competence by the granting of a certificate, carrying with it a well-earned title, should be considered as a status symbol which these men have earned and richly deserve. I believe that to many young men from fishing communities, now being educated at consolidated high schools, it would be a status symbol having more appeal and greater significance than a white collar and a briefcase.

Perhaps of even more importance, however, will be the fact that it will provide a future pool of better trained personnel for promotion to larger fishing vessels, people who for some years have been required to hold a master's certificate and so on.

If the industry is going to be developed in such a way as to ensure that Canadians acquire their share of the fish resources of the continental shelf, and be able to share in the expanding markets of the future, many additional large draggers with modern equipment, appropriate to this age of automation and productivity, will be required. It is obvious, I think, that a higher educational and technical standard will be equally needed if these objectives of the future are to be met.

Honourable senators, I believe the amendments proposed will be of assistance in raising that standard in the future.

On motion of Hon. Mr. Connolly (Ottawa West), on behalf of Hon. Mr. Hayden, debate adjourned.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY— ORDER STANDS

On the order:

Resuming the adjourned debate on the motion of the Honourable Senator Cook, seconded by the Honourable Senator Denis, P.C., for an Address to His Excellency the Governor General in reply to His Speech at the opening of the Session.

Hon. Mr. Connolly (Ottawa West): Honourable senators, Senator Inman, in whose name this debate was adjourned, proposes to stand this item on the Order Paper; but in view of the announcement I made earlier, and perhaps the need to adjust our program for next week, I would ask, with the consent of the house, that this item be placed on the Order Paper as Item No. 1 for the next sitting.

Hon. Mr. Brooks: Agreed.

The Hon. the Acting Speaker: The order stands.

BUSINESS OF THE SENATE

Hon. Mr. Connolly (Ottawa West): Honourable senators, the situation in the other place at the moment is not clear. There is some possibility that the Commons will sit tomorrow, but there may be technical difficulties to prevent that happening. Also, there may not be word before six o'clock from the United Nations headquarters in New York. However, because the situation is as fluid as it is, I think it would be appropriate if we adjourned until six o'clock, or shortly thereafter, to resume at the call of the bell. We should know by then what we can do. I hope that will commend itself to all honourable senators.

Hon. Mr. Brooks: Agreed.

The Senate adjourned during pleasure.

At 6.12 p.m. the sitting was resumed.

Hon. Mr. Connolly (Ottawa West): Honourable senators, I am given to understand that at 6 o'clock this evening the Secretary-General of the United Nations announced that the peace-keeping force which is intended to operate in Cyprus has in fact been authorized and formed. According to this country's practice, Parliament must approve the dispatch of any members for that force from this country.

The House of Commons has just adjourned until 8 o'clock. Barring the development of procedural difficulties, it is proposed that the resolution to approve Canadian participation in this force be debated, beginning at 8 o'clock, in the other place. Of course, no one can say how long that debate will last.

In view of the importance of the matter, and also in view of the obvious uncertainty as to what might happen in the other branch of Parliament, I would suggest that this

house do stand adjourned to the call of the bell at approximately 9.15 o'clock this evening. At that time we may be able to chart our course a little more accurately.

I ask honourable senators to be patient with me in connection with this problem, and I would even ask them to keep in mind the possibility that the Senate will have to sit tomorrow.

Hon. Mr. McCutcheon: We acquit you of all responsibility.

Hon. A. J. Brooks: Honourable senators, may I say that we all realize the seriousness of the situation and the importance to be attached to this matter. As far as those who are associated with me in the Opposition are concerned, we will give every support we can to whatever the Leader of the Government decides is necessary in this regard.

The Senate adjourned during pleasure.

At 9.25 p.m. the sitting was resumed.

INTERNATIONAL PEACE-KEEPING FORCE

PROPOSAL FOR CANADIAN PARTICIPATION—CYPRUS SITUATION

Hon. John J. Connolly: As honourable senators are aware there is a motion before the other branch of Parliament dealing with the proposed peace-keeping force that is to be established or has been established by the United Nations in Cyprus, and at the moment debate is continuing. I can, of course, give no assurance as to how long it will go on. Normally, the other house rises at 10 o'clock, but I am rather hopeful that before that hour the motion will have been passed and will have come to this house in the form of a message.

I can tell the Senate that the Leader of the Opposition in the other place has given full support to the Government's motion.

Pending the arrival of the message from the lower house, I think it appropriate for this house and for the information of honourable senators if I were to place upon the record at this time two statements made today by the Secretary-General of the United Nations before the Security Council, because they form the basis for the further developments that are taking place in the Parliament of Canada. May I read the words of the Secretary-General:

> It may be recalled that in my report to the Council of yesterday, March 12, I expressed my confidence that the U.N. peace-keeping force in Cyprus would be soon established, and indicated that I hoped shortly to be able to report some positive developments. It is with considerable gratification that I am able to inform the Council that the force now is actually being constituted.
>
> Since late yesterday, I have received firm and official assurances from three of the governments I have approached about providing contingents that those contingents will be available. These governments are: Canada, Ireland and Sweden. With regard to each of these governments, certain conditions and pre-requisites were defined, which either have been met or, in my view, can be coped with.
>
> I may add that there are other promising prospects for troops. In these circumstances, therefore, I am now able to state to the Council that the force will be established without further delay, and that elements of it will soon be deployed in Cyprus. Indeed, a small party of Canadian officers will be en route to Cyprus tonight.
>
> This morning I received a communication through the Permanent Representative of Turkey to the United Nations which has since been issued as a Security Council document. I immediately requested the Permanent Representative to convey to his government my serious concern and my urgent appeal to exercise the utmost restraint. A formal reply to this communication has also been sent.
>
> The Council is also aware of the pledges of voluntary financial contributions which I have already received from several governments, which assure the requisite financial support for the U.N. peace-keeping force in Cyprus. I am most grateful to all these governments for their ready and generous response.

That is the end of the first statement. There was a further statement made in the Security Council at 6 o'clock this evening by the Secretary-General, which reads as follows:

> Since late yesterday, I have had formal and official assurances from three of the governments I have approached about providing contingents that these contingents will be available. These governments are: Canada, Ireland and Sweden. With regard to each of these parties, certain conditions and prerequisites have been defined which either have been met or in my view can be coped with.
>
> In the light of these circumstances, therefore, I am able to state that the force will be established without further delay and that elements of it will soon be deployed in Cyprus. Indeed, an advance fact-finding party is leaving tonight from Canada for Cyprus.

Hon. Mr. Brooks: I understand from the honourable Leader of the Government that when the resolution comes from the other place he will move its adoption, and that at that time I will have the opportunity of saying a few words.

Hon. Mr. Connolly (Ottawa West): Honourable senators, I am very grateful to the honourable Leader of the Opposition for the patience he has shown in this matter all day today. His kindness and co-operation have certainly been of great assistance to me. I felt that it would be helpful to honourable senators if they had these statements now. Anticipating what is to come a little later, I think some time will be saved by having them on record, and when the message comes from the other place we can debate it in the usual way.

If it meets with the convenience of all honourable senators, I would move that we rise now to reassemble at the call of the bell at approximately 10 o'clock.

The Senate adjourned during pleasure.

At 10 p.m. the sitting was resumed.

The Hon. the Acting Speaker: Honourable senators, a message has been received from the House of Commons as follows:

> That it is expedient that the Houses of Parliament do approve the participation of Canadian Forces in the United Nations International Force in Cyprus, and that this House do approve the same;
>
> Ordered: That a message be sent to the Senate informing Their Honours that this House has adopted a resolution approving of the participation of Canadian Forces in the United Nations International Force in Cyprus, and requesting Their Honours to unite with this House in the approval of the same by filling up the blanks in the resolution with the words "Senate and".
>
> Léon-J. Raymond
> Clerk of the House of Commons

Honourable senators, when shall this message be taken into consideration?

Hon. John J. Connolly: With leave, now.

Honourable senators, with leave of the Senate, I move, seconded by honourable Senator Brooks:

> That it is expedient that the Houses of Parliament do approve the participation of Canadian Forces in the United Nations International Force in Cyprus;
>
> That this House do approve the same; and
>
> That a message be sent to the House of Commons to inform that House that the Senate have adopted the said resolution and have filled up the blanks therein with the words: "Senate and".

Honourable senators, I propose now to make a statement which will paraphrase the statement made on behalf of the Government in the other place tonight by the Prime Minister; while it will not be identical, it will, I think, be couched in language that is appropriate for the requirements of this house.

I should begin by saying that on March 4 the Secretary-General of the United Nations made an official request to the Canadian Government to contribute a contingent for peacekeeping work in Cyprus. This came as a result of a Security Council resolution, which was passed the same day, and which recommended the creation of the force and also the appointment of a mediator.

The Security Council recommended that the function of the force should be in the interests of preserving international peace and security, to prevent a recurrence of fighting; and, as necessary, to contribute to the restoration and maintenance of law and order, and a return to normal conditions.

It was further recommended that the stationing of the force on Cyprus should be for a period of three months.

I think all honourable senators are conscious of the fact that Canadians are concerned about the danger of conflict between Greece and Turkey, two neighbouring nations, and allies of Canada within the NATO Alliance. I think, too, there is a general feeling among Canadians that assistance should be rendered to Cyprus in this emergency—Cyprus, like Canada, is a member of the British Commonwealth of Nations. I think that Canadians generally have approved other peace-keeping operations in which Canada has been engaged since the conclusion of the last great war. Canadian troops have done this service in Korea, in the Congo, in the Middle East, in Kashmir, and in Indo-China.

Two days after the action to which I have referred, and which was taken by the Security Council, Canada's permanent representative at the United Nations, on March 6, raised certain questions about this issue with the Secretary-General. Those questions related to the size and composition of the force, the role that would be envisaged for it, and the powers that it would have. He put the basic conception of the composition of the force the way I believe Canadians generally would want it, that is, that it should be basically multi-national in character. That is precisely what has been done because, in

addition to Canada, Swedish and Finnish contingents are now committed to work alongside the British, the Turkish and the Greek contingents, who are now on the island, and Ireland has conditionally agreed to contribute a contingent of approximately 500 men.

I think it will be clear, too, in the statements that I placed on the record of this house a little earlier, that there was obvious danger to peace generally, and certainly to peace in the Mediterranean area, as a result of developments to which the Secretary-General pointed in the statement he made this morning, developments that came about yesterday and today. It should be remembered, of course, that Greece and Turkey have treaty rights in Cyprus which allow them to intervene in certain circumstances.

Hon. Mr. Choquette: Which side are we going to take?

Hon. Mr. Connolly (Ottawa West): The purpose of a peace-keeping operation is not to take sides.

Hon. Mr. Choquette: Well, we have to take sides.

Hon. Mr. Connolly (Ottawa West): Perhaps the honourable senator will allow me to make a statement, which is rather difficult to do at a time like this.

I should tell honourable senators that about 83 per cent of the population of Cyprus is Greek, comprising approximately 400,000 persons. Seventeen per cent are Turkish, comprising approximately 100,000 persons. The problem within Cyprus basically concerns a dispute over the constitution that has been established there. Obviously, to resolve constitutional problems the importance of moderation and of co-operation cannot be over-emphasized. That is why the Security Council has emphasized the importance of a mediator, and why the establishment of an international peace force to keep the peace on the island while mediation goes on is of paramount importance.

The government of Canada is under no illusions about the difficulties involved in this operation, because peace-keeping operations in which Canada has been involved before, have not been easy. Usually they are expensive, and in most cases more expensive than was estimated when the work was undertaken. The duration of the work has never been very definite and, also, one can expect that there will be incidents which will be of a very serious character.

It should be remembered that the force will not act as an army of occupation. Its success will depend upon the degree of co-operation between the Greek and Turkish communities in the island, as well as that between the governments of Greece and Turkey, both of whom, as I have said, have treaty rights in the island.

It is proposed that the Canadian contingent will consist of a self-contained battalion group augmented by a reconnaissance squadron. There will be administrative and logistic support as well. Further, it is proposed that the Royal 22nd Regiment, now stationed at Val Cartier, and currently on standby duty for just this kind of United Nations service, and a reconnaissance squadron of the Royal Canadian Dragoons, now in Gagetown, New Brunswick, will proceed to Cyprus for this duty. I need not say here how high in the regard and the esteem of the Canadian people these two fine regiments are held.

It is proposed that the Canadian contingent will be moved by R.C.A.F. Transport Command to Nicosia, in Cyprus. As I said earlier today, a small fact-finding group is already en route to Cyprus.

I should further add that H.M.C.S. *Bonaventure* is in Halifax and will also participate in the transportation of materiel. The Canadian contingent is expected to approximate 1,050 officers and men from the army and, in addition, the R.C.A.F. element will probably be in the neighbourhood of 100 men.

The financing of the force is important. As honourable senators know, in the United Nations for years past the policy of successive Canadian governments has been to advocate as strongly as possible that the cost of these peace-keeping operations, when undertaken by the United Nations, should be a collective responsibility of all member nations. That has not been possible in this case. There have been two voluntary contributions offered: one from the United States, in the amount of $2 million; and another from the United Kingdom, in the amount of $1 million. But in this particular emergency, which is described as rapidly deteriorating, the Government has felt this was not the time to sit down and wait until the money was available, because the very presence of Canadians, the very movement of Canadians into the area, it is believed, will give an assurance that the situation in Cyprus will be dealt with in an even-handed way by people who are interested in even-handed justice.

For that reason the Government has decided to assume the cost of the Canadian contingent for a three-month period, and also to pay the cost of transporting the men and the materiel. It is estimated that the cost involved for this period will be approximately $2,600,000.

Honourable senators, the Leader of the Opposition in the other place said this evening, and I paraphrase his statement: There is no other country which has contributed more to the peace-keeping aims of the United

Nations than has Canada. I think all Canadians are proud of this kind of practical, effective contribution to peace-keeping that this country under different governments has made.

I think we should remember, too, that the leadership which we can give in emergencies of this kind is objective, detached and effective, and is not suspect by any of the peoples who are engaged either in the dispute or in trying to solve the dispute, because Canada is known everywhere as a country without Imperial ambition.

Canada is fortunate too in that General Gyani of India is to be the commander of the force, because Canadians have already served under this gallant officer, both in the United Nations Emergency Force in the Middle East and in Yemen. I think also that Canada, and indeed all the nations of the Western world, are indebted to the work that has been done by the Secretary-General of the United Nations in his efforts to try to restore and maintain peace in Cyprus where the present situation could indeed threaten peace in many other parts of the world.

Hon. A. J. Brooks: Honourable senators, as the seconder of this motion moved by the honourable Leader of the Government, I would like to take this opportunity to say a few words.

I am not in the position that the Leader of the Government has been in, in that I have not been a member of the cabinet, where I know this matter has been studied very carefully during the day and where all members of the Government have had access to all material in connection therewith.

I have the same information, I think, that all other honourable senators have and, indeed, the information which the people of Canada have. We in Canada, as well as the people of the world, are facing what can be called a very serious and perhaps very dangerous situation.

We are not taking sides with anyone. That is abundantly clear. Our force will be part of the United Nations force, the purpose of which is to maintain peace in the world and to see that injustice is done to no party concerned in the Cyprus situation.

I am sure we would all like to have much more information, but I am satisfied that the Prime Minister, and the Leader of the Government here, have given Parliament, and through Parliament the people of Canada, all the information that has been possible for them to obtain. They have emphasized that the situation is such that it must be dealt with at once. If we decide to wait for a day or a week to obtain more information, then there is the possibility that the situation will have worsened to the extent that a United Nations force would not be able to preserve, as we hope it will, the peace of the world.

The United Nations has been asked to take on a thankless task. This is not the first time. I remember in 1960 the United Nations did all it could to preserve peace in the Congo. I remember also that another Secretary-General of the United Nations, Dag Hammarskjold, gave his life at that time for the cause of peace. Today, U Thant, another great world figure, is giving his all, I am sure, in trying to maintain peace, and we all hope he will be successful.

I am satisfied, honourable senators, that unless something is done immediately a very dangerous situation will result. This is the opinion of the House of Commons, as expressed while I listened to the debate there tonight. May I point out to honourable senators that a vote was taken in the House of Commons a short time ago in favour of this resolution. The result was not unanimous. There were two members who opposed it. But, from across this country all members of the House of Commons except two thought the course the Government was taking was the correct one.

The honourable Leader of the Government has said we should be proud of what Canada has done in the past in these peace-keeping operations. We should indeed be proud. The honourable Leader of the Government has enumerated them. We should also be very proud that all through our history, even before the United Nations was thought of, Canada was never an aggressor nation. In every conflict and in every peace-keeping undertaking she has always volunteered to do what she thought was best for the maintenance of the peace of mankind. She is doing the same thing at the present time.

Hon. Senators: Hear, hear.

Hon. Mr. Brooks: Our troops have performed under the United Nations flag in Korea. There, perhaps, it might be said that sides were taken, but it is a long story with more to it than just that statement. Our troops have been under the United Nations flag in Indo-China and in the Middle East on the Gaza Strip, where they were in between the Arab countries and Israel, not taking sides but keeping them apart. Our troops have been in other places doing what we hope they, together with troops from other parts of the world, will be able to do in Cyprus.

Canadian troops will be in good company. And here may I pay tribute—something that is not often done—to the nation that has been sitting on this powder keg for a long period of time. Not only has she been sitting on the

powder keg and keeping the peace in that part of the world—it is my belief that had she not been there, there would have been war between Turkey and Greece before this time —but she is also paying for that opportunity. I am speaking, of course, of Great Britain, our sister Commonwealth nation.

I was very proud to learn that the regiment that is spoken of as being sent from Canada is the Royal 22nd Regiment, the famous Van Doos.

I remember the First World War—which shows how old I am becoming—when I was in a New Brunswick battalion known as the 26th Battalion. We were brigaded with the 25th Battalion from Nova Scotia. There was the 26th Battalion from New Brunswick, the 24th from Montreal and the 22nd from the Province of Quebec. These battalions relieved each other. The 25th was relieved by the 24th and vice versa. Through months and months on end, the 26th Battalion from New Brunswick relieved the 22nd, and the 22nd relieved the 26th. We became very close indeed, as men will under circumstances of that kind.

We thought we were the best battalion in the brigade, the others thought they were; but I might say that I still think, for obvious reasons, that the 26th was the best, but the 22nd Battalion was a great battalion and we can certainly be very proud that it is the battalion which has been chosen to go to Cyprus.

Honourable senators, there is nothing more that I can add. I am sure the honourable Leader of the Government has given us all the information available. It is one of those unfortunate circumstances where men may be called upon to do a far greater task than we think. Still, it is one of those things which a country, a proud country like Canada, must do in the interests of peace.

I am glad that there is such unanimity, and I believe it extends all across Canada, for this effort which is being made and for the attitude which the Government is taking.

Hon. Jean-François Pouliot: Honourable senators, before the motion is put, I would be very thankful to my Leader, for whom I have great respect and loyalty, to inform us—if not today, at least early next week—if any request has been made by Archbishop Makarios or by the Turkish Vice President of Cyprus, for any military aid from the United Nations; or if the United Nations have taken upon themselves to restore order in Cyprus.

Honourable senators, I hope that my question is clear. It is to satisfy my mind; and I am not to oppose the resolution now before the Senate. It would be useless to do so, and it would be wrongly interpreted. Besides that, I am ready to give the benefit of the doubt, not only to my Leader in the Senate but to the Leader of the Liberal party.

However, it is not without apprehension that I do now register an objection to it. I remember that when the Korean question arose in 1950, I was nearly alone in the House of Commons in protest. At that time we were told that a Canadian destroyer was going to Korea, that it would take a few days to reach that country and that by the time it would get there the war would be over. But that war lasted much longer and cost many lives.

I never beat the drum on expeditions of the kind being started now. This is a most serious matter which deserves full consideration. I am not ready to say yes, but for the reasons that I have given I will not say no today. However, I reserve my right to say more about it in due course.

I hope that the honourable Leader of the Government will answer in due course the question I have put.

Hon. Mr. Connolly (Ottawa West): Honourable senators, I have not the material to document the reply to the question that the honourable senator has put; but I can say that throughout the negotiations which have been conducted by the Secretary-General of the United Nations, there has been, as I am informed, close consultation with Archbishop Makarios. I cannot answer the specific question whether the Archbishop had approached the United Nations in the first instance. Perhaps there is an answer to that specific question. However, I do know that throughout the negotiations that have gone on, the Archbishop and the Secretary-General have been in constant consultation, and it was to only a United Nations force that the Archbishop would agree for the purpose of the peace-keeping operation that is now contemplated.

Hon. M. Grattan O'Leary: May I ask a question of the Leader of the Government? I do not rise to object to or oppose this motion. God forbid that I should do that, when the Irish and the Canadians are both in it. However, I would like to ask the Leader of the Government a question.

Has the Government any information, other than he has given us here tonight, about whether any other members of the United Nations, any other member nations, propose sending forces to Cyprus? In other words, supposing the situation there should get beyond the capacity of the troops that are going there, from Ireland, from Canada, Britain, Sweden, and the situation developed to the point that these troops were not adequate for the peace-keeping job, has Mr. U

Thant any expectancy or hope that other nations, members of the United Nations, might also contribute forces and support our troops? Here we are committing troops to Cyprus where the situation may become extremely dangerous. What reason have we, what hope have we, for expecting that they will be supported there? Surely Mr. U Thant in his discussions with the Secretary of State for External Affairs must have indicated to him that he had expectations of other nations participating in this peace-keeping mission. Can the honourable leader say anything about that matter?

Hon. Mr. Connolly (Ottawa West): Honourable senators, I would hope that the honourable senator from Carleton (Hon. Mr. O'Leary) would not press me for too much detail tonight. However, I think there are two matters upon which I should comment.

First, from what I am led to believe, I understand that the very movement of Canadian troops in this role into this area will have a salutary effect upon the dispute between the two factions on the Island of Cyprus. I understand that the psychological value of Canadians in this role is going to be extremely salutary. This is a hope—I trust it is not simply a pious hope. It has been expressed by people who profess to know a great deal about the actual situation.

In the second place, I should say to the honourable senator, that the Canadians, the Swedes, the Finns and the Irish will not be the only troops on the island for the purpose of keeping the peace, because as the honourable Leader of the Opposition (Hon. Mr. Brooks) has said, there are several thousands of British troops there now, and they have been there for some time. In addition, there are Greek and Turkish troops trying to help quiet the continuing problem. But now, with a United Nations force officially under the flag of the United Nations, with the blue badge, blue helmet and all the insignia, it is believed there will be a new force for good in Cyprus.

Finally, may I say that as soon as practicable, I shall endeavour to obtain further information in reply to the question of the honourable senator from Carleton.

Hon. James Gladstone: Honourable senators, I cannot let this opportunity pass without speaking. We are in a very serious situation, and I thoroughly agree with all of you that we have to make a decision tonight on every aspect of it.

However, there are some aspects of it that I believe we should think about. Perhaps I should go back a number of years and remind honourable senators what Philip Snowden said, that we should not try to extinguish the British Empire by trying to keep the peace of the world. As we all know, my friends, the United Kingdom is voluntarily keeping a force in Cyprus today, and her men are giving their lives to help save this situation from deterioration.

In Canada today we have a lot of people from Greece, we have a lot of people from Turkey, and we have a lot of people from the Near East, who are very good Canadians. Let us invite them to take up this task. That is what I think they would gladly come forward and do, and be capable of doing, after the welcome they have received from Canadians and the opportunities they have had in this great country of ours. Maybe we would make them feel they were being left out of it if we did not invite them to be part of the forward movement of those who try to keep peace in Cyprus.

I know Major-General Burns did a wonderful job when he was given a United Nations command, and he is still tops with those people; no one can deny that. Why not get a man like him to lead, and invite those people in Canada who have come from those countries to make a little sacrifice for the freedom that they have been privileged to share in Canada? I make that suggestion because we do not want to extinguish our Anglo-Saxon race. If we keep on doing that, and voluntarily try to propagate peace and goodwill among all nations, after a while there will be no Anglo-Saxons.

Honourable senators, I just wanted to contribute what is in my mind.

Hon. Mr. Connolly (Ottawa West): Let me assure the honourable senator that I shall bring his remarks, for which I thank him, to the attention of the Government.

Motion agreed to.

The Hon. the Acting Speaker: Ordered: That a message be sent to the House of Commons to inform that house that the Senate has adopted the said resolution and has filled up the blanks therein with the words "Senate and".

Ordered: That the Clerk do go down to the House of Commons and acquaint that house that this resolution has been adopted.

ADJOURNMENT

Hon. John J. Connolly: Honourable senators, I move, with leave of the Senate, that when the Senate adjourns today it do stand adjourned until Tuesday next, March 17, at 8 o'clock in the evening.

Motion agreed to.

The Senate adjourned until Tuesday, March 17, at 8 p.m.

THE SENATE

Tuesday, March 17, 1964

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

Prayers.

DOCUMENTS TABLED

Hon. John J. Connolly tabled:

Report, dated February 7, 1964, of the Restrictive Trade Practices Commission, under the Combines Investigation Act, concerning the Sale of Plumbing and Heating Supplies and Related Products in the City of Montreal and Elsewhere in the Province of Quebec. (English and French texts).

Report of the Governor of the Bank of Canada, and Statement of Accounts certified by the auditors, for the year ended December 31, 1963, pursuant to section 27(3) of the Bank of Canada Act, chapter 13, R.S.C., 1952, as amended 1953-54. (English and French texts).

Report of the Board of Trustees of the Maritime Transportation Unions for the year ended December 31, 1963, pursuant to section 16 of the Maritime Transportation Unions Trustees Act, chapter 17, Statutes of Canada, 1963. (English and French texts).

Hon. Mr. Connolly (Ottawa West): I also desire to table, and with leave to have reproduced in *Hansard*, the answer to a point raised by Senator Hollett in his speech on the bill to amend the Canada Shipping Act. I may say that the answer was sent direct to Senator Hollett, and he has very kindly asked me if I would put it on record. This I am very glad to do. It indicates the ports on both coasts of Canada which have facilities for the reception of oil discharged from ships.

Have I leave, honourable senators, to place this list on *Hansard*?

Hon. Senators: Agreed.

Hon. Mr. Connolly (Ottawa West): It is as follows:

St. John's, Newfoundland	Drydock separating tank.
Holyrood, Newfoundland	Oil refinery separating tank.
Halifax, N.S.	Shipyard repair equipment.
	Two oil refinery separating plants.
Montreal, Que.	Shipyard repair equipment.
	Five oil refinery separating plants.
Quebec, Que.	Shipyard repair equipment.
Vancouver, B.C.	Four barges.
	Shipyard repair equipment.
	Four oil refinery separating plants.
Victoria, B.C.	Shipyard repair equipment.
Toronto, Ont.	Seventeen trucks owned by three companies.
	Four oil refinery separating plants.
Hamilton, Ont.	Three trucks.
Sarnia, Ont.	Seven oil refinery separating plants.
Port Arthur, Ont.	Shipyard repair equipment.
	One oil refinery separating plant.
Saint John, N.B.	Oil refinery separating tank.

DIVORCE

REPORTS OF COMMITTEE PRESENTED

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 62 to 111, inclusive, and moved that the said reports be taken into consideration on Thursday next.

Motion agreed to.

PRIVATE BILL

CANADIAN CONFERENCE OF THE BRETHREN IN CHRIST CHURCH—FIRST READING

Hon. Norman P. Lambert presented Bill S-11, to incorporate Canadian Conference of the Brethren in Christ Church.

Bill read first time.

Hon. Mr. Lambert moved that the bill be placed on the Orders of the Day for second reading on Thursday next.

Motion agreed to.

PRIVILEGE

BANK OF WESTERN CANADA—ALLEGED SALE OF SHARES

On the Orders of the Day:

Hon. A. J. Brooks: Honourable senators, before the Orders of the Day are proceeded with, I would like to rise on a question of privilege. I think this is a matter which concerns all senators.

This question of privilege arises out of an article which appears in the *Globe and Mail* of today, Tuesday, March 17, under the heading: "Bank Shares Sell Quickly, Close Up $3."

This story refers to the fact that shares in the Bank of Western Canada are being sold on the stock market "over the counter," in spite of the fact that the bill to incorporate the company, standing in the name of the honourable Senator Leonard, is still before the Senate. I am referring to Bill S-6, an act to incorporate Bank of Western Canada.

My question of privilege is that this action on the part of the principals of the proposed bank, to be incorporated by Bill S-6, is clearly, in my opinion, in contempt of Parliament.

Honourable senators, I would like to read part of the article from the *Globe and Mail*, to which I referred. It says:

> Shares of the Bank of Western Canada, offered to the public at $15 a share for the first time yesterday, rose on the over-the-counter market throughout the day to close at $18 bid, $18.50 asked.
>
> The 200,000 shares made available were taken up within minutes. Another 230,000 shares are to be taken up by financial institutions in Winnipeg, Edmonton and Vancouver.
>
> Last month, 435,000 shares were subscribed for by Wellington Financial Corp. Ltd. of Guelph, Canadian Finance and Investments Ltd. of Winnipeg, and York Trust and Savings Corp. of Toronto.

Honourable senators, I am sure there must be some misunderstanding in this connection; and I thought possibly the sponsor of the bill, Senator Leonard, could explain how it is that shares of a bank which has not yet been incorporated can be sold on the market, or even across the counter.

Hon. T. D'Arcy Leonard: Honourable senators, naturally the same question arose in my mind when I first became aware of the fact that there were such reports in the press. The report, in so far as it indicates that shares are being offered, is not accurate.

Provisional directors, and those interested in the promotion of this bank, have been very much aware of the fact they could not presume that this bill would pass Parliament, and they have been anxious to avoid any suggestion that they were taking that for granted. As honourable senators are aware, I consented that this bill should stand until the Royal Commission on Banking and Finance had reported, and until the committee had a chance to consider that report.

What the applicants have done—and I think quite properly—is to arrange for some of the companies which are sponsoring this bank to raise money for the purpose of investing in the bank, if, as, and when the charter is issued. As I understand it, the issue to which reference is made in the newspapers today is an issue of what are called trust certificates. Those moneys are held in trust. There is no offering of shares of the bank. There cannot be any offering of shares of the bank until such time as the bank is incorporated. In the meantime, it is clearly set out in the prospectus that these moneys which are being subscribed for trust certificates are being held in trust, if, as, and when the bank is incorporated. The moneys can then only be used for the purpose of buying shares in the bank. If the bank is not incorporated, the moneys will return to those who have returned the trust certificates, with interest thereon. These terms are all spelled out very clearly in the prospectus. Naturally, an item may appear in the newspaper which would suggest that the offering was an offering of shares; but that is not the case.

Hon. Mr. Farris: Who pays the interest?

Hon. Mr. Leonard: The interest is paid by the trustee under the trust subscription offering. The prospectus is available to all honourable senators. I am quite satisfied in my own mind that not only is there no intention of presuming what might be done in Parliament; indeed, they have been most careful to avoid that.

I may say that when the Banking and Commerce Committee sits tomorrow it will have this bill before it. Mr. Stevens, Mr. Coyne and Mr. Maxwell Bruce will all be present at the committee hearing, together with Mr. Ross Tolmie, counsel for the petitioners; and they will, I am sure, be able to explain and satisfy all members of the committee as to the character of this offering of trust certificates.

Hon. M. Wallace McCutcheon: Honourable senators, perhaps I might comment upon and supplement what has been said by Senator Brooks. It appears to me, no matter how legal this action may have been, the Parliament of Canada is placed in an awkward position, because if this bill does not become law some people are going to lose money.

It is quite true, as my honourable friend the sponsor of the bill has said, that what are being sold are not bank shares but trust certificates of the Wellington Financial Corporation; and if, as, and when this bank is incorporated, the holders of those trust certificates will then be entitled to a corresponding number of shares of the new bank. In the meantime, those certificates are being sold over the counter. I am told reliably that those certificates were sold in this

city this afternoon at $19 as against a $15 subscription price. If this bill is not passed, then the individual who has paid $19 is going to look at Parliament and say, "What have you done to me? You have cost me $4."

There is speculation going on in the public markets as to what Parliament is going to do, and however careful the sponsors of the bill may have been, I suggest they might have been just a little more careful.

ST. PATRICK'S DAY

TRIBUTES TO ST. PATRICK AND THE IRISH PEOPLE

Hon. Joseph A. Sullivan: Honourable senators, I suppose all honourable senators realize this commemorates the greatest day in the history of civilization. I would like to thank the Leader of the Government (Hon. Mr. Connolly, Ottawa West) for so kindly sending me a shamrock; but I reassured myself by bringing my own with me, just in case he did not send me one.

It may interest honourable senators to know a little about St. Patrick. St. Patrick was born in Great Britain, probably in the year 389. His father was a deacon named Calpurnius, and we learned from Muirchu that the name of Patrick's mother was Conchessa; he also tells us that she was of Frankish race and related to St. Martin. According to accurate historical data it seems that Patrick was born in Scotland on the estuary of the Clyde. However, just because a cow was born in a horse stable, that does not necessarily mean it is a horse. His father called him Patricius, which in Irish became Cothridge. The organiation of the Christian parts of Ireland and the evangelization of the pagan provinces were the result of St. Patrick's apostolic work.

St. Patrick was a humble man. Holy Scripture tells us that God exalteth the humble and giveth victory to the man who consents to be an instrument in His hands.

Man has forgotten his purpose; he has also been uprooted from tradition. The modern man is anti-traditional. This, in part, comes from the revolutionary tempo of our times. We are not very much concerned in basing ourselves upon the wisdom of our fathers. We feel that we must break with everything that has gone before us as antiquated and passé.

You and I certainly cannot think unless we go back into the storehouse of our memory, bring out from it the deposit of the past and use it as the foundation of future thinking. So, too, if any civilization is to progress, man must go back to the past, to the storehouse of his tradition and bring out from that granary all the fine ideas hidden there, and use them as the basis of constructive thinking for the future.

Man today has broken with all that. Not only has man become dehumanized by having lost his purpose, by divorcing himself from tradition, but finally his dehumanization has reached a point where he has broken with his fellowman.

The great unities of the world are lost. First of all, the natural unity, that we are all human beings endowed with an intellect and a will, with a common purpose—that unity which Christianity gives, that we have all been redeemed by the Son of God sent to this earth.

The tendency today is to break up into unities. A man who has once considered himself one with his fellowman has broken that up into the unity, first of all, of the political order, the national order.

Today what is the basic unity among men? Classes. The labouring class is set against capital and capital is set against labour, simply because any unity which is founded upon class is necessarily antagonistic. It is the enemy of the other class.

That, incidentally, is why patriotism is on the decline. Patriotism assumes a greater unity when we have the unity of a common culture with a multicultural language under a common flag; and because the great interest of man today is in the class to which he belongs, patriotism has suffered and has become almost a lost virtue.

In the excellent speech of Senator Yuzyk about two weeks ago this was most forcefully demonstrated, honourable senators, for that was in part the language of the late President Kennedy when he made this remark:

> The world must be made safe for a diversity of people. In other words, in diversity we can have unity.

We are all Canadians and, please God, we are going to keep it so.

St. Patrick, to put it bluntly, is known because he is Irish, and as Pope Pius XI once pointed out, "The Irish, like the Grace of God, are everywhere; and everywhere, the wild geese, as these expatriates are called in Ireland, have seen to it that the memory of St. Patrick stays a vivid and living green". Your Irishman, in this respect, though he may have a warm heart and possibly a hot head, is as cold as the Irish Sea in his logic. And yet the magic, the sweetness of this race is only too well exemplified in the loving kindness of the Irish hearth and heart.

From Andrew Cherry, one of the greatest song writers and actors of 17th century Ireland, we have "The Green Little Shamrock of Ireland"—

There's a dear little plant that grows in our isle,
'Twas Saint Patrick himself, sure that set it;
And the sun on his labour with pleasure did smile,
And the dew from his eye often wet it.
It thrives through the bog, through the brake, through the mireland;
And he called it the dear little shamrock of Ireland—
The sweet little shamrock, the dear little shamrock,
The sweet little, green little, shamrock of Ireland!

To all of you:

May your heart be as light as the breezes of Erin
And your day just as bright as the smile you'll be wearin'!

Hon. Allister Grosart: Honourable senators, as I am, I think, the only member of the chamber who was born in Ireland, may I be allowed to add a few words on this great day of the patron saint of all Irishmen, by birth or descent, to complement what has been said so well by Senator Sullivan.

On this day the thoughts of Irishmen everywhere carry back to the old sod, with that nostalgia which Irishmen seem to have developed almost into a national characteristic.

The thoughts of Irishmen today return to the renowned boroughs of Ireland, Londonderry Town, Belfast, Dublin, Waterford, Cork, and Limerick on the Shannon, and others. They also return to the lovely Irish countryside, the green glens of Antrim, the Mountains of Mourne, Dublin Bay, the Slieve Bloom Mountains, the Bog of Allen, the Wicklow Hills, the beautiful valley of the River Lee and Shandon, Killarney, the Sligo Mountains and Sligo Bay, Connemara, the Aran Islands, Galway Bay, and the old County Down.

Whether from the North or from the South, I am sure Irishmen everywhere think wistfully today of that regrettable triumph for separatism—the fault lies on both sides, as anyone who reads Irish history will, I think, attest. That separatism has divided the Emerald Isle into the southern republic of three million Irishmen, and the northern self-governing dominion of one million and a half. I am sure all of us wish for Ireland today, as indeed we wish for our own Canada, that there may lie ahead a happier future in which the ties that bind will prevail over those senseless differences and arguments that at times keep us apart.

And in Ireland itself today, North and South, the thoughts of Irishmen at home span the oceans, going out to their relatives, descendants and Irish friends in every country and clime. And I think, if I know Ireland, that a tear or two will fall for those of us who are not tonight at the old ancestral hearth; but there will also be raised a cheer in their hearts for what those to whom Senator Sullivan has given the name "the wild geese"—those of us born in Ireland or of Irish descent—have been able to do. They will cheer for the fact that we have been allowed to carry to the barbarians of the rest of the world something of the sweetness of the culture of Ireland, just as 1,500 years ago St. Patrick and his missionaries carried the great benefit of Christian civilization to the barbarians of the day, the Picts, the Scots, the Angles, the Saxons, the Normans and the Britons.

Had I the time, honourable senators, I would tell you something of what I think the Irish culture has meant to all provinces of Canada. If I may, I would make one brief reference to the part it has played in one province only, because I think in the short retelling of some of that history there is a lesson for all Canadians, a lesson we, perhaps more than any other, need to learn of how people of different racial stock and different cultures can live together. Because as I look back at the history of the Irish in Quebec, I could say that I am sure all Irishmen are thankful for the great kindness of our French Canadian compatriots in allowing us to mingle our blood to the very great degree to which it has been mingled with the glorious blood of French Canada.

We have in our Senate chamber today Senator Flynn and Senator Bourque—and sometimes as I note the charm of the smile and the wit of tongue of His Honour, I wonder if there is not perhaps a little Burke in Bourget.

Some may think I am exaggerating, but I should like to read a brief paragraph from some research done a few years ago called "Irish Families in Ancient Quebec Record:"

> It is not generally known, that long before Wolfe had scaled the Heights of Abraham, a large Irish element had settled down in Canada, intermarried with the French, and had become absorbed in the French population.
>
> A considerable portion of the French-speaking population of Canada is of Irish extraction, and such Franco-Irish element was still further increased, at

the conquest, by the absorption of the shattered remnants of the Irish Brigade, then serving in Canada.

While I am speaking only of Quebec, I am conscious, of course, as I look around this chamber and see the extensive wearing of the green, that I am speaking in a chamber where there are two Connollys, two O'Learys, a Sullivan, a Power, a Hayden, a Dinan—if I may use the maiden name of the distinguished Senator Quart—and others who have Irish blood in their veins, including Senator Horner, Senator Brooks, Senator Crerar, Senator Hugessen, Senator Leonard, and perhaps Senator Inman.

An Hon. Senator: Senator McGrand.

An Hon. Senator: Senator White.

Hon. Mr. Grosart: Any more? It becomes a glorious band.

Irishmen over the years have fought for France, for old France and for New France. This is rather an important element in the history I have to relate, for it was in the Irish Brigade that some 400,000 Irishmen fought for France for over a hundred years. The Irish Brigade distinguished itself at the great battle of Fontenoy, the last occasion on which the British armies were led by a reigning sovereign, George II. They distinguished themselves further in New France at the great battle of Ticonderoga when 3,000 men of the Irish Brigade and their French Canadian colleagues defeated 15,000 of the very best troops in the British army of that day.

Many members of the Irish Brigade settled in New France. That is why in Quebec today we have Irish names beautifully Gallicised, although they are often disguised. That should remind us that we Irish have made a contribution to French Canada. There are the Alaries who were O'Learys; the Aubrions who were O'Briens; the Delanés who were Delaneys; the De Gannes who were Duggans; the Denious who were O'Donovans; the Grefins who were Griffins; the Orions who were O'Ryans; the Mainguys who were Magees; the Echeners who were Shanahans; the Boilans who were Boylens; the Nolins who were Nolans; the Lehaits who were Leaheys; the Sylvains who were Sullivans; the Aubrys who were Brennans; the Herouins who were Kirwins; the Hallés who were Healeys.

Even that most colourful French Canadian name, Riel, reminds us that he was descended from a Jack Reilly, late of St. Peter's parish in the City of Limerick in Ireland.

So, honourable senators, as an Irishman in Canada I take pride today in the fact that the blood that runs in my veins from an Irish mother and an Irish father runs also in the veins of many a French Canadian family of *la belle province de Québec*, and that they can salute with me on this St. Patrick's Day their ancestors and mine, the men of the Irish Brigade who were immortalized by Kipling in his poem "The Irish Guards 1918", of which I shall read only a short portion:

We're not so old in the Army List,
But we're not so young at our trade,
For we had the honour at Fontenoy,
Of meeting the Guards' Brigade.
'Twas Lally, Dillon, Bulkeley, Clare,
And Lee that led us then,
And after a hundred and seventy years
We're fighting for France again!

We're not so old in the Army List,
But we're not so new in the ring,
For we carried our packs with Marshal Saxe
When Louis was our King.
But Douglas Haig's our Marshal now
And we're King George's men,
And after one hundred and seventy years
We're fighting for France again!
Ah, France! And did we stand by you,
When life was made splendid with gifts and rewards?
Ah, France! And will we deny you
In the hour of your agony, Mother of Swords?
Old Days! The wild geese are flighting,
Head to the storm as they faced it before
For where there are Irish there's loving and fighting,
And when we stop either, it's Ireland no more!
Ireland no more!

Hon. John J. Connolly: Honourable senators, one of my colleagues on this side said that I should make these remarks without prejudice. I have no intention whatever of adding to the litany of saints and scholars that has been compiled by Senator Grosart, but I am sure that all of us are most indebted to him and to Senator Sullivan for what they have said here tonight. Perhaps the one most indebted is myself.

I was particularly delighted to hear Senator Sullivan quote a song that I learned when I was a very small boy, "The Dear Little Shamrock". I could not help but think of the first St. Patrick's Day I spent in the Senate, when Senator Felix Quinn not only rose and spoke about Ireland but—and *Hansard* will never reflect this—sang "A Little Bit of Heaven". It was a tremendous performance.

I do not think it is incumbent upon me tonight to say too much about the Irish because I am afraid I would not speak without prejudice. The Irish character is one of many facets. I think Chesterton put it most concisely in these four short lines:

For the great Gaels of Ireland
Are the men that God made mad,
For all their wars are merry
And all their songs are sad.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

The Senate resumed from Thursday, March 5, consideration of His Excellency the Governor General's speech at the opening of the session, and the motion of Hon. Mr. Cook, seconded by Hon. Mr. Denis, for an address in reply thereto.

Hon. F. Elsie Inman: Honourable senators, Erin go Bragh! It is a great day for the Irish. We salute them and wish them luck.

It is a pleasure, honourable senators, to see His Honour the Speaker again in his chair directing our deliberations in his dignified and gracious manner. We extend our best wishes to him and to Madame Bourget.

I wish to extend my congratulations to the Honourable George S. White on the honour conferred on him in being named to Her Majesty's Privy Council. We are all happy about this particular appointment, and hope that he and Mrs. White will enjoy this honour for many years. They are very popular with all honourable senators.

I intended to obey the edict of Senator Ross Macdonald, which was implicit in his saying that he did not want any more compliments paid him, but then I did what every woman does once in her life—I changed my mind.

It was a surprise to me to learn that the Honourable Ross Macdonald had resigned from the Government leadership in this chamber. He was the Government Leader when I came to the Senate, and I must say that I found him a true friend, a patient and understanding adviser. He was always ready to give assistance, and one felt very welcome to go to him again and again for help and advice.

I offer my sincere congratulations to Senator Connolly (Ottawa West) on being chosen the Government Leader to succeed the Honourable Ross Macdonald. Senator Connolly brings to this position a wealth of knowledge and all the attributes of leadership. We know he is conscientious and upright in all things, and he will fulfill his duties with ability and foresight. He will always have "Canada first" as his watchword. It is a privilege and a pleasure to have such a man as the Leader of the Government in the Senate.

Hon. Senators: Hear, hear.

Hon. Mrs. Inman: We are happy to see Senator Brooks in his seat. I know, of course, that whatever the fortunes of war I will always be looking at him across the floor of the house.

I wish also to take this opportunity of congratulating the honourable senators who moved and seconded the motion for an address in reply to the Speech from the Throne. Senator Cook spoke in English and Senator Denis in French. Both official languages were used, and that is as it should be in this country. The subjects discussed were interesting and informative, and we shall look forward to many speeches from them in the future.

To all honourable senators recently summoned to this chamber I extend a warm and hearty welcome, and wish them many years of happiness and usefulness in the Senate of Canada. I have known Senator Rattenbury since he was a very small boy. In fact, I have been acquainted with four generations of the Rattenbury family in both business and politics. They have been among Prince Edward Island's outstanding citizens.

Honourable senators, it is with a feeling of great sadness that I pay tribute to the memory of those honourable senators who have recently answered the summons to a greater reward. To their bereaved loved ones I offer my deep and sincere sympathy. They will be missed by their colleagues who will remember them with affection.

In this chamber we feel great sorrow too at the untimely death of one of our outstanding cabinet ministers. We offer to his family our deep sympathy in their great bereavement.

Honourable senators, I would like now to say something about Confederation. The idea of Confederation was not a new one, even in 1864. In 1810 an enterprising colonist put forth a confederation scheme, but nothing came of it at that time. Then, in 1814, a chief justice of Quebec, Mr. Justice Sewell, submitted a plan of confederation to the Duke of Kent, Queen Victoria's father. In 1849 a group of people calling themselves the North American League met in Toronto, and discussed the question of confederation of the two provinces of Upper and Lower Canada. In 1854 the Legislature of Nova Scotia adopted resolutions recommending a closer union of the British North American colonies, although it was not for a federation of all the provinces but for a Maritime union under one government.

In 1967 Canada will celebrate Confederation. While the other nine provinces are making their plans, Prince Edward Island is this year celebrating her own centennial as the birthplace of Canada.

It would seem unnecessary to tell the story of Confederation, but I wish to speak of Prince Edward Island in connection with the Union. Every one knows that the meeting in the Provincial building, Charlottetown, in 1864 originated by Sir Charles Tupper's persuading the governments of Nova Scotia, Prince Edward Island and New Brunswick to appoint delegates to meet at Charlottetown to consider the advisability of the three provinces uniting. While this meeting was going on, a ship arrived from Quebec with eight ministers of the Crown, led by Honourable George Brown, President of the Executive Council and by Honourable John A. Macdonald, Attorney General of Upper Canada, West. This group proposed that a wider union be discussed. And here the plans were made which three years later were consummated at Quebec and brought about Confederation, which was confirmed by the Imperial Government in the British North America Act of 1867.

However, all was not plain sailing. Neither Nova Scotia nor New Brunswick was satisfied with the terms first presented to them, and it took six years for Prince Edward Island to become Canadian. Perhaps it was the predominance at that time of Scottish blood in its people that made the Island so stubborn. Edward Whelan, the strongest advocate of Confederation, had passed away and the opposition was very determined. It was expressed in a resolution passed by the assembly. This is what Prince Edward Island said:

> This House cannot admit that a federal union of the North American provinces and colonies which would include Prince Edward Island could ever be accomplished on terms that would prove advantageous to the interests and well-being of the people of this Island, separated as it is and must ever remain, from the neighbouring provinces by an immovable barrier of ice for many months in the year; and this House deems it to be its sacred and imperative duty to declare that any federal union of the North American colonies that would embrace the Island would be as hostile to the feelings and wishes, as it would be opposed to the best and most vital interests of the people.

Great pressure was brought to bear on this stubborn little island. The Colonial Secretary urged the Island to join Canada and suggested that otherwise Prince Edward Island might have to pay the Governor's salary. Now, one would think that threat would have the desired effect, but Island people are canny. Then, the Canadian Government imposed a duty on Island exports. Three members of the cabinet came down from Ottawa to offer more generous terms, but all to no avail. The Island remained obdurate and would not be threatened or bribed.

In 1871 the Island realized it could not stand alone any longer. Progress must be acknowledged. The Pope Coalition Government passed an act in two days for the construction of a railway from Georgetown on the east coast to Cascumpec in the western area. This rail line was to cost not more than $5,000 a mile, but it was badly needed. The roads were impassable in the spring, autumn and winter. One travelled from Charlottetown to Summerside, the two largest towns, by ship. No journey of any length could be made by land at these seasons. Furthermore, a railway would help the economy of the Island; trade would increase, resources could more easily be developed and communication between points on the Island and also with the mainland would be improved. The cost of the railway was heavy for a population of between 80,000 and 90,000 people to bear. There was no contract for the job, so the line meandered around every little stream and hill in the country—and even in those days some graft crept in, I have been told. It was realized that it could not pay for itself; the people could not be taxed enough to pay for its building, let alone its operation, and there was no money in the treasury.

We are told that same story today, when it is convenient to say the treasury is empty. So the only recourse was to approach the Dominion.

After many trips to Ottawa and a lot of talk between governments, we were received into the Dominion on very generous terms. The federal Government was to advance about $8 million to buy the land, some of which was poor and swampy. The province was entitled to incur a debt equal to $50 per head of the Island's population as shown by the census of 1871. Also, in consideration of the transfer to the Parliament of Canada of the powers of taxation, $30,000 in subsidy was to be paid yearly by Canada to Prince Edward Island; and, in addition, an annual grant equal to 80 cents per head of its population as shown by the census returns of 1871 —the population being at that time 94,021. That grant of 80 cents per head was to be augmented in proportion to the increase in population of the Island until the population amounted to 400,000—they certainly were optimistic—and on reaching that figure, the grant would thereafter remain at 80 cents.

The central government was to take care of the cost of almost all of the public services. A continuous steam service with the mainland was to be established. I would draw particular attention to that condition. The island was to be represented by six members in the federal Parliament; the railway debt was to be assumed by Canada, who would then own the line.

The Islanders of that day drove a hard bargain. Evidently Ottawa was most eager that Prince Edward Island should join—but I wonder if the first men to go to the Dominion Parliament felt a bit embarrassed about their mercenary demands.

Charlottetown celebrated the event well and truly. Flags and bunting, brightly coloured streamers and ribbons, were in view everywhere; the ships in the harbour and rivers—and there were many in those faraway days—were decorated in honour of the occasion; the Dominion flag was run up on the Colonial Building, now the Provincial Building, on the post office, and at Fort Edward, from which 21 guns were fired. The people who had gathered at Queen's Square sang the national anthem with much gusto while the city and church bells rang loudly and long.

Then from the balcony of the Provincial Building the sheriff read in tones all could hear the Union Proclamation, telling the world that Prince Edward Island had become a province of the Dominion of Canada, and had a place in Canada's history.

In 1880 Professor Goldwin Smith wrote in the "Bystander" regarding Canada's seven provinces and Confederation:

> At present we have, for a population of four millions, eight kings, one central and seven provincial, as many parliaments and sixty-five Ministers of the Crown, while England is content with a single King, a single parliament (the Members of which are not paid), and a single Cabinet seldom containing so many members as the Cabinet at Ottawa. We have also judges and Chief Justices as the stars of heaven in number.

I have said before that undoubtedly Ottawa wanted Prince Edward Island in the Dominion of Canada. May I suggest that while we Islanders are modest about our province and our achievements, we have many things we could boast about. In 1852, long before Confederation, the first telegraph cable in America was laid between Prince Edward Island and New Brunswick. The first automobile to be run in America was built by the Rev. Father Belcourt at Rustico in 1886. In Prince Edward Island was built the first Canadian ship to sail to New Zealand. We have produced statesmen of first rank serving both in Canada and the United States, professors of universities from coast to coast in both countries, bank presidents, leaders in churches, in medicine, in law, in art, and in letters. Our oysters and potatoes are famous. In fact I could mention many more things, but as a native Islander I will just say this: there are ten provinces in Canada, and Prince Edward Island to me is one of the most important and it is the most beautiful.

Hon. Mr. Farris: And its ladies, also.

Hon. Mrs. Inman: The call of Prince Edward Island to its native sons and daughters is as the dream of Paradise and clear as the call of a bell. Every road that leads to "home" —be it the highroad, the sea, or the air—is a way of delight and anticipation. The "down East" of yesterday still exists in the lovely little Island set like a precious gem in the Gulf of St. Lawrence.

I would like to mention some of the interesting things tourists can hear about, and some of the places they can see and visit when they come to our province.

Prince Edward Island is only 140 miles long; it is about 40 miles in width at the widest points, and about two and a half miles at the narrowest. Distances are short and it is easy to get from one place to another. Sightseeing can be done leisurely and pleasantly. Red soil, green fields, beautiful trees, and a profusion of colourful flower gardens, give the effect of fairyland to those who have an eye for natural beauty. The Island has a charm all its own, that lures the visitor back again and again to spend a vacation in this hospitable spot.

There are many campsites and picnic grounds; many excellent hotels, motels and tourist homes, but many more are needed to accommodate the thousands of people who come to us each summer to enjoy a vacation where the pace of life flows on peacefully and serenely, bringing rest to tired minds and to nerves that are frayed from living in the hustle and bustle of large cities.

Prince Edward Island has many historical places and points of interest, and the fact that this year we are celebrating our own centennial of Confederation will no doubt make our own Canadian people and our visitors more aware of the Island's history and traditions.

Honourable senators, I have on several occasions spoken of the many attractions of Prince Edward Island and ask your indulgence to mention a few of them again.

"Woodleigh," the estate of Lieutenant-Colonel Johnstone at Burlington, Prince Edward Island, is a "must" for visitors and tourists, for here the traditions and glamour of the British Isles has been recaptured in

miniature creations of famous castles, churches, inns and cottages. I will not enumerate here all the various reproductions, the list is too long, but there is nothing to be seen quite like it anywhere in the world. It is one of the prime and favourite attractions for sightseers and is worth visiting over and over again, for each year there is always something new to see.

Horse racing, the king of sports and the sport of kings, will be on a larger scale than ever this year, and will again attract many thousands. Racing gets under way usually in May and carries through to October. Night racing is organized in a big way, and hundreds of horses will participate in the various classes. Old Home Week is, of course, the great climax. More than 20,000 people daily are admitted to the grandstands to watch the afternoon and evening harness races.

Another prime attraction is Green Gables, the homestead of "Anne" the heroine of Lucy Maud Montgomery's "Anne" books. It is a fascinating spot. Here, too, is one of the finest golf courses in Canada.

There is the Garden of the Gulf Museum at Montague—the first museum in the province. The collections of articles found here tell the story of life on Prince Edward Island as the pioneers knew and lived it.

The Moore bird sanctuary at Milltown Cross, four miles from Montague, is an interesting place to visit.

The lobster carnival at Summerside is one of the major summer events, and the parade is a spectacular affair with floats, bands, decorated cars, sailors, firemen, Indians, Scouts, Guides and many other colourful attractions. There are fish-cooking demonstrations, live fish and game exhibits, marine and fishing equipment displays, and lobster suppers for everyone—lobsters just out of the sea. In Summerside also is the biggest small town department store in the world.

The Micmac Indians, our first citizens, were a proud but peaceful people. They were of the Wakiniki tribes and spoke the Algonquin tongue. In early summer of each year they came over to the Island to fish and hunt, but they spent most of the winters on the mainland, where game was more plentiful. They called the Island "Abegweit Minigo," meaning "Island cradled in the waves."

At Rocky Point the authentic 16th century Micmac Village illustrates the story of this famous Indian tribe before the white man came to Prince Edward Island. It is well worth visiting this unique place.

At Lower Montague, near my home, is one of the oldest cemeteries in the province, being several hundred years old, and it is being steadily washed away by the sea. I have seen the human bones appear as the bank falls away into the sea. The restoration of this historic spot would be a worth while Confederation project to preserve history and also from a humane point of view.

Honourable senators, I wish now to speak for a while about transportation in Prince Edward Island. Transportation is our biggest problem at the present time. I will give you an example of transportation to our Island in winter. It is rather an extreme example, but not isolated by any means. These conditions do occur, but there is no excuse in this day and age for travellers to have to endure the inconveniences and hardships to which we were subjected when I, along with over 120 others, travelled from Moncton to Prince Edward Island recently.

Leaving Ottawa on December 18, I went by way of Saint John, and changed trains there for Charlottetown. After boarding the C.N.R. train I heard the conductor tell one of the passengers that everyone would have to change trains again at Moncton. When a trainman came along I asked him when that had become the practice, as we had always travelled in the same car right through from Saint John to Charlottetown. "Oh," he replied, "this car hasn't been going through for the last two years." I said, "Nonsense; I came this way a month ago and went right through without changing. In fact I often come this way in order not to have to change at Moncton." Then he told me the change was made when the time changed in November or early in December. Anyway, we had to get out of the car at Moncton and walk quite a distance in a snowstorm and a high wind to that monstrosity of a station which was recently completed and opened. About ten minutes after getting into the station it was announced that the Saint John car with Prince Edward Island passengers was going right through after the Ocean Limited came in; so we had to go back again through the storm to the car.

Here, I would like to make a few comments about the new station. It is too small, considering the traffic that must go through Moncton, the railway hub of the Maritimes. There is a very small lunch counter, about three or four yards long, with no stools, and not nearly enough seats in the concourse, and even those are most uncomfortable. I wish I had a tape recorder, so that the many adverse remarks about those responsible for this big mistake could hear them.

We finally got away, arriving at Tormentine at six o'clock—fairly well on time—only to be told that the ferry, *Abegweit*, had not been able to get into the pier on account of the extremely high wind of 110 miles an hour and a snowstorm of blizzard proportions. In fact,

she could not get in past the breakwater. She had come over from the Island in the morning, but had to return without docking. By this time it was a raging blizzard and, though the cars were sheltered by the Tormentine station, they rocked back and forth on the track like a cradle.

About eight o'clock the passengers felt the pangs of hunger; so a few of us gave several of the men passengers some money, and they volunteered to try to get to a little store close by and see what they could procure in the food line. They bought crackers and cheese, some chocolate bars, etc. What milk they brought we gave to women who had with them babies and small children. About this time, too, the train was becoming very cold. When we inquired of the one trainman who had been left in charge, he told us the generator had broken down and there was no auxiliary at Tormentine to attach to the cars. About midnight we were told that the hotel up behind the station would serve dinner, paid for by the C.N.R., to everyone who wanted to go over. So far as I and many others were concerned, we might as well have been a thousand miles away. I could not possibly have walked any distance in such a storm. However, the trainman was very kind. He sent a sandwich and a cup of coffee to me—and never was food more welcome.

About two o'clock in the morning, they ran the cars down to the pier to see if they could attach a generator there, as the car by now was extremely cold and uncomfortable, but the high wind and snow had put all the electrical equipment out of order. So we sat huddled in our coats, suffering from the cold—it was 10 degrees below zero—until about four o'clock in the morning when we were told we would have to go over to the restroom on the pier if we did not wish to freeze to death in the car. I really did not know whether to stay where I was and be frozen, or to try to do the impossible and walk out in the cold and blizzard to the building. Two very courteous young men came to my rescue, and practically carried me over; but it was all I could do to make it. However, we did have heat, but no light except two small tin kerosene lamps. All the automatic machines were out, of course, on account of the electrical failure. The presence of 125 people made the place quite crowded, and a few others had come in, but it was better than being in the cold cars.

About 10 o'clock it was announced that breakfast was being served on the *Confederation* at the next pier. By the way, this boat is an icebreaker which cannot go through ice more than a few inches thick, and is usually tied up at her berth in winter. It was quite a walk from where we were, but a number braved the elements and had a breakfast of doughnuts and coffee, as guests of the C.N.R. Again, a couple whom I had befriended on the train brought me coffee.

About noon we were shepherded to the cars again and this time we did have some heat. At 2 p.m. word came that the *Abegweit* had docked, but that the railway ramp was frozen with five feet of ice under it, so we would have to walk into the boat. Again, my two courteous escorts took charge of me and managed to get me into the boat. After quite a walk, and climbing two flights of steep stairs, we finally reached the salon, only to learn that the train practically followed us into the boat. However, we were able to get a meal, we were warm, and the officers and crew were most helpful and did everything they could for our comfort. Thus we became encouraged that the worst was over; but, alas, that was not the case.

When we reached Borden after a fairly good crossing and we had all gone below to our train, it was announced that the railway ramp was again frozen, so they could not get the cars off. Then up the two long flights of stairs we went again. Nothing happened for some time, until finally it was decided to bring some cars down from the station at Borden and transfer the passengers to them. All these deliberations took quite a lot of time. Finally, arrangements were made, but we had to walk down the automobile ramp to reach the cars which were to take us to Summerside and Charlottetown. If any honourable senators have crossed in our ferries they will realize what an ordeal it was to walk down that auto ramp in a 100 mile an hour gale and a blizzard raging. If you are not familiar with it, let me say I doubt if anything in Antarctica could be worse.

The cars provided to take us to Summerside and Charlottetown were, I feel like saying, prehistoric. I will not try to describe them. Only Prince Edward Islanders, I am sure, have ever seen them. Going home at Christmas last year we had the same accommodation. It is a weird experience, and I can see no need for it. I just do not know why we in Prince Edward Island must put up with these conditions. At Easter two years ago I travelled to my home by rail with 3,000 one-day-old chickens for company, plus a few human beings. I will just say it was not a pleasure trip by any stretch of the imagination.

I realize we cannot control the weather, but one cannot get either at Saint John or Moncton any authentic information about Island conditions with regard to travel. We never should have left Moncton when the

boat could not dock at Tormentine. At least at Sackville we should have had word about the boat and stayed there. The station at Tormentine could have been left open so we could have gone in and at least had some heat. There should be provision made for breakdowns in equipment, and I do think we Islanders should have the convenience of a Pullman from Montreal to Charlottetown. I only wish some of those people in the higher echelons of the C.N.R. could have been with us on this journey which I have just described, without the comfort of their private cars, or at least a Pullman. While I realize that the harrowing experiences I have described are not usual, they nevertheless do occur. They are frequent enough to warrant a study of better methods of communication and transportation.

Recently we were promised a causeway. There have been a number of engineering studies made, but I believe it is not unanimously agreed that a causeway is feasible for year-round use. I certainly would not like to be on a causeway in the middle of Northumberland Strait during the storm I was in last December.

Around the turn of the century, considerable interest arose in the construction of a tunnel. I remember seeing plans for it in my husband's office, as well as tunnel stamps. Observing the great advances that have been made in tunnel engineering in recent years, I would subscribe to the idea of a tunnel if it is found that a causeway is not practical in our weather conditions. I repeat, if a causeway is not practical, then, of course, I would like to see the boats kept on as an auxiliary; they are an attraction.

Honourable senators will have read that the proposed tunnel between England and France at last is to become a reality, and that tunnel would be at least three times the length of the one needed to the Island. I suggest that a tunnel to Prince Edward Island would perhaps be no more expensive and pose fewer problems. Certainly it could not pose more than are now faced in the building of a causeway. Considerable industry has recently been attracted to our province and we look forward to an upsurge in our economy as this field expands, but it will mean that transportation must be made more satisfactory than it is at the present time. I would, therefore, honourable senators, strongly urge that the Government give serious consideration to a tunnel in order to ensure year-round continuous transportation to and from Prince Edward Island.

I could tell honourable senators a lot more about Prince Edward Island, but I will leave that for another time.

Hon. Josie D. Quart: Honourable senators, imagine my amazement and delighted surprise to find this beautiful pot of shamrocks gracing my desk tonight. I thought probably it was the little people of Ireland, the Leprechauns, who put it here; and then I saw this card peering out from this beautiful greenery, and this is what it reads:

To Josie.

John J. Connolly and the Irish in the Senate.

So you can imagine, honourable senators, that I felt like a combination of St. Brigid and Mother Machree—and particularly Mother Machree when she received the tributes from her favourite sons. So thank you, Mr. Leader of the Government, for your kind thought.

Honourable senators, although we of Irish descent cannot roll out a green carpet in this beautiful Senate Chamber, we now have the shamrocks but we lack the shillelaghs and the pretty colleens in the Irish jaunting cars to celebrate fittingly St. Patrick's Day. Nevertheless, we whose ancestors hailed from that Emerald Isle can at least say, with Irish eyes that are smiling, "*Cead mile failte*"—a thousand welcomes—and thanks to our colleagues of other races and origins who have joined with us to fittingly celebrate the feast of St. Patrick.

Honourable senators, in accordance with the traditional procedure of this chamber to exchange friendly good wishes and congratulations whenever a new session is convened, I wish to associate myself with the honourable senators who have preceded me, and to express my good wishes to the Hon. Ross Macdonald, despite his objections, and to convey to him my deepest respect for the ability and integrity which he showed at all times when he was Leader of the Government in this house. I hope the newspaper reports as to his future appointment will come true; and if so, no one could grace that high office with more charm, graciousness and savoir-faire.

Some Hon. Senators: Hear, hear.

Hon. Mrs. Quart: The appointment of the Hon. John J. Connolly as Leader of the Government has been a popular one with his colleagues on both sides of this chamber, all of whom are convinced of his exceptional qualities which will enable him to perform his duties with ease and dignity, sparked by his Irish wit and repartee. May I wish him well, and further commend him for his perfect bilingualism. And on this 17th of March, and in gratitude for his very kind gesture, may I say to him in Gaelic, "*Go n-eirigh an tadh leat*"—I wish you good luck.

Turning to our little band of Conservative senators on this side of the house, what we lack in quantity we make up in quality. We are indeed fortunate to have as our Leader

the Hon. A. J. Brooks, a gentleman whose personal success over the years serves him well in the performance of his role. His keen, enlightened mind, quiet diplomacy and spirit of devotion are well known not alone to his party, for he is dedicated to the interest of all Canadians of every political colour, race and culture. I wish him a short sojourn in Her Majesty's Loyal Opposition.

My thanks to our present and former Speakers are prompted by a strong and sincere feeling of gratitude for the many kindnesses shown to me when I was appointed to the Senate, first by the late Senator Drouin, then on through the all-too-short term of our distinguished Senator White. I was delighted to learn of his well-deserved appointment to the Privy Council.

(Translation):

And now I should like to offer my congratulations and my thanks to Honorable Maurice Bourget who comes from Quebec, as I do, and who is our Speaker. He is especially well qualified to hold that position.

I might add that he fulfils his social duties very well also, for he has a most charming wife by his side.

(Text):

May I further extend my congratulations to the honourable Senator Cook and the honourable Senator Azellus Denis, as the mover and seconder of the address in reply to the Speech from the Throne. They discharged their task both eloquently and creditably. They gave an excellent performance in endeavouring to stretch the Speech from the Throne, and to present, at least, a sizable case for the Government to the people of Canada.

As in real life, the Senate is gladdened by the arrival of its new senators and saddened by the passing on of two distinguished colleagues to their eternal reward. Congratulations are in order to our new senators upon receiving one of the highest honours which can be conferred upon a Canadian. May I wish them a long and happy membership in this honourable house.

At the opening of every session it is always a thrill to look around this chamber and see our distinguished colleagues seemingly as "fit as fiddles". It makes one realize that the source of eternal youth is not only the fountain of Ponce de Leon but the retention of a deep interest in current affairs and in the full joy of living useful lives.

As Canada's centennial approaches, we are all becoming more conscious of our duty to participate to the best of our ability to see that Canada's birthday is fittingly observed. Therefore, as a member of the Canadian Centenary Council—*Le Conseil du Centenaire de la Confederation*—simple justice compels me to ask the kind indulgence of honourable senators to permit me to place on the record of the Senate some facts as to the aims and importance of the Canadian Centenary Council and the unique contribution it is making. Too frequently voluntary efforts are glossed over, due to the lack of a voice in the inner circles of government.

The Canadian Centenary Council is a voluntary nongovernmental organization, which brings together the representatives of some 500 member-organizations to ensure effective and competent participation by voluntary organizations and corporations in activities related to the centenary of Canadian Confederation.

It is recognized by the Government as the focal point of private planning for 1967. The council was officially established in 1960 and operated with a part-time secretariat until October 1962 when a permanent office was opened at 268 First Avenue, Ottawa. It now employs seven full-time staff members who provide information in planning services to organizations, corporations and individuals, bodies created by Parliament under Bill C-127.

The centenary council does not implement centennial projects as such. It is merely a clearing house and information centre.

The council sponsors two regular public functions per year: an annual meeting in the spring and a symposium in the autumn, and it publishes a monthly bulletin for its members.

The council operates on a yearly budget of some $125,000, roughly one-third of which is made up of a federal Government subsidy channelled through the National Centennial Administration. The balance of the administrative funds is derived from donations by corporations and individuals from all parts of Canada, as well as from fees paid by affiliated associations.

When Bill C-127 was introduced in the House of Commons on September 18, 1961, to set up the National Centennial Administration and to provide for the establishment of a national conference on Canada's centennial, a few speakers referred to the Canadian Centenary Council. But in contrast to 1961, in 1963 when Bill C-107 was discussed, the name of the Canadian Centenary Council was not even mentioned, although as reported in *Hansard* of the other place, when Bill C-107 was presented, it sparked a wide range of speeches other than the amendments to the bill, straying all the way from the British North America Act to provincial rights, provincial autonomy, biculturalism, bilingualism, historical events, and many quotations and achievements of famous figures of Canadian history, dating back to Champlain,

Dollard des Ormeaux, Sir John A. Macdonald, Sir George Étienne Cartier, and so on, right down the line. Even the names of Lili St-Cyr and Maurice Richard got into the act and did not escape *Hansard*. Yet the Canadian Centenary Council was conspicuous by its absence. It was not mentioned, nor was reference made to the valuable contribution of time, effort and expense entailed since 1956 by voluntary organizations and individuals towards the furtherance of centennial planning.

Voluntary associations are a national investment, and government at all levels should be very co-operative and dependent on volunteer groups. Any other attitude would be a tragedy, and might jeopardize the entire voluntary structure as regards centennial celebrations.

We do not need a yardstick to measure the length and depth that communities and governments are indebted to volunteers. Because there is no monetary transfer, or comparatively little in some cases, volunteer work is often ignored and underrated. And here I would like to make special mention of the Canadian Citizenship Council—Le Conseil canadien du Civisme—for, together with the Canadian Association for Adult Education—L'Association canadienne d'Éducation pour Adultes—they planned and administered as a joint project three conferences which led to the founding of the Canadian Centenary Council in May 1960. The Canadian Citizenship Council acted as administrative headquarters for the Canadian Centenary Council, using their staff and finances until the Canadian Centenary Council was launched officially. For it was during 1956 that the Canadian Citizenship Council and the Canadian Association for Adult Education sounded the alert that planning for the hundredth birthday of Canada's Confederation should be started without delay, and in various ways encouraged organizations, both governmental and voluntary, as well as individuals, to start thinking about ways and means to observe in a suitable manner Canada's 100th birthday. Three years later, believing that a more formal and positive approach was necessary, they convened on May 6, 1959, at the request of several national organizations, a one-day conference, at the University of Toronto, under the chairmanship of Mr. Walter Herbert, Director of the Canada Foundation. More than anything else, this was an "idea conference". It had elements of "brainstorming," for its aim was to collect ideas, and no attempt at that meeting was made to work out the practical problems of carrying through such ideas. The chairman urged the participants to let their imagination run riot, which they did, and the 43 suggestions were labelled "a sack full of ideas."

Thirty-two national organizations sent delegates, and the Department of Citizenship and Immigration was represented by the deputy minister, Colonel Laval Fortier. It was agreed that 1967 should be much more than a year of entertainment and celebration.

Then the second conference was held in Montreal on February 11 and 12, 1960, where it was decided that a national nongovernmental centenary body be set up. A small ad hoc committee was appointed to prepare for such a national group, a suggested structure which would be presented for consideration.

The late Mr. John P. Kidd was appointed secretary of the ad hoc committee, and was entrusted with the task of informing the national organizations and interested parties what had transpired, and it was decided that the third conference would be held in Ottawa with the object of setting up such a body and electing officers, and so on.

Therefore, the third conference was held in the City Hall in Ottawa on May 17, 1960, under the chairmanship of Colonel Hugh H. Wallis. Here the Hon. Roland Michener was invited to officially open the conference.

The ad hoc committee presented its report and submitted the proposed constitution in draft form for discusion. The suggested name was "The National Centenary Council"—Administration nationale du Centenaire. After considerable discussion the name "National Council for Canada's Centenary" was duly proposed and adopted, but for only two hours' duration, for during the luncheon period diverse opinions as to name and complications were brought forward. So, a subsequent motion during the afternoon session was moved and carried, and the name was changed to "Canadian Centenary Council" and "Le Conseil du Centenaire de la Confederation".

The first annual meeting of the Canadian Centenary Council was held in Ottawa on May 12, 1961, at which Brigadier C. M. Drury, C.B.E., Q.C., of Montreal, was elected president, and M. Marcel Faribault, D.C.L., LL.D., F.R.S.C., also of Montreal, was elected associate president.

One of our colleagues, Senator C. F. Savoie, of Moncton, was also elected a director. Alan M. Clark, executive director, Canadian Citizenship Council, agreed to continue the arduous task of provisional secretary.

The Right Honourable John G. Diefenbaker, Prime Minister of Canada at that time, was guest of honour at the opening session. During his remarks, Mr. Diefenbaker congratulated the Canadian Centenary Council on its initiative and valuable work to date, and expressed pleasure that the council had decided to work in close co-operation

with the Government. Mr. Diefenbaker promised serious and sympathetic consideration of all recommendations made by the council. He made a number of concrete suggestions for 1967, including a "freedom train" to give the young and old in Canada the opportunity to see some of the documents which show the greatness of our historic past.

Then, on March 9 and 10, 1962, the second annual meeting was held, once again in Ottawa. Brigadier C. M. Drury, the president, presided and expressed the council's pleasure to Prime Minister Diefenbaker on the passage by Parliament of, and I quote, "An Act respecting the observance of the Centennial of Confederation in Canada." This act passed by the House of Commons on September 19, 1961, provided for the establishment of two bodies:

1. The National Centennial Administration.
2. The National Conference on Canada's Centennial.

The third annual meeting of the Canadian Centenary Council was held in Montreal, for three days, April 18 to April 20, 1963, under the joint presidency of Dr. Norman A. MacKenzie and M. Marcel Faribault. It was announced by Dr. MacKenzie that M. Robert Prefontaine, of Montreal, had been recently appointed the executive director of the Canadian Centenary Council with headquarters in Ottawa.

The federal Government's approval of the Canadian Centenary Council was evidenced by the appointment of its president, Dr. MacKenzie, and the associate president M. Faribault, as directors of the official Government body, of which Mr. John Fisher is the commissioner, and Mr. Robert Choquette, of Montreal, associate commissioner.

Those attending that meeting included delegates from over 300 national organizations, as well as representatives from the federal and provincial governments, municipalities, and many individuals.

The theme of last year's meeting was "Biculturalism, the basis of Canadian society"; and one could add, "voluntary bilingualism." It was reported during the conference that many schools across Canada had already embarked on programs for teaching French to English-speaking pupils, or English to French-speaking Canadians. This is tangible proof that we are making progress in achieving voluntary bilingualism. It is conceded that an additional language acquired is additional culture.

A great part of the three-day conference was given over to the eleven workshops. The serious and patriotic attitude of the participants reflected the sincere desire to do honour to Canada's one hundred years of nationhood.

I admit there was an undercurrent of tension and anxiety concerning the so-called "quiet revolution" taking place in Quebec, and even the F.L.Q. got into the act to provide additional excitement, as a telephone call was received at the Queen Elizabeth hotel that a bomb had been placed in the Central Station under the hotel, and that rumour caused a little flurry of excitement. But, before the time set for the explosion, the police found a suitcase with an amateurish sort of bomb—so nothing happened.

Mr. John Fisher was guest speaker for the closing luncheon and he compared the Canadian Centenary Council as "The Voice of the People of Canada", whereas the Government body, the National Centenary administration, was the "Voice of the Federal Government." He stressed the point that adequate consultation and co-ordination are required between the official governmental body and the non-governmental organizations prior to launching any major centennial project, in order to avoid duplication and to prevent waste of time and money.

The eleven workshops provided ample opportunity for full-dress discussions of the theme "Biculturalism," and Mr. Dale Thomson, professor of Political Science at the University of Montreal, as chairman of the Rapporteurs, in summing up the findings of the eleven workshops, said: "A meeting of this kind is the best possible reply to unbelievers in the future of a united Canada in 1967."

It was suggested at one of the workshops that a report of the proceedings should be brought to the attention of the honourable senators, which I promised to do and, as you see, I am keeping my promise. Some one suggested extending an invitation to honourable senators and members of Parliament to attend the 1964 annual meeting in order to enlist their support towards stimulating interest in their particular areas, and influence them to lend their prestige to local centenary projects.

The next and fourth annual meeting will take place from May 27 to 29 in the new Fathers of Confederation Memorial Building in that friendly and historic City of Charlottetown, Prince Edward Island, that we have heard about in such eloquent terms tonight from Senator Inman. The theme of this meeting will be, "Canada-Wide Centennial Planning and the World's Fair." Having personally experienced the lavish hospitality of Charlottetown, the cradle of Confederation, I am looking forward, like the Fathers of Confederation, for that happy combination of business plus social activity so ably reported by Honourable George Brown after the 1864 conference:

Whether as the result of our eloquence or of the goodness of the champagne the ice became completely broken, and the tongues of the delegates wagged merrily.

As to the problems that existed at the time of Confederation, much has been said about the Charlottetown Conference in September 1864, and much has been said about the Quebec Conference in October the same year. Much has also been said about the frictions and heated discussions indulged in by our Fathers of Confederation at these preliminary meetings. Yet history proves that the dissident groups must have had a give-and-take attitude, a goodwill, and a sincere desire to find a common denominator for the problems before them in order to create a united Canada composed of the two founding races, the English and French peoples, and two cultures with equality and opportunity for both. This was the dream of Sir John A. Macdonald and Sir Georges Etienne Cartier. Despite their differences it was a co-operative approach, and Confederation was built by stages over the three intervening years until 1867. In justice to that Irishman, D'Arcy McGee, I must say that he had preached and pleaded for federation for many years prior to the British North America Act of 1867.

I ask you, honourable senators, is this generation less co-operative and understanding? If a united Canada is to be saved for future generations, and if we are to celebrate together Canada's birthday in 1967, all true Canadians must reject any dangerous degree of hate, misunderstanding and distrust, which can so easily be stirred up by extremists on both sides, and the subsequent consequences which could undermine Canadian unity and destroy the Canada we now have stretching from sea to sea.

Many accepted habits and things taken for granted in the past have shifted from their old moorings, and to meet this changing situation we must all develop a new set of values to solve our new problems. Unleashed passions and unjust or biased accusations from both sides must be tempered by reason in a sincere attempt to find a satisfactory settlement. Maybe the ultimate salvation of Confederation will depend more on the broadmindedness of the majority of our far-sighted Canadian people than on the letter of, or the proposed amendments to, the British North America Act.

There is a proposal for a cultural centre, a "Place des Arts" in Quebec City to mark the Quebec 1864 meeting which joined the original provinces of Nova Scotia, New Brunswick, Quebec and Ontario in Confederation.

As to the Quebec Conference, the room in which the conference held its meeting was on the second floor of a building on St. Louis Street that had been used as the official residence of the Prince of Wales on his visit to Quebec in 1860, and since that time had been the temporary home of the Canadian Legislature, pending the completion of the Parliament Buildings at Ottawa. It was destroyed by fire in 1883, having been used as a provincial legislative building until the fire.

The Fathers of Confederation met in the reading room where three tall windows provided an unobstructed view of the mighty St. Lawrence River. To quote the historian, W. Menzies Whitelaw, "the sight was one to stir the dullest imagination and warm the coldest heart." It could hardly have failed to have its effect on the thinking of the "Fathers." It was that St. Lawrence River that held Upper and Lower Canada together, no matter how men tried to keep them asunder. Oh, mighty river, please continue to wield your magic!

Suggestions for Canada's Centennial keep pouring in by the hundreds from all across Canada, so the federal administration is not lacking a wide variety of special events to choose from, in addition to permanent projects such as buildings, parks, etc. All seemingly have one thing in common: an evident desire to go all out to make 1967 a year to remember.

Government action is virtually certain upon two suggestions, such as a special centennial medal for all school children, and the suggestion to honour Canadians who have reached a hundred years of age. I am sure our Special Committee on Aging would endorse that proposal, would it not, Senator Croll? It may be apropos for the Senate to give its blessing to a "Golden Age Day," or week, for 1967, to enhance the contribution of Canada's senior citizens.

Apart from the permanent buildings, libraries, etc., an advance peek at some of the events slated for approval by the Centennial administration shows that top priority is given to the exchange of young people among the provinces, in an attempt to stimulate good will and better understanding throughout Canada.

An imaginative proposal by Alderman Jack Leslie of Calgary, Chairman of that city's centennial committee, was reported by the press, as a "Twin City—double-barrelled" suggestion, whereby Calgary and Quebec could arrange an exchange program of their citizens to a Calgary Stampede and a "Carnaval d'Hiver". The only cost to the participants in this exchange program would be the transportation. The visitors, on arrival in either Calgary or Quebec, would live in the home of a resident family, and that family

would in turn be repaid by enjoying the privilege of spending an equal time in the home of the visitors.

Mayor Wilfrid Hamel of Quebec was reported as being well disposed to the plan. It was further suggested by a Quebec newspaper that such an excellent "program of exchange visits" might well be extended to other parts of the country. For example, Montreal might exchange visitors with Vancouver, Windsor with Regina, Saskatoon with Halifax, Verdun with Kitchener, Three Rivers with Dartmouth, Brandon with Galt, etc.

Another idea has intrigued many Canadians—that of Mr. Gene Rheaume, member of Parliament for the Northwest Territories, who suggested a canoe race of about 2,500 miles, from Edmonton to Montreal, the route that the fur traders and explorers paddled. His plan would give individual Canadians a stake in the canoe race, by selling $2 shares, on which substantial prizes would be paid. In other words, it would be a sweepstake or lottery; and, according to Mr. Rheaume's calculations, it would contribute perhaps $10 million to help defray Centennial costs. I read that the idea has intrigued Mr. John Fisher. Of course, that depends upon whether one is in favour of lotteries or opposed to them.

Last June or July a young man from Saskatoon, Mr. William S. Fair, came to lobby in Ottawa for his proposal to hold a Centenary Youth Parliament in the House of Commons in 1967. He discussed the details of his plan with the leaders of the various political parties who apparently pledged their support and promised to give it top priority.

Mr. Fair's plan consists of an essay and public-speaking competition open to all young people between the ages of 17 and 21 years, as a basis of selecting candidates from all federal constituencies across Canada, who would then replace the official members of Parliament in this youth Parliament. The contest would be carried out with the co-operation of the 10 provincial departments of education.

Mr. Fair further suggested that Prince Charles be invited to open officially this Youth Parliament. Furthermore, leaders of youth associations from all member states of the United Nations would be invited to Ottawa with a view to holding an international youth leaders' conference, following the conclusion of the Youth Parliament. Mr. Fair is confident that over two million young people would take part in the contest. It sounds fantastic, does it not?

It may be that honourable senators are also aware that last October 15, at the Cercle Universitaire in Ottawa, at a preliminary meeting on classroom-teacher exchanges, one of the suggestions was that "a Member of Parliament Committee" be set up in order that senators and members of Parliament, faced with arranging tours for people from their constituencies, would know whom to go to for guidance in setting up tours of places of historic significance in Ottawa and the surrounding district. All this goes to prove my point that the voluntary groups are most conscious of Canada's centenary, and governments might well take a page from their records and get the official government machinery moving at a faster speed.

A daughter of the late Senator MacIntyre, Mrs. Alfred MacNeill of Charlottetown, came to my office on Wednesday, December 11. She was most enthusiastic about a fashion show which she was organizing for the Ladies' Aid of the hospital in Charlottetown. Each model would represent one of Canada's 10 provinces, and would wear an authentic costume of the period when that province entered Confederation. She hopes to extend the idea into a pageant which could be used for the World's Fair.

Two weeks ago Mr. Fisher proposed that women undertake what he calls "An Operation Attic", gathering up old things that should be preserved. Old letters and pictures could be checked by a qualified historian, to see what is of public value. Then the local town hall or main hotel lobby could be used for these historical displays, depicting what the particular town was like at the time of Confederation.

I read an article recently in the magazine *Performing Arts*, to the editor of which Senator Donald Cameron is consultant. It says:

> The Century of Canadian Confederation will see, happily, across our land, the completion of many theatres, concert halls, and various types of arenas for the performing arts—all to help mark our achievement of this milestone in our nationhood.
>
> But the Ford Motor Company of Canada Ltd., which is observing its 60th Anniversary in 1964 has a further and vital idea about this way of marking an important occasion. Bricks and mortar are not the only things that are concerned in the furthering of the performing arts in our country. The people . . . the performers themselves . . . are essential to the undertaking, lest the splendid new buildings become merely ghost theatres in the years to follow.
>
> Therefore Ford of Canada, in collaboration with "Performing Arts in Canada" is announcing a Centennial Performing Arts Scholarship program in which a minimum of $100,000 will be awarded to individuals and groups across Canada during the next decade.

That amounts to $10,000 per year.

This scholarship program is to encourage greater participation in the performing arts by young Canadians between 16 and 26 years of age. Senator Donald Cameron is chairman of Ford of Canada's Canadian Centennial Scholarship Program.

Honourable senators, I conclude with an excerpt from a monthly letter of The Royal Bank of Canada:

> Besides all the material things that will be erected to mark the Centenary, we need some spiritual things like a rededication to the principle of the democratic way of life. As the procession of this century of years passes in review, each year lecked with its crown of laurel leaves for Canada's achievements, and its chaplet of rosemary for memories, we must remind ourselves that 1967 will take its place in the cavalcade. We must make it worthy of the company it keeps.

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

FINANCE CHARGES (DISCLOSURE) BILL

SUBJECT MATTER REFERRED TO JOINT COMMITTEE ON CONSUMER CREDIT

Hon. David A. Croll moved the second reading of Bill S-3, to make provision for the disclosure of information in respect of finance charges.

He said: Honourable senators, I do not know how I got on this program tonight. I am not in a fighting mood, particularly at this hour. However, for five years I have been talking about this legislation. I have no straw man to knock down tonight, and for that reason I will spare you.

Therefore, honourable senators, I move seconded by the honourable Senator Roebuck, the second reading of Bill S-3, to make provision for the disclosure of information in respect of finance charges. I do so with the hope and expectation that this house will take the same action this session as it did last session, namely, that the subject matter thereof be referred to the Joint Committee on Consumer Credit.

The Hon. the Speaker: It has been moved by the honourable Senator Croll, seconded by the honourable Senator Roebuck, that this bill be now read the second time. Is it your pleasure, honourable senators, to adopt the motion?

REFERRED TO COMMITTEE

Hon. Mr. Connolly (Ottawa West): Honourable senators, I would move in amendment, seconded by the honourable Senator Vaillancourt, that this bill be not now read the second time, but that the subject matter thereof be referred to the Joint Committee on Consumer Credit.

Motion in amendment agreed to.

DIVORCE

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to the consideration of reports of the Standing Committee on Divorce, Nos. 25 to 61, both inclusive, which were presented on Wednesday, March 11.

On motion of Hon. Mr. Roebuck, Chairman of the Standing Committee on Divorce, reports adopted, on division.

RESOLUTIONS ADOPTED

The Senate proceeded to the consideration of Resolutions numbered 1 to 23, both inclusive, which were presented on Wednesday, March 11.

Hon. Mr. Roebuck, Chairman of the Standing Committee on Divorce moved the adoption of the following resolutions:

Resolution 1, for the relief of Linda Ruth Kirsch Lach.

Resolution 2, for the relief of Evelyn Margaret Henderson McConnell.

Resolution 3, for the relief of Ingrida Elisabeth Prieditis Lorenzi.

Resolution 4, for the relief of Inge Moeller Weinhandl.

Resolution 5, for the relief of Paula Elaine Segal Kurland.

Resolution 6, for the relief of Pauline Georgette Mary Malo Corp.

Resolution 7, for the relief of Ann Nanasi Moskovits.

Resolution 8, for the relief of Ruth Gittleson Shapiro.

Resolution 9, for the relief of Florence Freda Tadei Dingman.

Resolution 10, for the relief of Constance LeBaron Dibblee Lank.

Resolution 11, for the relief of Millicent Eileen Goobie Davis.

Resolution 12, for the relief of Suzanne Mary Goodger Garrett.

Resolution 13, for the relief of Vanutelli Deschenes.

Resolution 14, for the relief of Margaret Elizabeth Taylor Hall.

Resolution 15, for the relief of Helen Sivwright Maxner Black.

Resolution 16, for the relief of Marion Irma Friefeld Dickman.

Resolution 17, for the relief of Ruth Greenberg Mire.

Resolution 18, for the relief of Bernice Ruth Serlin Mroz.

Resolution 19, for the relief of Marianne Renate Schimkatis Kramer.

Resolution 20, for the relief of Anna Hasapa Dionissatos.

Resolution 21, for the relief of Monique Nicole Theriault Ladouceur.

Resolution 22, for the relief of Marie Bernadette Guitar Guitard.

Resolution 23, for the relief of Kathleen Alice Priestly Morrow.

Resolutions adopted, on division.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, March 18, 1964

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

Prayers.

DIVORCE

RESOLUTIONS PRESENTED

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the following resolutions:

Resolution 24, for the relief of Gita Joy Kaplan Davis.

Resolution 25, for the relief of Roger Laframboise.

Resolution 26, for the relief of Frances Margaret Allan Poirier.

Resolution 27, for the relief of Marie Celine Therese Courteau Vezina.

Resolution 28, for the relief of Andre Hourlier.

Resolution 29, for the relief of Marilyn Wexelman Dobrofsky.

Resolution 30, for the relief of Lillian Turowitz Ofter.

Resolution 31, for the relief of Patricia James Lang O'Connor.

Resolution 32, for the relief of William Gordon Allen.

Resolution 33, for the relief of Marie-Anne Landry Desjardins.

Resolution 34, for the relief of Graham Campbell Harris.

Resolution 35, for the relief of Mildred Niren Cubitz, otherwise known as Mildred Nirenberg Cubitz.

Resolution 36, for the relief of Joan Margaret Gooch Wise.

Resolution 37, for the relief of Eric Meace.

Resolution 38, for the relief of Helen Lycas Vipond.

Resolution 39, for the relief of Beverley Respitz Grundman.

Resolution 40, for the relief of Ahuva Lina Sussman Sandperl.

Resolution 41, for the relief of Ida Christina Amalia Helena Koel Arsenault.

Resolution 42, for the relief of Jeanette Dorothy Saysell Wright.

Resolution 43, for the relief of Jurgen Manfred Kluwe.

Resolution 44, for the relief of Sarah Jane Harbinson Scott.

Resolution 45, for the relief of Vytautas Peter Kazlauskas.

Resolution 46, for the relief of Lillian Cere Kulczycki.

Resolution 47, for the relief of Arnold Adie.

Resolution 48, for the relief of Elizabeth Cameron Foucar Kielmann.

Resolution 49, for the relief of Phyllis Wishnowski Kara.

Resolution 50, for the relief of Ruby Grace Christie Buckell.

Resolution 51, for the relief of Dean Roberts Bishop.

Resolution 52, for the relief of Frank (Franciszek) Kaim.

Resolution 53, for the relief of Robert Toupin.

Resolution 54, for the relief of Rhoda Prosterman Zoberman.

Resolution 55, for the relief of Helen Freda Benjamin Markowiecki, otherwise known as Helen Freda Benjamin Marks.

Resolution 56, for the relief of Elizabeth Yvonne Goldberger Buday Mactaggart.

Resolution 57, for the relief of Michel Weissberger.

Resolution 58, for the relief of Denyse St. Hilaire Marshall.

Resolution 59, for the relief of Madeleine Turgeon Caron.

Resolution 60, for the relief of Rita Emma Clara Gentmantel Sanderson.

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

Hon. Mr. Roebuck: Honourable senators, I move that these resolutions be considered on Monday next.

Motion agreed to.

PRIVATE BILLS

THE GENERAL ACCIDENT ASSURANCE COMPANY OF CANADA—REPORT OF COMMITTEE

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill S-8, respecting The General Accident Assurance Company of Canada, and had directed that the bill be reported with the following amendment:

> Lines 10 and 11: Strike out "La Compagnie d'Assurance Générale Accident du Canada" and substitute therefor "General Accident, Compagnie d'Assurance du Canada".

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

Hon. Mr. Leonard: With leave, I move that the report be adopted now.

Hon. Arthur W. Roebuck: Honourable senators, before that is done we should have some explanation as to the urgency for its adoption today. There may be no objection to the adoption of this report today, but is there any advantage to be gained by setting the rules aside, to adopt a measure which involves merely a change of name? I would suggest that this be considered at the next sitting.

Hon. T. D'Arcy Leonard: Honourable senators, I am quite in accord with Senator Roebuck's suggestion, that there should be an explanation, and I hope it will be satisfactory to the Senate.

Honourable senators will recall that Bill S-8, and Bill S-9 respecting Scottish Canadian Assurance Corporation—which will be reported out of committee after Bill S-8 has been dealt with—concern two insurance companies of the same group. In each case the sole purpose of the bill is to permit the use of a name in French as well as a name in English.

The amendment to Bill S-8 made today by the committee was simply a transposition of the French words. The name of the company, as proposed in the bill, namely, "La Compagnie d'Assurance Générale Accident du Canada", will now read "General Accident, Compagnie d'Assurance du Canada". Since the amendment appears to be a minor one, and having in mind that Bill S-9 applies to another company in the same group, it seemed to be desirable to adopt the reports on both bills today.

Hon. Mr. Roebuck: Next sitting.

The Hon. the Speaker: Consideration next sitting.

SCOTTISH CANADIAN ASSURANCE CORPORATION— REPORT OF COMMITTEE ADOPTED

Hon. Mr. Hayden, Chairman of the Standing Committee on Banking and Commerce reported that the committee had considered Bill S-9, respecting Scottish Canadian Assurance Corporation, and had directed that the bill be reported without amendment.

Report adopted.

THIRD READING

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

Hon. Mr. Leonard: With leave, I move the third reading now.

Motion agreed to and bill read third time and passed.

BANK OF WESTERN CANADA—AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Mr. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the following report of the committee on Bill S-6, to incorporate the Bank of Western Canada:

> Your committee recommend that authority be granted for the printing of 1,000 copies in English and 400 copies in French of their proceedings on the said bill.

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

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

Report adopted.

CONSUMER CREDIT

APPOINTMENT OF SENATE MEMBERS TO JOINT COMMITTEE

Hon. John J. Connolly: Honourable senators, with leave, I move, seconded by Senator Brooks,

> that the following senators be appointed to act on behalf of the Senate on the Joint Committee of the Senate and House of Commons to inquire into and report upon the problem of Consumer Credit, namely:
>
> The honourable Senators Bouffard, Croll, Gershaw, Hollett, Irvine, Lang, McGrand, Robertson (Kenora-Rainy River), Smith (Queens-Shelburne), Stambaugh, Thorvaldson and Vaillancourt; and
>
> That a message be sent to the House of Commons to inform that House accordingly.

Honourable senators, this is a motion that follows two others which were made in connection with the setting up of the Joint Committee on Consumer Credit. There is only one change from the list of senators appointed to serve on the committee at the last session: Senator Hayden has been replaced by Senator Lang of Toronto.

Motion agreed to.

TOURIST TRAFFIC

NOTICE OF MOTION STANDS

On the notice of motion by Hon. Mr. Isnor:

> That the Standing Committee on Tourist Traffic be empowered to inquire into and report upon the activities of the various agencies concerned with promoting tourist travel in Canada and that the Committee be authorized to send for persons, papers and records.

Hon. Gordon B. Isnor: Honourable senators, I would ask that Motion No. 2 stand until Wednesday, March 25.

Hon. Senators: Agreed.

Order stands.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

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

Hon. Nelson Rattenbury: Honourable senators, the privilege of making my maiden speech in this chamber is one that I shall always look back on with great humility. It is an honour accorded to very few men and women in Canada, and I am not unmindful of that fact. But the privilege that I am experiencing at the moment cannot hide the feeling of utter and complete confusion which exists in my mind as I roam through these hallowed corridors. Do any of you remember how you felt? It really is devastating.

I am now afforded the opportunity of thanking previous speakers for the very nice words of welcome extended to me.

The office of His Honour the Speaker in this chamber is one which carries with it heavy responsibility; so much of our parliamentary history is embodied in its past. I have met our Speaker on only two or three occasions, and already I am well aware of his charm and quiet patience. He is conducting—and will continue to do so, I am sure—the affairs of his office with all the dignity and intimate knowledge that it demands.

I join with previous speakers in adding my congratulations to Senator John J. Connolly upon his appointment as Government Leader in the Senate. I can think of no one better qualified to carry out the onerous duties of that office. He is known as an outstanding member of his profession, and his political activity over the past number of years has given him an opportunity of obtaining an intimate knowledge of conditions from coast to coast. His speech in this chamber on Wednesday, February 26, was one that I consider myself fortunate to have heard. I can only say, in my own way, that I am happy to be here serving with him.

I appreciated the kind remarks of the Leader of the Opposition (Hon. Mr. Brooks). We both call New Brunswick home, but his reputation extends far and beyond his native province. His service to Canada has been outstanding, first as a soldier and then as a parliamentarian. All New Brunswickers are proud of him, and I personally welcome the opportunity of knowing him better. I disagree with him in his remarks about the different directions in which we are travelling, but on the other hand I agree most heartily with his observation that this country must return to the parties of Cartier and Macdonald—parties created by men of wisdom and nurtured with time and experience. This country cannot afford the luxury of splinter groups representing only sectional interests.

The Prime Minister paid me a great compliment when he recommended my appointment to the Senate, and I shall try very hard to justify the confidence he has placed in me. As I have intimated, it will take some time to find my feet and control the panic which exists.

I congratulate the mover and seconder of the motion on the address. Both are, like myself, new to this chamber, but Senator Denis has the backing of years of experience in the other place.

I would like to speak today about the province in which I have the honour to live. It is a great province, with an honourable past and a very bright future. For many years it was said that, "Down East, they export brains—that is their largest export."

Today, however, the pendulum seems to be swinging the other way; a situation is developing wherein jobs are becoming available for our own people, and men with international reputations, particularly in the mining, shipbuilding and engineering fields, are wending their way eastward. We need their experience to help us develop our resources. We need our new technical training schools to train our youth for the jobs that are becoming available, all brought about by the industrial development of which I speak.

Our geographic position, for the most part or at least during our lifetime, has worked to our disadvantage. Our country's growth, as that of the United States, has been directed to the centre of the continent. However, a number of factors are contributing to our emancipation. To mention a few, I would refer to the struggle for economic development in Africa and South America, the creation of rival industrial growth in Europe, and the great wave of activity that has come in the wake of the massive wheat sales overseas. All have played their part in bringing some business to the coast, but more is needed, and needed on a continuing basis.

The port of Saint John is busy, but our efforts to keep that activity going will demand the close attention of us all; manufacturers, exporters, labour—all must play their part.

Before leaving Saint John for an imaginary trip around my province, I would like to tell you about some of the industrial advancements that have happened there. I refer specifically to the huge 50,000-barrel oil refinery which went on stream a few years ago, and the new 100,000 kilowatt thermal power plant, just beginning construction and made necessary in order to supply the power requirements of the new Rothesay Paper Company mill which will house, I am told, the largest paper machine on the continent.

Then, of course, you have all heard of the resurgence of shipbuilding which is reminiscent of the days of wooden ships. I should refrain from saying "iron men" because this great shipbuilding complex is building steel ships. In fact, three of the largest ore carriers ever built in this country have been launched from this yard, which now employs between 1,500 and 2,000 men, and which at times has employed as many as 2,500.

It would be unfair to leave the great port of Saint John without some reference to the effect that the St. Lawrence Seaway and the impending year-round navigation on that river will have on Atlantic ports generally. I am of the opinion that most people realize the fact that progress as such cannot be impeded. However, all of us—and in that generalization I include the Government of the day—must also realize that if the St. Lawrence is to be opened to year-round navigation, it must not be at the expense of our Atlantic economy.

This great nation of ours cannot afford to have four poor cousins in the family of provinces. If the St. Lawrence is to be kept open twelve months of the year, at considerable expense to the people of this country, then remedial action must be taken with respect to the Atlantic ports. There are many ways to accomplish this but my time today will not allow me to go into the matter in detail. Perhaps at a future sitting I will be permitted to talk on this important matter.

Closely allied with this question is the subject of shipping, and on this subject one could dwell at length. I think it is tragic that Canada, with a seafaring tradition which is second to none in the world, should be reduced to fewer than three vessels—I think at the moment there is one—of deep water registry.

In 1878 we had over 7,000 ships. The shipbuilding subsidy has helped to reactivate our shipyards, particularly in the coastal and fishing industries. It has made it possible to build such vessels in Canadian shipyards employing skilled Canadian labour. However, the building subsidy in itself is not enough. Some method must be devised to provide needed capital to finance construction costs.

Perhaps this could be brought about by giving additional assistance for deep sea registry vessels only, using the subsidy already applicable, in addition to the provisions of the Canadian Vessels Construction Assistance Act, passed in 1952, which is not now allowable.

Another means would be a form of government-sponsored mortgage insurance. To illustrate the need of some such assistance, I could refer to one case of an owner who had, in order to build a ship, to borrow from the bank over a two-year period. Imagine trying to pay off a ship in such a period of time!

Honourable senators, I attach much importance to this subject. I repeat, we have a tradition to live up to. This country built some of the finest ships in the world during the last century, and in this century we gained invaluable experience in building a wartime fleet, and, more recently, upper lake vessels of the most modern design afloat.

It is quite true that we have a navy of which we are all very proud, but may I remind you that a naval service should have a dual responsibility—a responsibility to protect our coasts and to protect our shipping. Today, honourable senators, if a war came our Navy would be protecting the ships of other nations, not our own.

We cannot live by, or for, tradition alone. If we are to keep shop efficiently we must some day balance our ledgers, and I submit we can start by the establishment of a Canadian merchant fleet, but not one that is Government built and operated. Heaven forbid that such as that should happen! In this observation I speak from knowledge gained in the tough school of experience. I contend we should by legislation, as I mentioned before, make it possible to operate under private ownership a modern up-to-date fleet that will carry Canadian products across the oceans of the world.

There is a reason for all this; in fact, many reasons. But one big one that I can think of is the help it would bring to our imbalance of trade. To illustrate this, I would point out that the Maritime refineries pay out in foreign currency about $40 million annually. Add to that figure the amount paid by the oil refineries on the St. Lawrence River ports, and I am sure the dollars paid out, because we are using foreign ships, would amount to $100 million and more.

I realize even as you do that all this business would not be carried in Canadian ships if such were available, but if we had ships of modern design they could and would

compete on even terms with flags of other nations. They would get their fair share of the business.

The biggest power development ever attempted in eastern Canada is in the engineering and planning stage, and construction will commence early in 1965 on the gigantic hydro electric project at Mactaquac on the Saint John River, a few miles above Fredericton. Those of you who are not familiar with New Brunswick might find the name Mactaquac a little odd, but it is one of the picturesque Indian names found so frequently in that province.

Low cost power from this plant was assured by the approval of a grant totalling $20 million by the Government of Canada and the Atlantic Development Board. When it is fully developed, this project will generate an estimated 500,000 kilowatts of low-cost electricity. Just what this will mean to my province can be illustrated when I tell you that it will be the equivalent of the total generating capacity in the province at the moment. Imagine if you will, the industrial expansion made possible by this huge development. It will surpass anything ever known in the history of eastern Canada.

Is it any wonder that people everywhere are commenting on the industrial awakening of New Brunswick? Is it any wonder that the editorial pages across the nation are so loud in their praises of our premier? It has taken one with his vision and courage to bring all this about.

The mining industry is a good example of his determination and courage. Most of you have read of our base metal deposits discovered in the Bathurst area in the early 1950's. The deposit owned by Brunswick Mining and Smelting Company is one of the largest. I believe it to be the largest such proven ore body in the world. It lay fallow for years. A lot of talk went on about the plans for its future. Promises were made and accepted but nothing happened. In fact, ten years ago this chamber was told in good faith that in the following year 6,000 tons of ore would be on the move. However, it took another ten years, and a Robichaud, to bring it all about.

In a few months shipments will commence from a multimillion dollar concentrator at the Brunswick mine, and work has already started on a smelter chemical plant to handle this output. I am told that this whole complex of concentrator, smelter and chemical plant will cost approximately $50 million.

I previously mentioned the new paper mill under construction at Saint John, which is, I am told, the first such mill to be built in Canada in the past 25 years. But I have yet to talk about the new multimillion dollar groundwood mill now nearing completion at South Nelson; also the only soft wood plywood mill east of the Rockies and owned, incidentally, by my good friend Senator Burchill. I think it is only a matter of time until the Miramichi area will have another mill, one that will help considerably the economy of our province.

Historically, it has been a pastime with us in the east to blame all our ills on all those who live to the west of us. I like to think that conditions are changing. I like to believe that the next generation of the Atlantic provinces will have reason to look with pride on their ever-expanding economy; that they will be able to say their income is approaching the national level; that their despair of the past will be replaced by an optimistic outlook, and that there will be good and sufficient reason for that change.

I have nearly completed my journey around the province, but the picture I have tried to present to you would not be complete if I failed to mention that once again we are taking our rightful place in the fishing industry. Steel trawlers are being built, and new fish-processing plants are in the planning stage. I am sure this industry has reason to look to the future with every feeling of confidence.

The beauty of our province must not be overlooked. Our tourist bureau is busily engaged 12 months a year convincing ever more people to enjoy the facilities we have to offer at such places as St. Andrews, the beaches of Baie de Chaleur and Shediac Bay, and sportsmen the world over will always wear an expression of delight when they think of the salmon running in the rivers of New Brunswick.

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

CANADA SHIPPING ACT

BILL TO AMEND—SECOND READING

The Senate resumed from Friday, March 13, the adjourned debate on the motion of Hon. M. Bouffard for the second reading of Bill S-7, to amend the Canada Shipping Act.

Hon. Donald Smith: Honourable senators, before Senator Hayden takes the floor, may I be permitted to put on the record a correction which I would like to appear at this point in today's *Hansard*. It deals with an error in print which occurred at the top of page 156, in the first paragraph of the left-hand column, in the second sentence. I am reported as saying:

> To this section I suggest adding a provision that the date of proclamation be made under section 5 of this act.

The important phrase of the sentence was omitted. I checked my notes, and this is what I had intended to say:

> To this section I propose adding a provision that the date of proclamation be no earlier than one year following the publication of regulations made under section 5 of this act.

Of course, the purpose of the suggested amendment was to provide an ample opportunity for both the fish dealers and the fishermen themselves to examine the proposed regulations before they became effective.

Thank you for your courtesy.

Hon. Salter A. Hayden: Honourable senators, I intend to deal with only one clause in this bill, clause 35. You will note it adds a new subsection, designated subsection 2a to section 671 of the Canada Shipping Act as it now stands.

This new subsection 2a provides that only Canadian ships may engage in coasting trade on the Great Lakes and the River St. Lawrence; and the area on the Great Lakes and the St. Lawrence River within which this restriction or limitation applies is provided in this clause 35.

I have read the very interesting discussion of this bill in the Senate. It related, however, to other aspects of the bill, dealing mainly with the International Convention for the Safety of Life at Sea, entered into in 1960 and replacing the earlier convention of 1948, and also amendments covered by the International Convention Relating to the Limitation of Liability of Owners of Sea-going Ships, of 1957.

In connection with those items I have nothing to say. I assume that in committee there will be before us those persons who will point out the purposes and advantages of the changes. I think we could assume also that since the convention resulted from a meeting of minds of various countries of the Commonwealth, the changes are in the right direction.

Honourable senators, I should point out that the question of closing the coasting trade of Canada within the areas I have described is not a new thing. It is not something that has recently been thought about. I should like to take a moment to tell you what the background is.

The pressure for consideration of such a restriction started to build up particularly when various organizations interested in shipping began to look forward to the construction and completion of the seaway and the impact which it might have by reason of the vessels which would be attracted into the interior, one might say, of Canada via the St. Lawrence and the various seaway canals and through the Great Lakes.

Prior to 1955, in anticipation of the opening of the St. Lawrence Seaway, representations were made to the Government by associations of shipbuilders, ship repairers and ship operators, asking that the coasting trade be restricted to vessels built and registered in Canada.

Prior to that time, while voices were raised asking for the same thing, there were certain natural protections which the Great Lakes shipping enjoyed. For instance, there was the limitation of the pre-seaway canal system, which kept out of the Great Lakes all seagoing vessels except very small, non-competitive ones.

The prospect of the removal of this natural limitation stirred the Dominion Marine Association, for instance, to include in its 1954 submission to the Government the statement that "Canadian shipowners would be driven from the inland waters of Canada, and the shipyards and ancillary services which sustain them would be without business."

The Great Lakes shipbuilding industry itself, until the actual Seaway became operating, enjoyed protection by reason of the natural barriers of the Great Lakes system, from builders of foreign ships. Even in 1950 we added a provision in the Canada Shipping Act, which provided that "a ship built outside of Canada shall not, without the consent of the minister, be registered in Canada." Therefore, there was this additional protection which was built up in protection of the shipping industry interested in this portion of the Great Lakes and the St. Lawrence.

Bearing in mind all this, on March 1, 1955, the Government appointed a Royal Commission on Coasting Trade. It made its report on December 9, 1957. I might mention the names of the members of that royal commission. The Honourable Mr. Justice W. F. Spence was chairman. At that time he was a member of the Trial Division of the Supreme Court of Ontario; he has since become one of the puisne judges of the Supreme Court of Canada. Other members were W. N. Wickwire, Q.C. and Marcel Belancer, C.A.

The terms of reference of the commission are very interesting and touch right on this particular subject. Senators who wish to see the full language of the terms of reference will find it in page 1 of the report. I have summarized the terms of reference in relation to the subject matter we are discussing now. That summary is as follows:

> That the commission, *inter alia,* was required to inquire into and report upon

(a) the effect upon Canadian shipping and shipbuilding of participation in the coasting trade by ships registered or built outside of Canada;

(b) the probable effects of the development of the St. Lawrence Seaway upon the Canadian coasting trade; and

(c) the necessity, if any, of establishing different policies and prescribing special conditions with respect to the Canadian coasting trade.

Before I tell you the conclusions of that royal commission, I should tell you what was the state of the law in relation to restrictions on shipping at the time this commission sat, and what is the state of the law substantially today.

This is a very brief summary. I hope you do not find it wearying.

The first provision is the British Commonwealth Merchant Shipping Agreement 1931, to which all Commonwealth members are parties, which provided and still provides for equal treatment of all British ships in the coasting trade of parties thereto.

Any member may withdraw from the agreement or any article thereof on 12 months' notice. The agreement could also be amended by common accord, on proposals made and circulated by any three members. It was to this particular provision that the sponsor of the bill (Hon. Mr. Bouffard) referred as indicating that Canada had complied with the requirements of this British Commonwealth Merchant Shipping Agreement, as a preliminary to the introduction of clause 35 in the bill before you.

Then, Part XIII of the Canada Shipping Act itself provides that only British ships may engage in the coasting trade; and a British ship is defined in the interpretation section of the Canada Shipping Act as including a Canadian ship. A British ship is also defined in the same act as a ship that is owned by British subjects and/or corporations incorporated in the Commonwealth and that is registered in the Commonwealth.

Another feature of the law existing at the time the royal commission sat, at the time it made its report, and still today, is that foreign-built ships may be by order in council exempt from the prohibition in Part XIII of the Canada Shipping Act. That is by virtue of section 673, which is simply that the minister may grant an exemption from the prohibition that otherwise exists. The purpose of that was to permit exemption where reasonable service is not being furnished at reasonable rates; and I can tell you that according to reports the exemption is being used sparingly and to meet emergencies in shipping. The comment of the royal commission on this aspect of the law, as I have related it to you now, is in this language:

> The practical result of Part XIII of the Canada Shipping Act is to restrict the coasting trade of Canada to Commonwealth registered ships all of which are equally free to engage in it whether registered in Canada or not.... This equality of treatment is required by the.... Commonwealth Merchant Shipping Agreement. To exclude British ships registered outside of this country from its coasting trade Canada would have to withdraw from Article XI of the agreement...

I assume that it is a procedure of that kind which Canada has followed.

As to what the rest of the provisions of the law are in relation to shipping, may I state briefly the relevant tariff and tax provisions, those, for instance, in relation to customs duties. Ships built in the Commonwealth may engage in the coasting trade free of duty. Ships built outside the Commonwealth may only coast upon payment of a duty of 25 per cent *ad valorem* and securing of a coasting licence. Duty may be imposed on repairs and alterations effected outside the Commonwealth.

Now, as to the application of this sort, you might be dealing with a ship that was built, say, in the United States, and by subsequent transactions it might be held by a British corporation, and there may be a leasing or a purchase of that ship by a Canadian interest. On payment of this 25 per cent duty *ad valorem,* the owners or lessees, as the case may be, are entitled as of right to a licence to operate in the coasting trade.

Then there is the question of federal sales tax. Ships licensed to coast and materials used in their construction are exempt from federal sales tax. The Canadian Vessel Assistance Act provides a three year write-off. Honourable senators know about that, for we have dealt with that legislation in this chamber.

Then with regard to regulation of coasting trade, and shipping tariffs—bulk cargoes: Under the Inland Water Freight Rates Act, the Board of Grain Commissioners regulates rates that may be charged for the carriage of grain from the lakehead to other ports in Canada and prescribes maximum rates.

General cargo and passengers: The Board of Transport Commissioners is empowered to regulate, grant licences, etc. in these fields.

At this stage, having indicated what is the state of law now, when the commission made its report, and at the time the commission

was set up, I would like to refer to the findings of the royal commission which were published in December 1957. I am sorry that there is no advantage in my paraphrasing, so if honourable senators will permit me I will read them, but not any more than I think necessary.

At page 139 of the report of the Royal Commission on Coasting Trade appears the heading, "Conclusions Respecting Proposed Restriction of Canadian Coasting Trade to Vessels Registered in Canada." The subject matter reads as follows:

> Restriction of the coasting trade to vessels registered in Canada would be detrimental to the public interest, whether the restriction applied generally or only to a particular part of Canada.
>
> Applied to the Great Lakes and St. Lawrence River—

And that is the particular aspect of it to which we are addressing ourselves at this time.

> —the restriction would mean moderately greater water transportation charges than would obtain otherwise in coasting trades. It would probably cause most Canadian export grain to be shipped directly overseas from the Lakehead, causing a substantial loss of coasting trade. This loss would impair the competitive position of Canadian operators in the transborder trade.

That is, trade as between the United States and Canada.

> It would not afford any substantial advantage in shipping service.

It was urged that this restriction of Canada's coasting trade to vessels registered in Canada would help in the next step, which was to be an agreement between the United States and Canada on transborder rates. The report of the royal commission, after careful study of that aspect, had this to say:

> The submission of the Dominion Marine Association advocated restriction of the coasting trade to Canadian registered vessels, firstly "as a necessary step in the preservation of our own trade," and secondly as an essential preliminary to the negotiation of a treaty with the United States reserving the trans-boundary trade in the inland waters of the two countries to vessels registered in either Canada or the United States. The two measures were advocated as a combined assurance that the trade of Canadian and United States shipowners would not be destroyed by competition from the United Kingdom and foreign countries. The Trades and Labour Council and the National Association of Marine Engineers also advocated such a treaty.
>
> The foregoing analysis has shown that restriction of the coasting trade to vessels registered in Canada would be detrimental to the public interest. The same can be said for restriction of the transborder trade to Canadian registered and United States registered vessels. The continued exclusion of outside competition in all the inland services would materially lessen the advantages to be derived from the Seaway.
>
> The very intent of the proposed treaty is contrary to the principle espoused by Canada of freeing the obstacles to international trade.

There was the question as to whether not only Commonwealth but also foreign vessels should be permitted to engage in Canada's coasting trade, since economy of service is appraised as the decisive consideration. Therefore, they went on to consider that, namely, a retention of the present restriction on coasting trade:

> The Commission does not regard the change as advisable at this time for the following reasons:
>
> (a) The competition from Commonwealth vessels alone is enough to bring world freight rates with it, by and large. The admission to the coasting trade of vessels on other registries could be expected to bring little or no additional economy to shippers.
>
> (b) It is assumed that the United Kingdom will be allied with Canada in any future war in which this country may become involved, and that its vessels will be available for Canadian needs in the common cause, whereas obviously the same cannot be said of all foreign countries.

So they dismissed the idea that the coasting trade should be exposed to any broader competition than presently exists, but they do say that the restrictions on coasting trade should not be extended so that there would be exclusion of all trade other than the carriage in Canadian ships.

There are one or two things I want to say arising out of these findings of the royal commission. I should point out that the commission, as will be seen from the report, made a very careful and exhaustive study of the matter. The report is well documented. The members had sufficient assistance in their study, and they made their projection on the basis of what it was anticipated the operation of the Seaway would produce in the

way of trade, in the way of additional shipping and the nature of such, and then they reached these conclusions.

One very significant thing in the report which I should point out is that there are really two aspects involved. When we talk about coasting trade, that means between two Canadian points within this area on the Great Lakes and the St. Lawrence. However, there is also the other aspect of international trade which is not subject to this restriction at all, that is, that ships of any registry other than Canadian may come up the St. Lawrence bringing cargo from outside Canada, and may unload in any part of this area and again pick up cargo and carry it out beyond the limitations provided here, and they are not subject to the restrictions contained in the existing or proposed legislation should section 35 become law.

One thing that concerned the royal commission, as I read the report, is that the largest single item of freight carried by Canadian vessels on the Great Lakes, engaged in coasting trade, is made up of the carriage of grain from the Lakehead to some point of transfer, possibly Montreal, or elsewhere. It is pointed out that by restricting the coasting trade in Canada to ships of Canadian registry you automatically produce a situation where you are going to experience higher freight rates. Then that problem would endanger the continued ability or the opportunity for Canadian ships in the coasting trade to carry grain to transfer points. What it suggests might very likely occur is that these ships of other registers, which are bringing cargo to various points in Canada, may then take grain out to various points beyond Canada and in that way there will be a substantial loss to the Canadian shipping trade by the loss of carriage of this grain because of the increased cost of shipping.

Having said all that, I now say that I think the bill should go to committee. In committee it will require very careful study, because here we have a report of a royal commission that was set up by the Government of Canada following representations that were made by all the ship-building and ship-operating firms in Canada, envisaging the difficulties and the dangers that they would experience on the opening of the Seaway. That commission was asked to inquire into all these things. The very question of the restriction of the coasting trade of Canada to Canadian ships only was one of the very questions that this commission was asked to consider; and it was asked to consider it in the light of the Seaway in operation. They sat for some considerable time. It is a considered, well-documented and intelligent report.

It seems to me there are certain questions that should be answered in committee. Have these figures upon which these conclusions in the report are based developed in operation in accordance with those projections for the period since the Seaway opened? If they have, then the question is: Why do we now turn against the report of the commission? What are the reasons for not accepting the conclusions and recommendations of the commission? If the projections upon which the report is founded are not those which were realized, then of course we would have to have an explanation as to what are the differences, what are the real figures and how they influence you to reach a conclusion different from that which the commission reached. To me, these are very important questions. I do not see at this time any political considerations involved, although certainly it would appear to be more consistent with our views. Maybe I cannot speak for you all, but certainly the view that I have held for a long time is that Canada should be removing instead of adding obstacles to the flow of international trade because we are so dependent on international trade.

Some Hon. Senators: Hear, hear.

Hon. Mr. Hayden: I summarize what I have said in these words: the presently proposed legislation can only be supported, in the light of the commission's recommendations, if the experience since the opening of the Seaway has shown that the commissioners' projections were substantially wrong, and that the position of the Canadian ship operator since the opening of the Seaway is substantially different from and worse than that which had been projected for him by the commission as the result of its inquiry. If that is not so, and if that cannot be demonstrated to be so, then we are simply being asked to accept a bill which does something exactly the opposite of what the commission recommended. In those circumstances, I think we should have very valid reasons for taking such a course of action.

I think that information should go so far as to give us an analysis of the experience in shipping in this area which is now sought to be closed, that is, the coasting trade of Canada. We should be given the experience in that area over the period since the Seaway opened, and have it set off against the basis upon which the commission proceeded. If on a thorough analysis of that we can then say, had the commissioners had this information before them, instead of the projections they made, they would not have come to the conclusions they did—if we are prepared to

reach that conclusion, I think we should support the bill. But as I see it, in the circumstances we have a very responsible duty to perform. We cannot just fly lightly in the face of an examination that was made by a capable group of commissioners who made a real study of this whole situation, and simply ignore everything they have recommended and accept what is proposed in clause 35 of the bill.

Hon. Mr. Kinley: May I ask a question of the honourable senator? He bases his argument largely on the report of the commission. I did not hear him say anything about the fact that this is a government bill, and it is a bill that embodies the announcement made by the previous government. Two governments in Canada have been in favour of this bill. He says this is not political. I can assure him this bill is not political because both of the leading parties are in favour of it.

Hon. Mr. Hayden: My friend has not asked the question yet. Could he tell me what the question is?

Hon. Mr. Kinley: The question is: Why do you put your whole emphasis on the report of the commission, when two successive governments of Canada have expressed themselves in support of what the bill provides?

Hon. Mr. Hayden: That is very easy to answer. This is a report which was requested by the government of the day in 1955; and today a government of the same political persuasion is proposing this amendment. This commission made a very careful study of this particular question and made a report based on certain information. It appears to be an intelligent report, and I am not to be taken as opposing the enactment of clause 35. I have not said anything that goes that far. What I have said is that I want it to be shown why we should do something different from what the commission recommended. Has the situation changed? Are we just refusing to accept the report, or is there good ground for taking a different position from the one taken in the report?

Hon. Mr. Roebuck: May I ask, where does one obtain the report?

Hon. Mr. Hayden: You can get it from the Queen's Printer. That is where I got my copy. It is dated December 9, 1957.

Hon. Mr. Farris: I was not here when the bill was introduced. Were the reasons for overruling the report submitted in this house?

Hon. Mr. Hayden: I do not think so—not until now.

Hon. Mr. Bouffard: In the Senate, on the introduction of the bill—

The Hon. the Speaker: I am sorry to interrupt, but is the honourable Senator Bouffard closing the debate or is he just answering a question?

Hon. Mr. Bouffard: I am answering a question.

The matter was pretty well discussed. I gave what would be the advantages and the disadvantages concerning the coasting trade, whether it is restricted to Canadian ships or not. At the same time I said that the matter had been studied and that the Government was not sure about its proclamation. As a matter of fact, the article we are talking about is not one that is going to take effect right away; it can be proclaimed any time the Governor in Council deems proper.

You have in the introduction of the bill four reasons which are advantages in keeping it the way it is today, and four reasons which would be disadvantages, if we adopt the new policy the Government is putting forward in the bill.

Hon. Mr. Farris: What is the date of your speech on the bill?

Hon. Mr. Bouffard: March 12.

Motion agreed to, and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Bouffard, bill referred to the Standing Committee on Transport and Communications.

HARBOUR COMMISSIONS BILL

SECOND READING

Hon. T. D'Arcy Leonard moved the second reading of Bill S-10, to provide for the Establishment of Harbour Commissions.

He said: Honourable senators, the title of this bill will have a familiar sound to the ears of all honourable senators who recall Bill S-38 of last session. It could be described as the 1964 revised version of Bill S-38, which went through some vicissitudes at that time.

Honourable senators will recall that Senator Lambert gave an able, adequate and comprehensive explanation of Bill S-38 in October last, after which it went to the Standing Committee on Transport and Communications, which committee had four sittings over a period of about two months, heard quite a number of witnesses and made certain amendments to the bill. The committee then adjourned *sine die*, and the bill died when the session ended; it was never reported out of the committee.

Subsequently, in January the Department of Transport wrote to the ten harbour commissions still included in the bill after the

amendments made by the committee, and also to the municipalities affected by the harbours administered by those harbour commissions, and notified them of the changes recommended, or made by the committee, and asked for their comments. As a result Bill S-10 is now introduced.

In explaining this bill I should start by outlining what is excluded from the bill, and then go on to say what it includes. Honourable senators will recall that the City of Toronto Harbour Commission was struck out of the earlier bill by the committee. This bill now strikes out two more, the Harbour Commission of Hamilton, and the Harbour Commission of Winnipeg and St. Boniface. The schedule of the bill covers now eight harbour commissions, whereas Bill S-38 started out with eleven. Toronto, Hamilton, and Winnipeg and St. Boniface are no longer included in the proposed legislation and are not affected by it. They still continue to operate under their own statutes. In addition to that, Bill S-10 contains all the amendments made by the committee, plus one additional minor amendment that simply carries out the same intention as the other amendments.

Therefore this Bill S-10 might be regarded as being Bill S-38 of the last session as it was when the committee adjourned, with the elimination of the harbours of Hamilton, and Winnipeg and St. Boniface.

Now, as a result of writing to the various commissions and municipalities, I am informed that generally speaking the changes are satisfactory. However, I understand the City of Oshawa might still have some objection, and therefore I suggest if this bill receives second reading that it be sent again to the Standing Committee on Transport and Communications and that notice of the hearings of that committee be sent to all eight harbour commissions now in the schedule to the bill, and to all the municipalities adjoining those harbours or connected with them.

Hon. Mr. Reid: May I ask if a letter was sent to the harbour board of New Westminster, and, if so, what sort of reply was received from the city or the board?

Hon. Mr. Leonard: The only information I have is that they were all notified. The comment I have is that generally speaking other cities appear to be reasonably satisfied with the proposed bill. I think it would be better if we ascertained that information in committee. In other words, while I am informed that that appears to be the situation at the present time, it seems to me I should suggest that it go to committee and that notices again be sent out so that everybody who has a right to be heard would be heard, notwithstanding the sittings held last fall.

Hon. Mr. Roebuck: May I ask, was Cobourg written to?

Hon. Mr. Leonard: I would not think so, because Cobourg is not one of the harbours.

Hon. Mr. Roebuck: It is not in the schedule, but does not the bill go further than the schedule? It takes in everybody.

Hon. Mr. Leonard: My information leads me to believe that the notices of changes were not sent to the 300-odd harbours administered, as I understand it, by harbour masters. Again that is all the more reason why we should check this point in time to have any recommendations made at the committee stage.

Hon. Mr. Roebuck: The earlier bill provided that if there were any profits in the operation of a harbour, notwithstanding any former measure, bill or act of Parliament, such profits were to be paid to the Receiver General of Canada. Is that in this bill?

Hon. Mr. Leonard: That particular section is section 15, and is, as I understand it, in the same form as when it was amended by the Standing Committee on Transport and Communications; but I understand that a change has been made by inserting the word "funded" in line 38 of page 6 of the bill, the intention being to enable the commission to reserve a certain amount of money for its own capital purposes. Subject to that, as you will see from the end of the section, the revenues remaining at the end of each fiscal year of that commission shall be paid by the commission to the Receiver General. I think I am right in saying that section 15, as it now stands, is the same as it was when the previous bill was in committee at the time of the adjournment.

Hon. Mr. Grosart: May I ask the honourable senator if notification of these proposed amendments, incorporated in the bill before us, was sent to any of the municipalities which made representations before the committee and, if so, when was such notice sent? I would emphasize the word "municipalities"; I am not referring to notices sent to harbour commissions.

Hon. Mr. Leonard: My information is that it was sent to the commissions set out in the schedule to the bill, and to the municipalities affected by those harbours.

Hon. Mr. Grosart: Would the honourable senator answer the last part of my question, as to when such notice was sent?

Hon. Mr. Leonard: In January.

Hon. Mr. Grosart: The reason I ask the question is that I have a letter from the city clerk of the City of Oshawa saying that no such notification had been received by that city up to two days ago.

Hon. Mr. Connolly (Ottawa West): The honourable gentleman raised this question with me about a week ago; I made inquiries of the department, and was informed that the letter in question had actually been dispatched last week. There has been a misunderstanding somewhere, and I shall inquire further on the point.

Hon. Mr. Grosart: I accept the word of the Leader of the Government, because the letter I have is dated a few days ago.

With leave of the Senate I would adjourn the debate, for I shall have something to say on that matter later.

Hon. Mr. Leonard: Perhaps I might be permitted to finish my remarks.

Hon. Mr. Grosart: I beg the honourable senator's pardon.

Hon. Mr. Leonard: I did sit down, so the honourable senator had reason for believing I was finished.

I want to say for the benefit of those senators who are not members of the committee, and who may not be familiar with the previous bill and this one, that this bill does not cover harbours which are under the National Harbours Board Act, which are the great harbours of Canada serving ocean-going traffic. They are not affected at all by this bill. The bill does apply to some 300 harbours which are now administered by a harbour master.

The main purpose of the bill is that hereafter, if it seems desirable to change the administration of a harbour under a harbour master to that of a harbour on which there will be local representation, it can be done under this act instead of having a special Act of Parliament. The purpose of the bill is to set up a standard and uniform procedure for the establishment of commissions.

As I said before, there are these eight harbour commissions that come under the provisions of the bill on what I might call a local option basis. That is, the commission itself must decide that it wants to come under the provisions of this bill. If it so decides, then it passes a by-law, and that by-law, if approved by the Governor General in Council, changes the status of the commission from its previous status of a commission under a special act to the status of a commission under this act. Notice of that by-law must, I understand, be sent to all the municipalities affected by the harbour 10 days before it is submitted to the Governor General in Council.

That is all I have to say, honourable senators, except that as and when the debate is concluded I shall move that the bill be referred to the Standing Committee on Transport and Communications.

Hon. Mr. Reid: May I inquire as to what happens if no request comes from a municipality? Would the port of New Westminster, for instance, have to make such an approach before action is taken under this bill?

Hon. Mr. Leonard: As I understand the situation, if this bill is referred to the committee a date will be set for the hearing, and notice of that hearing will be sent to all the harbour commissions affected by it. Perhaps I had better say that notice will be sent to all the harbour commissions set out in the statute, because the other harbours are directly under the administration of the Department of Transport. Notice will also be sent to the municipalities adjoining those harbours.

Hon. Mr. Haig: May I ask the honourable senator a question? Did I understand him to say that the Winnipeg and St. Boniface Harbour Board does not come under this act, but that if it wanted to come under this act it would request that the Governor General in Council proclaim it a harbour commission under this act?

Hon. Mr. Leonard: The Winnipeg and St. Boniface harbour is not under this act in any way, shape or form. It is in the same position as are Toronto and Hamilton. It is not affected by this bill whatsoever.

Hon. A. K. Hugessen: In answer to Senator Reid may I, as Chairman of the Standing Committee on Transport and Communications, assure him and this house that we will give ample notice to all these municipalities mentioned in the schedule before considering this bill.

Hon. Mr. Roebuck: What about the others which are in the statute?

Hon. Mr. Hugessen: They are not affected.

Hon. Mr. Roebuck: Yes, they are.

Hon. Mr. Hugessen: No. The harbours are affected, but this bill relates to the commissions and not to the harbours.

There is one point that I should like to mention in connection with the last remarks of Senator Leonard. A great deal of the discussion on the bill last year centred around this question of the way in which these existing harbours could be brought under the new act.

I am referring to the existing harbours mentioned in the schedule. One of the suggestions made to us was that some of the municipalities concerned in these harbours had

property rights that were handed over to the harbour commissions, and that they should be consulted and their approval obtained before their harbours were brought under this act. I notice that in clause 30 of this bill no mention is made of the municipalities being consulted. I am referring to clause 30(2). It does require the harbour commission concerned to pass a by-law opting to come under this act, but it makes no reference to the municipalities.

I think in the case of the City of Oshawa, for instance, two of the commissioners are appointed by the Governor in Council, and one represents the City of Oshawa. In that instance the two harbour commissioners who form the majority could enact a by-law against the wishes of the City of Oshawa, if they wished to.

Hon. Mr. Roebuck: I think the majority is appointed by the department.

Hon. Mr. Hugessen: Yes. That particular question was raised. I think it fair to say it was raised particularly in connection with the harbours of Toronto and Hamilton, which have now been excluded from the bill. But the point remains, that if there are some municipalities mentioned in the schedule that have an interest in a harbour because of having handed over property to the commission, or through having an interest in the profits, and so on, a question arises as to whether they ought not to be consulted and their approval obtained before their harbours are brought in under this act.

Hon. Mr. Leonard: May I be permitted to say it is my understanding that clause 13(2) is intended to cover that point. That clause reads:

> Every by-law shall, at least ten days before its submission to the Governor in Council for approval, be served upon the clerk of each municipality adjoining the harbour for which the commission is established.

Hon. Mr. Hugessen: That is notice, not approval.

Hon. Mr. Leonard: That is true. I think the department takes the definite stand that the municipalities should not have the right of veto which they would have to have if the other was the case. It is intended that they should have their day in court and an opportunity of knowing about it, but on the basis of the fact that the major interest in this is a national interest the consent of such a municipality should not be a condition precedent, because that would amount to giving it a right of veto in respect to the bringing of the commission under this act. The municipality will have the right, if the harbour commission and the Government agree, to put forward its case and to make whatever arguments it can.

Hon. Arthur W. Roebuck: Honourable senators, I raised a series of objections to the previous bill. One of them was that the department was centralizing all authority in connection with harbours and harbour commissions, and was ruling out the local authorities and totally disregarding their contributions to the harbour as it now exists. I see no particular change from that in this bill.

I call attention to clause 3:

> (1) The Governor in Council may by proclamation establish a harbour Commission for any harbour in Canada that is not named in the National Harbours Board Act, or for any harbour for which a harbour Commission has not otherwise been established by Parliament.

That means that unless there is an act of Parliament, every harbour in Canada—the 300 or more of them—is made subject to this act.

Under the bill, and as it stood before, the department appointed two of the harbour commissioners, and in some instances the municipality may appoint the minority, so that at any time the department or its officials may call upon the commission to make the local harbour a national harbour and, therefore, come under the control of the department.

The worst feature of it is—and I speak with some knowledge—that not only the City of Toronto and the City of Hamilton, but nearly all of these harbours have received from the local municipality grants of land and contributions of actual money and various services from time to time. In addition to that the municipalities have a vested interest in the harbour, which is necessary to the carrying on of the business of that community.

I have in mind the harbour at Oshawa. Oshawa told us—I cannot remember the details—of the grants that it had made. I have in mind also the harbour at Cobourg where, if my memory is correct, the municipality granted, or is ready to grant, control and ownership of the bed of the harbour, to say nothing of other grants of that nature.

Naturally, at the moment I cannot give you the details, but I know that the municipality of Cobourg has made grants of considerable value and turned over to the harbour property of considerable value. In the light of that, I read this:

> . . . the revenues of a commission remaining at the end of each fiscal year of that commission shall be paid by the Commission to the Receiver General.

The answer I have heard to that is that they do not expect there will be any profits from those harbours, and if there are any profits the amount of money that has been supplied by the Dominion is so much greater than that of the municipality, it is all right to push the municipality aside and hog the entire returns. I do not see that logic.

It may be that now and in the future very considerable sums may be paid by the Dominion treasury for the dredging of harbours, the building of docks and so on, much more than the municipality provides. But surely in that case there should be some recognition of the money paid by the municipality. If it is two to one, then the revenues should be divided two to one; if it is 1,000 to one, the division of the profits should be on the same basis.

Moreover, looking at it from the standpoint of the Dominion Government, surely we want the co-operation of the municipalities in the future. I can fancy the answer that would be given to me in the future, were this bill as it stands to become law, and were I to suggest to a municipality that they transfer to a harbour of the future valuable property now owned by the municipality and from which the municipality is obtaining revenue, so that in future that revenue would go to the Dominion Government. Such an arrangement is not honest, it is not common sense. That kind of thing does not work.

Some provision should be made in this bill to recognize the investments made by the municipality, when the transfer takes place to Dominion control. Let it be a fair arrangement. Let the division of profits be in proportion to the investments made by one and the other.

Honourable senators, do not overlook the fact that the Constitution of Canada, the British North America Act, places navigation and shipping under the control of the dominion Government. That is not entirely a privilege: it is also an obligation. The burden and the duty of keeping open the avenues of water transportation has been placed by the Constitution upon the shoulders of the dominion Government, and as well such benefits as may properly come to the Government. No such obligation is placed upon the municipalities. The burden of developing and maintaining our harbours is that of the dominion Government, and it does not seem to me fair to ask the municipalities to contribute in a voluntary way dollar for dollar to the dominion whose duty it is to keep open the avenues of water transportation.

Aside from that, however, this seems to me clear and honest, that the value which is contributed by the municipality should not be disregarded. There should be a fair, decent, honest accounting as between the two with respect to the profits of the future. It is argued that there will be no profits. Well, perhaps not, if you charge to the harbours the cost of the dominion duty of keeping the avenues of water trade open. On the other hand, do not forget that our harbours are growing very rapidly. The harbours on the north shore of Lake Ontario are very important now and they are becoming more important day by day as trade increases. I know from personal knowledge what is happening in these harbours such as Oshawa, Cobourg and others on the north shore of Lake Ontario. They are exceedingly valuable and important and their traffic is growing rapidly.

There is an agreement of some kind—I do not know the details—between the town of Cobourg and the department. To my mind, it was brought about by very improper means. The dominion Government ceased dredging the harbour at Cobourg so that the larger ships which now come up the St. Lawrence and navigate the Great Lakes were not able to dock at that town. The ships were forced to go on to Oshawa, and the manufacturers at Cobourg—and there are several there of importance—were obliged to carry their materials from Oshawa by road to Cobourg, at very considerable expense. I know of one shipment which cost $15,000 to move from Oshawa to Cobourg—that is, $15,000 more than would have been the cost had the boats been able to dock in Cobourg.

Under those circumstances, and in order to induce the department to carry out their duty with regard to shipping and navigation, the Town of Cobourg entered into an agreement under, I think, undue and improper pressure. However, that is for them to say. I hope that when this bill comes before the committee, due notice will be given to that town and to many others that are affected by this bill. Perhaps they do not know that they are affected, but they will be in the future.

A gentleman who represented the department said, in the course of our discussion on the previous bill, that of course the department would not do anything unjust or drastic. I said, that is what it is doing right now. In my judgment, that is what is envisaged in this bill right now. We must constantly take care of the citizens of our country wherever they are and not allow centralization in the hands of officials to go too far.

Hon. Thomas Reid: Honourable senators, I was glad to hear the sponsor of the bill say that it will go before a committee. He first pointed out that the schedule of places has been changed from eleven to eight, three

being left off the previous bill and eight remaining. He gave no real reason as to why those three were taken off. I have my own views as to why more attention was paid to them than to the port of New Westminster.

A large delegation came down here from Toronto—and honourable senators know that nothing impresses a government, politically at least, like seeing a delegation of 40 or 50 in here fighting for a certain town or city. I hope that when the bill is in committee we will be told definitely why the three cities were taken off—Toronto, Winnipeg and Hamilton.

Honourable senators, clause 30(2) says:

> No proclamation shall be issued pursuant to subsection (1) unless the Governor in Council has received a by-law passed by the Commission requesting the Governor in Council to declare the Commission to be established pursuant to this Act.

There may be some further explanation that I have not so far obtained. It seems to me that if the harbour board does not make a move, just keeps its present status, no change will be made, as I read the clause. Of course, that may be explained more fully in the committee discussion.

It is not my intention to delay the bill unduly, but I think it should be stated at this time that New Westminster is unique in one respect. So far as I can learn, it was the only port which spent $500,000 of the people's money in the building of wharves for the government.

At the time that was done in 1910 to 1912, only the City of New Westminster was interested. There was a small population on the other side of the river in about 1910. Away back in 1905 there was little money available. It is no longer solely New Westminster Harbour Commission, and the name should be changed. It may surprise many to realize that there are 11 municipalities on the river contiguous to the City of New Westminster, all of which are paying water dues and royalties to the harbour board. How can the whole responsibility for things done long ago be now placed on the shoulders of the City of New Westminster? It would be a splendid act on the part of the Government to take over the wharves and to reimburse the City of Westminster for what was paid in 1905 or 1906. Then again, of course, more commissioners could be appointed. In any event honourable senators, I should like to see some consideration by the Government given to that suggestion.

Hon. Mr. Roebuck: You canont find any provision in the bill for doing that, can you?

Hon. Mr. Reid: No. I should like to see many other provisions in the bill, but my suggestion that the Government reimburse the city is not there.

Honourable senators, I believe that the name of the New Westminster Harbour Commission should be changed to that of the Fraser River Harbour Commission. As a matter of fact, friction has been caused with the other municipalities. One municipality opposite, Surrey, and one of the largest, having a population of 89,000, is complaining bitterly, and the people say that they are all contributing to the harbour commission by way of royalty from foreshore lands and rights. Even if the number on the commission is changed to five members, I am not at all sure that that will be a harmonious arrangement. Be that as it may, I take this opportunity today to plead for a changing of the name, and for the appointment of more commissioners. At the present time there are 11 or 12 municipalities interested in representation on the harbour commission.

There are many other questions I could raise when this bill goes to committee, but I may not be here to ask them. I expect to leave here on Friday, and shall probably be busily engaged in regard to a salmon commission meeting in New Westminster at the time the committee will be in session.

Hon. Mr. Connolly (Ottawa West): Not necessarily.

Hon. Mr. Reid: I would appreciate a delay, to give me an opportunity to obtain more facts and figures, and to discuss other matters that I have in mind.

Hon. Allister Grosart: Honourable senators, on reflection, I think I should take a few minutes to state some objections, and I will then withdraw my suggestion to adjourn the debate, so that the bill can be referred to the committee.

Briefly, speaking particularly from the point of view of the City of Oshawa, I have three objections. The first is that so far as I know there was no notification given that this bill would be coming up for discussion. This matter was discussed in committee, and I think it is a matter which should again be drawn to the attention of the civil servants responsible, that they have a duty to notify the people concerned. Mayors, city clerks and other members of municipalities cannot be expected, by reading the newspapers or by other means, to become aware that such things are happening.

Hon. Mr. Connolly (Ottawa West): I should tell the honourable senator that I will again

make an inquiry. I was assured, as I told him earlier, that this had been done. However, I will let him know.

Hon. Mr. Grosart: Of course, I accept the word of the honourable leader. The letter may have been received by now. However, my point is that so far as my information is concerned, it was not sent out before this bill was printed and placed on the Order Paper. In my view, that is the time when the municipality which made representations before the committee should have been notified.

My second point arises out of the first, that the two suggestions for the improvement of the bill have not been accepted, and they have been given no explanation. Again, this seems to me to be one of those departmental blind spots, attributable to what one might call the "bureaucratic mind." It would seem reasonable to me that someone from the department should say to the mayor or the city solicitor of Oshawa who made representations, that, "For various reasons, we are not able to meet your objections. Will you come up and let us tell you why?" I know that has not been done in this case; if it had been done, I might not be on my feet now. The mayor and the city solicitor are very reasonable people and they might have said, "Well, we are not going to get this, but we have had an explanation, and do not now feel that we are banging our heads against a brick wall." I do not think any elected official of any municipality should be put in that position, particularly when this matter was raised by Senator Roebuck, and also by the acting chairman of the committee, who is now the Leader of the Government (Hon. Mr. Connolly), who took great pains to deal with the subject. Is it the bureaucratic mind, or what is it, which makes people act in this way?

Honourable senators, I want to stress what I am saying, because if it is pressed hard enough, perhaps it will get through to certain people that there should be some degree of reciprocity even in the relationship between the great federal Government and a small municipality.

The third objection is substantive, but I do not suggest that it is of the greatest importance. Oshawa asks two things. The first is that they be given access to the books of the harbour commission. The City Council have the right under the act now, and in effect that is being taken away from them, and they do not know why. This bill says that the department only has access to the books. Some of the assets of the municipality are being administered by this harbour commission, and the department has not seen fit to meet their apparently reasonable request that they be allowed to look at the books and the record of the administration of their own assets. Again, it is inconceivable to me that an explanation of this has not been given. Perhaps there is a good explanation, but I know the officials of the City of Oshawa are not aware of it, if such exists.

Hon. Mr. Connolly (Ottawa West): Does the honourable senator know whether the assets of the City of Oshawa, to which he refers, have in fact been transferred to the harbour commission, or whether they are leased to them?

Hon. Mr. Grosart: My recollection is that they have not been transferred to the commission. I am not positive on that point; I am trying to recall the evidence. I would say that the assets have not been transferred. At the moment, I believe the harbour commission is administering certain assets of the city. I do not say that those assets are of tremendous value, nor do I take the position that Oshawa should be excluded from the bill. Oshawa agrees that it is not in the same category as Toronto, Hamilton or Winnipeg, for many reasons, and it is not asking to be excluded; but it is asking for consideration to be given to its suggestions and, if they cannot be met, that at least it be told when the matter is going to come before Parliament and, if possible, it be given an explanation as to why apparently its position is wrong in this matter. Oshawa also asks that the agreement of the city council be obtained before its harbour is brought under this act.

Hon. Mr. Roebuck: May I ask a question of the sponsor of the bill (Hon. Mr. Leonard). Would it be possible to give us an assurance that all of the 300 municipalities should be sent a copy of this bill, as well as notice of its consideration by the committee, and that a sufficient time be given for them to consider their position? Municipalities are not like an individual; they consist of a number of individuals, and a little time is required for them to decide what position they are going to take. If that were done, they could make their representations to the committee when it meets.

Hon. Mr. Grosart: May I make one further explanation?

Hon. Mr. Roebuck: I should like an answer to my question first.

Hon. Mr. Connolly (Ottawa West): Perhaps honourable Senator Roebuck would not mind if I replied to his question. Frankly, I do not know whether it is possible to send notices to each of the 300 municipalities. It may very well be, and perhaps it is desirable, and desirable immediately, before the committee sits. However, I give him the assurance that

I will make this inquiry of the minister forthwith; I will pass it on to the minister and have him deal with the officials of the department on the point. I will tell him the views of the honourable senator who has raised the question, that these notices should in fact be sent and a copy of the bill as well.

Hon. Mr. Roebuck: Thank you.

Hon. Mr. Grosart: Just to make sure I have properly stated the position in regard to Oshawa, I would add that a notice was sent to the harbour commission, but it was not the harbour commission that made representations.

Hon. T. D'Arcy Leonard: Honourable senators—

The Hon. the Speaker: May I remind honourable senators that if the honourable Senator Leonard speaks now it will have the effect of closing the debate.

Hon. Mr. Leonard: Honourable senators, I will take only a minute in closing the debate.

First of all, may I thank those who have spoken for their suggestions. As far as I am concerned, I propose to see that all these suggestions are taken up with the officials of the Department of Transport. I personally will see the departmental officials prior to the committee meeting, and in the light of what has been discussed here I will convey the suggestions as fully as possible to them, so that they will be prepared with any information that can be obtained.

I would also like to make it clear that it is my information that these notices were sent. I have the letter here; and I was particularly anxious to make sure the notices had been sent to the commissions and to the municipalities affected. The information I received in the form of a letter several days ago was that early in January the branch wrote each of the harbour commissions and each of the municipalities affected, outlining the proposed changes in the legislation. Apparently there has been a slip, but that was my information.

Honourable senators, I think that is all I need say at this time.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Leonard, bill referred to the Standing Committee on Transport and Communications.

TRANS-CANADA AIR LINES ACT

BILL TO CHANGE NAME—CONCURRENCE BY COMMONS IN SENATE AMENDMENTS

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons to acquaint the Senate that they have agreed to the amendments made by the Senate to Bill C-2, respecting the Trans-Canada Air Lines Act, without any amendment.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, March 19, 1964

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

Prayers.

DOCUMENT TABLED

Hon. John J. Connolly tabled:

Report of Park Steamship Company Limited, for the year ended December 31, 1963, certified by the Auditor General, pursuant to sections 85(3) and 87(3) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English text).

ADJOURNMENT

Hon. John J. Connolly: Honourable senators, I move, with leave of the Senate, that when the Senate adjourns today it do stand adjourned until Tuesday next, March 24, at 8 o'clock in the evening.

Motion agreed to.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

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

Hon. George S. White: Honourable senators, first I pay my respects to His Honour the Speaker. I join with other honourable senators in extending a warm welcome to the new senators recently appointed. I am sure that during the years they will spend here they will make many warm friendships, and each in his own way will make a valuable contribution not only to the Senate but for the welfare of Canada.

I offer my congratulations to the mover (Hon. Mr. Cook) and the seconder (Hon. Mr. Denis) of the motion for an address in reply to the Speech from the Throne. As was to be expected, both performed their duties in a most capable manner; their subject matter was good, and their delivery excellent.

While the former Leader of the Government (Hon. Mr. Macdonald) has expressed the wish that this debate would be closed so far as he was concerned, I could not let this opportunity pass without saying a few words about one of the oldest and best friends I have had in Parliament since first coming here in 1940. I wish to associate myself with all the gracious tributes that have been paid to Senator Ross Macdonald. I have always remembered how, during his five-year term as Speaker of the House of Commons, his friendly attitude, his dignity and his impartial manner endeared him to all members of Parliament. I do not need to recall to honourable senators his record in the Senate of Canada. The reference by Senator Brooks recalled to my mind with much pleasure the association of veterans in the House of Commons, of which Senator Macdonald was chairman. I am sure Senator Brooks and Senator Macdonald would remember with much pride and pleasure some of the old soldiers' dinners over which Senator Macdonald presided, and the good times we had before and after those gatherings. To my good friend, I wish you the very best of everything for the future.

To Senator Connolly, the Leader of the Government, my congratulations on your appointment to the Cabinet and as Government Leader. We all know your qualifications, and already you have demonstrated in various ways your capabilities. Like your predecessor, you are very friendly and good natured. I wish you the best for the future; and, in addition, I hope you will have the luck of the Irish.

To my Leader, I offer my congratulations on his splendid speech in this debate. We on this side of the house feel we are very fortunate in having as our Leader, the honourable Senator, Colonel Brooks, who is well trained and experienced in parliamentary ways.

Hon. Senators: Hear, hear.

Hon. Mr. White: I wish to express my appreciation and thanks to the Prime Minister for my appointment to Her Majesty's Privy Council in Canada. I consider it a great honour and, coming as it did just before Christmas, I can assure you it was a very nice Christmas present.

Briefly this afternoon I wish to direct my remarks to the Estate Tax Act, and to make certain suggestions and recommendations which I hope will meet with your approval —suggestions that, at least in my opinion, will improve the operation of this act and make it more just in its application, principally as to widows and children.

Honourable senators will have noticed in reading the budget there are certain adjustments and amendments to be made in this act, and I commend the Government for these moves; but, in my opinion, I do not think they go nearly far enough.

The Estate Tax Act, passed in 1958, replaced the former Dominion Succession Duty Act, which was introduced as a war measure in 1941. When the new act was introduced it

met with considerable opposition in this chamber, and when the measure was in committee many senators made valuable and proper suggestions, and proposed amendments, all of which were refused.

This act by its very name, the Estate Tax Act, imposes a tax on the estate and not on the individual successor. Under the old act, and under the act we have in the Province of Ontario the rate of duty depends on the degree of relationship of the beneficiary to the deceased. This provision, as far as I am concerned, always appeared very reasonable and just, but under the Estate Tax Act the estate is taxed at the same rate without regard to the degree of relationship.

It seems to me today, when we hear so much talk about our freedoms being preserved, we all pay great lip service to private enterprise, yet under this act and under the Income Tax Act, we who practise law realize how much the individual in Canada today is controlled by the state. Not only has the individual a heavy income tax to pay, but in many cases he must pay tax on gifts to his family. When he dies his estate is subject, at least in Ontario, to both provincial succession duty and federal estate tax.

I would point out an interesting matter regarding gifts made by a deceased. Under the Income Tax Act a man can give away any number of one thousand dollar gifts in the course of a year without paying gift tax, but if these have been given within three years of his death the amount of such gifts is added to the value of the estate and duty is paid on them. This is one more example of how the individual is controlled by the state in so far as his estate is concerned. It is true that an individual could give his entire fortune to charity and there would be no tax payable, but if he attempts to give part of his estate or fortune to those who are closest and dearest to him, he is penalized by gift tax and succession duty.

Succession duty has been described as a tax that "robs the dead" and as "legalized robbery." While this sort of taxation, at least in Ontario, has been in effect since before 1900, there is certainly no justification for it, and members of the legal profession who have considerable experience in administering estates know only too well and appreciate fully how heavy succession duties along with income tax can bear on an estate.

The press, during recent months, has carried particulars of many briefs presented to the Royal Commission on Taxation, in which reference has been made to the Estate Tax Act. The Toronto *Globe and Mail* some time ago carried a very interesting editorial called "Hounding the Grave," and I would like to read very briefly from it:

> Most taxes are levied on what is earned or consumed. Succession duties are levied simply because a person, having made his contribution in these other respects, dies. Ottawa collects about $85 million in this way each year, Ontario about $45 million. Aside from the consideration of principle, there is a real question whether, in the long run, more is being lost than is being gained.
>
> In some cases—few in number but outstanding—this kind of taxation has actually contributed to driving persons out of the country to less grasping lands. They have taken initiative and a measure of prosperity with them.
>
> Twelve years ago this newspaper dealt with the principle of succession duties in these words:
>
> "Hounding the grave is not taxation. It is simply grasping at the fruits of individual enterprise and thrift for the benefit of governing bodies which save nothing . . . Whether succession duties are collected to provide spending money or to reduce the finances of citizens nearer to a common level, they tend to destroy individual initiative and responsibility."
>
> The point still holds. It is doubtful if such taxes have produced revenue nearly sufficient to compensate for the initiative —and resulting other revenues—they have destroyed. The succession duty was never a soundly based tax. It has been a social tax. It may have satisfied the politicians' desire to show that they were not afraid to soak the rich. Now other taxes are preventing people from becoming rich. And when they die, it is often necessary to sell the businesses they have built in order to pay taxes on the estates.

Nearly all newspapers in Ontario have published editorials on the briefs submitted to the Royal Commission on Taxation. I do not wish to read the editorials, but I shall quote the various headings:

> Group urges Death Duty Tax Changes
> Want Estate Tax Exemption Increased
> Amazing Authority

That refers to authority under the Estate Tax Act.

> Wants Death Duty Reform
> It's Unfair to Widows
> Estate Tax Act Section Said Completely Unjust
> Taxation Commission Faces Woman's Ire
> Free Half Estate From Death Duties
> Ask 5 Years to Pay Death Duties

I am sure many honourable senators have read these and other editorials relating to this most important subject.

It seems to me that the interest displayed in the press indicates the many injustices and penalties in this act which should be carefully reviewed. When the honourable Leader of the Government (Hon. Mr. Connolly, Ottawa West) spoke during the first few days of the session he paid a very fine tribute to the work that had been done in the past by the special committees set up by the Senate to investigate certain acts. I would ask the Leader of the Government to consider setting up a special committee of the Senate to review the Estate Tax Act and to make recommendations to the Government with respect to modifying and correcting many of the abuses and injustices that now exist under this act.

As I mentioned before, the Estate Tax Act changed the method of applying the tax. Under the old act, and in Ontario, the degree of relationship is recognized, and it is evidenced by the various degrees by which the tax is levied. In Ontario at the present time there is no tax up to $50,000 if the estate goes to preferred beneficiaries such as a wife, husband, child, etc. There is no tax on an estate up to $20,000 going to collaterals such as a brother, sister, nephew and niece. An estate up to $5,000 going to strangers is not taxed. But, under the Estate Tax Act every one is taxed at the same rate.

The point I wish to emphasize, honourable senators, is that under both the Ontario Act and the former Dominion Succession Duty Act there is a recognition of the degree of relationship in setting the rate of tax, and I, for one, could never quite understand the reasoning that the same percentage of taxation should apply to every degree of relationship and to total strangers.

Surely no one would attempt to argue that a wife, husband, child or parent does not have the right to expect a lower rate of taxation than a total stranger, yet a total stranger, nephew or niece, who is a beneficiary, is taxed at the same rate as is the wife or child of the deceased.

Since the act was passed an amendment has been provided for a gift to the wife once in a lifetime of an interest up to $10,000 in the dwelling house, the farm, and so on. This was certainly a start in the right direction, but when you consider the enormous increase in the value of realty, the dwelling house, the farm property or the summer cottage property, one realizes that a gift to the wife up to the value of $10,000 is certainly not large, and does not by any means approach half the value of the property. When one considers the greatly increased value of realty today, and the value of the contents of a home, a large part of the exemption of $60,000, which is given in the case where a deceased leaves a widow, is taken up. I reside in the country, and even in the smallest villages and at the most remote lakes, summer cottage prices are sky high where real estate is concerned. One may say at first glance that the exemption of $60,000 in an estate where the deceased leaves a widow is fair and reasonable; but as I have just pointed out, at least half or more of that amount could easily have been taken up by the value of the family dwelling house and its contents.

The practice of assessing all the furniture to the husband seems to be most unfair. I think everyone would agree that the furniture and furnishings of the family home should go to the widow tax free.

Practically every brief presented to the Royal Commission on Taxation had much to say regarding the taxation of pensions and annuities to widows. The pension to the widow is valued by a method of capitalizing the value. The age of the widow and her life expectancy determine the value of the pension for duty taxation purposes. The value of the pension as capitalized is brought into the estate as an asset, thereby greatly increasing the value of the estate and, if it is taxable, greatly increasing the amount of tax.

Not only has the widow to pay duty on the capitalized amount of the pension, but in respect to the yearly pension, such pension is also subject to income tax. Here we have the unique situation: there is capitalized in the value of the pension the element of tax that is charged against that in each year in which the widow survives and receives a pension. Certainly, if there are other assets in an estate, it does not take a very large pension, especially if the widow is young and has a reasonable life expectancy, to capitalize the pension into a very large sum of money.

Both federal and provincial governments have encouraged the setting up of pensions, so that even the individual who is self-employed can have a pension plan for himself. Once the pension is capitalized the widow is liable for the tax, and it makes no difference how long the widow may survive, the estate is liable for the duty on the capitalized value. This whole question of pensions and the method used to capitalize same would be a most interesting subject for any committee to study.

There is also the most important matter of small, family-owned businesses. One who practises law in the country, as I do, has much to do with such small family businesses. The desirability of encouraging small businesses and family-owned businesses is a favourite topic of all government officials, yet in many cases small family businesses are frequently forced by succession duties onto the

auction block. Who buys them? Generally it is some big corporation, which sometimes is foreign owned and controlled. These family businesses are, in many Canadian communities, the backbone of the economy. The individual man who had the ambition, the incentive, to work and build up a business for himself and his family, is a real asset to the community. When he dies, why destroy or break up that family business? Why not simply allow a proper and sufficient time for payment of duty, without the estate being forced to liquidate the family business at a sacrifice price?

No allowance is made by way of exemption, in arriving at the value of the estate for taxation purposes, for executors' fees and legal fees. Court or probate fees and funeral expenses are the only allowances. Not only do the beneficiaries pay duty on the amount of executors' fees, legal fees and disbursements, they pay duty on moneys never received; but the executors and solicitors who receive these fees pay income tax on the amounts so received.

If the department recognizes funeral expenses and probate court fees, is it unreasonable to say that the department should also recognize executors' fees, legal fees and all other disbursements, before computing the value of the estate for duty purposes?

To summarize a few of the suggestions I have outlined, and which might be examined by a Senate committee to review the Estates Tax Act, I put forward the following points.

(1) That the federal Government vacate the field in favour of the provinces.

(2) That some relief be granted from the severe combined effect of income tax and estate tax on death benefits such as pensions, annuities and lump sum payments and on other forms of property passing to surviving dependents.

(3) That instalment payments of tax on assets received by instalment should be permitted.

(4) That some optional alternative valuation date be provided other than the date of death, and that fair market value of the amount received on sale be the sole criterion of value.

(5) That interest on overpayment be allowed at the same rate as charged by the department.

(6) That executors' fees, legal fees and disbursements and all other administration charges be allowed as debts against the estate before computing the value of the estate for tax purposes.

(7) That gifts made by the deceased within three years of his death, and as such not subject to income tax, be not added to value of the estate for taxation purposes.

(8) That a reasonable time, of several years, be allowed to pay the tax, with interest, on small family businesses.

(9) That the furniture in the family home be regarded as the property of the wife.

(10) That the present provision to give the wife a gift of $10,000 in the family home or farm be increased to at least $20,000.

(11) That basic exemption for preferred beneficiaries be $100,000.

(12) That there be a graduated scale of exemptions for other beneficiaries and strangers, the graduation being according to the degree of relationship.

(13) That there be an extension of time, from six months to 12 months, for the payment of duty.

Honourable senators, these are a few of the many points that could be considered in a review of this act. I hope the Leader of the Government will give consideration to my suggestion to set up such a committee.

Honourable senators, before sitting down I would like to take a few minutes to make reference to the eight large paintings hanging on the walls of this chamber. Recently, an honourable senator spoke of "these gloomy, dull paintings" and suggested they be removed. On at least one other occasion I have heard senators in this chamber refer to these paintings as dull and gloomy and suggest that they be removed.

I, for one, regret any reference to these paintings as dull or gloomy, or any request that they be removed. It may well be that they mean and convey nothing to some honourable senators.

The first painting on the right, as you enter this chamber, records the landing of the First Canadian Division at St. Nazaire, France, in February 1915. In the left front foreground of that painting you can see the famous kiltie band of the Royal Canadian Highlanders playing the troops ashore. I would remind any honourable senators who wish these "dull, gloomy" pictures removed, that if it had not been for the part played by the Canadian boys depicted in this painting, and the part played by hundreds of thousands of other young Canadian soldiers in World Wars I and II and in Korea, honourable senators might not be sitting in this gracious and safe Senate chamber and enjoying the right to speak freely.

The second painting refers to the famous Cloth Hall at Ypres. Around the ruins of these ancient buildings you see the debris of war. One realizes the utter senselessness of war which destroys such historic buildings.

In the third painting you see a record of the sad return of peasants to their ruined and

wrecked homes. Every soldier who served in France has witnessed this scene many times. Looking at this painting you realize the tragedy of war as it affects the old and the very young—old men and women; very young mothers with innocent children—all driven from their homes, now struggling back, and hauling by hand over war-wrecked roads a few of their most precious and cherished home possessions. One has to see what a wrecked home, farm or countryside looks like to realize and appreciate the almost hopeless task in returning to rebuild same. In this painting one sees the wrecked buildings, the naked and twisted trees, the sign on the post giving the name of the village, which reads "This is Albion, Saint Nazaire." It illustrates, to me, how totally complete war destruction can be.

The fourth painting is one recognized by every soldier who served overseas—a Y.M.C.A. canteen at a London station. I am told that it is Waterloo station. The scene is one just before dawn. Canadians welcomed the hospitality of the Y.M.C.A. In this painting you see soldiers with leave before them—others ready to return to the Front. A Canadian Black Watch private is giving his sergeant a light. This painting recalls to any soldier who served in France the great work rendered by the Y.M.C.A., the Salvation Army, and the various church organizations. Every soldier has retained a warm feeling of thanks and gratitude in his heart to these organizations for the comforts they supplied, such as hot coffee, cigarettes, biscuits, etc.

The first painting on the west wall is The Watch on the Rhine. This is in the final phase of the war. A single British howitzer pokes its nose across the Rhine, while one solitary British sentry stands with his back to the view.

The next painting is a bombed-out church at Arras; but it could be one of dozens remembered by all soldiers; it could be the famous church in the town of Albert on the Somme in 1916. The church was almost destroyed by German gunfire. On the shattered steeple of this church was erected a large statue of the Virgin Mary. As a result of gunfire, this statue hung at a right angle over the main road. This church with the leaning statue was a landmark on the Somme. The painting of Cloth Hall shows that there is nothing sacred in war—churches, historic buildings, monuments, priceless works of art, tapestries, treasures that can never be replaced, all are sacrificed and ruthlessly destroyed.

The next painting illustrates a mobile veterinary unit in France. You are reminded that cavalry was actually used in World War I. This scene is from the Cambrai Front.

The last painting relates to the Canadian Railway Construction Unit in France. It would be difficult for a civilian engineer to realize the problems that beset the army railwaymen—the difficulty of building a railway through a sea of mud and water.

Honourable senators, this is a short sketch of the eight paintings. All refer in some way to the part Canadian boys played in World War I. These paintings can be a constant reminder of what the people of Canada owe to the Canadian soldiers of World Wars I and II and the Korean war.

These paintings can ever remind us of the terrible price of war—the price being the lives of young Canadians, and those who came home and paid with tortured, twisted and wrecked bodies for the rest of their lives. The paintings ever remind us of the need to strive for peace. They remind old soldiers of the bonds that exist between them, bonds forged in the midst of death and disaster.

It is impossible to put into words how soldiers feel towards each other. You only knew that nothing mattered except that your comrades were beside you when the going was tough. No consideration or thought was given to the colour of your skin, to your race, your creed, occupation, political faith, what school you attended, or whether you attended any school. None of these trivial matters, which divide us in peacetime, mattered in the slightest degree. You knew that each could depend on the other. Each knew that when the whistle blew his friends would be beside him.

Honourable senators, the boys of whom I am speaking were all Canadians. They were not French-Canadians, Irish-Canadians, Polish-Canadians or any other hyphenated Canadian; they were Canadian boys. They were not fighting in France to protect French Canada or English Canada, but simply Canada. If the Allies did not win the war it would not have made such difference whether or not you were bilingual, or whether you had ever heard or understood the word "biculturalism;" for, if the Allies had not won the war we would all have had to learn a new language, and it would have been neither French nor English.

How unfortunate it is that in 1964 we cannot have in this Canada of ours more of the faith, the comradeship, the trust, the understanding, and something of the invisible bonds of steel that bind soldiers together. If only we had, and exercised, some of these soldierly qualities, what a different country Canada would be.

Honourable senators, I ask your pardon for speaking so long, but I did want to say something about these paintings before some movement is under way to have them

removed. I, for one, hope these paintings will remain in their present position until such time as the galleries are constructed.

Hon. Romuald Bourque: Honourable senators, as I am to speak on bilingualism and biculturalism, I will speak to you for three minutes in French, and then I will continue my speech in English.

(Translation):

This is my first speech in this house. At the outset I wish to say that I fully and entirely endorse the recent remarks which Senator Vaillancourt made in this house with regard to Her Majesty the Queen of Canada. I have the greatest admiration for our Queen, and I hope that her visit to Canada in the near future will not only be pleasant but highly and entirely successful.

To His Excellency General Vanier and his charming wife, I express my best wishes. May they be happy and remain in good health.

To you, Mr. Speaker, I offer my congratulations for the well-deserved honour conferred upon you when you were appointed Speaker of this distinguished house.

To the Right Honourable Prime Minister, I wish to express my sincere appreciation for having appointed me a member of this distinguished assembly.

As to Senator Macdonald (Brantford), I want to tell him how sorry I was when he found that he had to resign his position as government leader in the Senate, because of ill-health.

To Senator Connolly (Ottawa West), my sincere congratulations on his elevation to the important position of Leader of the Senate, which he will certainly enhance.

To Senator Brooks, Leader of the Opposition, I tender my congratulations for the dignified and competent manner in which he fulfils his duties.

As to Senator George White, I congratulate him for the honour recently conferred upon him by his appointment to the Privy Council of Canada.

I wish also to congratulate the mover (Hon. Mr. Cook) and the seconder (Hon. Mr. Denis) of the address in reply to the Speech from the Throne who discharged so well the responsibilities that had been entrusted to them.

Honourable senators, I am convinced that we were all happy to learn that Her Majesty the Queen gave birth to another son. We wish Her Majesty and her son a successful, happy and long life.

Having said that, honourable senators, I intend now to speak to you about bilingualism and biculturalism; and in order to do justice to this matter, I will continue this speech in English.

(Text):

Honourable senators, among the matters which will come before this chamber for discussion, and upon which we will be expected to give leadership to Canada, none is likely to be more important to the future of our country than the question of the relations between our two founding ethnic groups, English and French Canadians. Unfortunately, this important subject which offers so much of positive value to our country, has become over the years a topic of recrimination. We have erected a barrier instead of a bridge between our two founding groups, and have caused a situation whereby the entire future of our country is imperilled.

In the past, I am sure, there have been many Canadians who have dismissed this question of language and culture as a minor one, as being of no importance to the task of nation-building. They were far too busy creating new homes in the wilderness, founding new industries, constructing new cities and opening up an entirely new world to civilization; too busy to be bothered about such subjects as the teaching of French in village schools or even the use of the French language in the Canadian civil service.

It is understandable that such problems were of little or no interest to the professional engineers, businessmen, town planners and the working people in those provinces where the great majority were English-speaking. At the same time, there were a great many Canadians to whom these problems were of supreme importance—more important, perhaps, than the building of a new city on the fringe of the Arctic or the discovery of a new oil field in the Province of Alberta. New cities and oil fields may be important, but in the future of a country the individual and personal relations between its people, the understanding of one group for another, and even more the eagerness to promote understanding between groups, may be more important than all the oil wells and all the cities put together. For, after all, a country's greatest resource is its people, and anything which takes away from that resource creates national weakness and hinders national development.

The problem we face in Canada today is not a new one. It goes back to the earliest days of our country, and is one which has been artificially stimulated off and on at various periods in our history. If the modern science of communications had not compelled us to draw closer together, perhaps we could have gone on without ever needing to understand each other or become true friends; we could have lived with our prejudices because we would never have come in serious contact.

But modern communications have changed all that. Radio, television, the metropolitan

press, even the spread of the arts, drama, music and literature, all served to draw us closer together, and then our misunderstandings pushed us farther apart. Finally, we reached a point where we could no longer delay taking a stand on this whole question of French-English relations, and the positions each of our major groups would occupy in our growing country. It was no longer possible for us to push into the background the basic fact of Canadian life—our unique, puzzling and potentially vital duality.

I am not concerned today, and I do not think we in this chamber should be concerned, with the long series of historical errors or misunderstandings which have combined to create the problem as it now exists. This is not a time for foolish recriminations; this is not a time for assessing the blame. Rather it is a time for looking at the situation and then capitalizing on it, turning to positive advantage what may have appeared to be a disadvantage.

No intelligent person would suggest that a man is worse off knowing two languages than knowing only one. No reasonable person would suggest that an individual is the poorer for having been exposed to two great cultures instead of one. The Canadian who enjoys as his rightful heritage the advantages of French and English cultures and the French and English tongues is much richer than his fellow North Americans who recognize only one or the other. That, indeed, is Canada's strength. It is what makes us different from other countries in this hemisphere, that gives us our individual character, that makes it possible for us to say that we are not simply Americans or North Americans, but Canadians, a part of the old world and the new, favoured by two cultures, French and English.

That is our potential, but we are in great danger of losing it because of a foolish family quarrel. For more than twenty years I have spoken in Parliament and on the platform throughout Canada in support of one cause —understanding. I have tried in my small way to persuade Canadians of whatever racial or religious background to forget historic prejudices and seek the friendship and understanding of other groups in the community. I may have accomplished very little, though letters and individual comments by a great many people reward me by suggesting that what I have preached has done some good. What it has done, however, is convince me that if dozens or hundreds or perhaps a few thousand people set out in support of the same cause, we could very quickly give to this country a true sense of unity and a feeling of brotherhood.

There are, of course, as we all know, Canadians who have taken the opposite course and who are intent upon driving a wedge of separatism between our two peoples. In Quebec Province this separatist movement is well organized and publicly recognized. In some of the other provinces, I am afraid, separatism exists without public recognition or any apparent organization. Nevertheless, it works effectively.

Brushing aside for a moment those who attach themselves to any movement or cause solely for the purpose of creating discord and disorder—the bombers, for instance, who have sought to impose terror upon the citizens of Montreal—dismissing those fanatics as subjects only for police or perhaps medical action, let us give to the separatists of both groups the respect that is due men and women of sincerity. Let us attempt to answer their agitation, not with abuse or violence but with reason.

These are not wicked people, just because they believe in a Quebec *libre* or an English Ontario. They are not criminals or political mountebanks. I for one give them credit for being sincere, honest Canadians who think that this country would be better off—or, at least, that they would be better off—if it were divided in two.

The leaders of these groups, and the people they have persuaded to follow them, honestly believe that there is a brighter future ahead for a Republic of Quebec, or a one-Queen, one-language, one-flag confederation, than there is for a bilingual, bicultural Canada built upon the best from the two great ethnic groups.

That is their belief, and that is the message they are attempting to sell to the people. In Quebec the separatists say that the French-Canadian will only enjoy the good things of life if he forms a unilingual, French-Canadian republic, entirely independent of the rest of Canada and becomes a one hundred per cent master in his own house. This is to be the land that was envisioned by Jacques Cartier, Maisonneuve, and Champlain, that drew French explorers, fur traders, missionaries and priests across the continent to the foothills of the Rockies. The descendants of these bold adventurers of the past are to be penned up within the borders of a single province, to form a little French-governed island on a continent of more than two hundred million souls.

What a sad ending for the great French dream.

The English-speaking separatist, on the other hand, looks forward to a different but nonetheless tragic fate. Denying the right of the French-Canadian to an equal partnership, and denying the existence of a two-language,

two-culture country of Canada, he forces his home land more and more into the orbit of the United States of America, until gradually borders, along with customs, disappear and Canada is submerged, having yielded finally to the ultimate destiny of the English-speaking republic.

Canada is surely too great and too precious a thing for that.

Between these two extremes lie the great majority of Canadians, several million of them belonging neither to the French nor the English ethnic group. For them, Canada has some special charm, some special reason for existence. They look upon it as their land from Newfoundland to Vancouver Island, from the St. Lawrence River and the Great Lakes to the Arctic seas. They believe it is something unique in the world, something to be loved and cherished, and they would not wish it to flounder on the rocks of cultural or linguistic separatism just to satisfy the whim of one of the founding groups.

Separatism, if it were accomplished, would delay if not halt forever Canada's independent industrial development. For the people of Quebec, many of whom have only in recent years reached a stage of economic independence, it would mean a drastic lowering in the standard of living. Jobs would be fewer; pay would be lower. The struggle to live would be intensified and far less rewarding.

At the same time, if the rest of Canada were to continue to prosper, it would have to alter its sights and concentrate upon closer union with the United States. Stripped of the vast resources, and the important market of Quebec Province, it would find it more difficult than ever to resist the blandishments of the republic to the south. And once a breakup began, how long would it be before other sections of the country began slipping away—not for ethnic reasons perhaps, but because of distance or economic distress? British Columbia might well start looking down the coast to booming California; the Atlantic provinces might resume their century-old flirtation with the "Boston States."

These are the negative arguments—what would happen if separatism succeeds. More important to us all are the positive pleas: what can we accomplish as a united country, if we accept, develop and encourage the values to be found in our bicultural and bilingual inheritance? During the past century, we have talked about this a lot, but we have done precious little to put this inheritance to work.

Almost everything in the world today is run on a more international basis than ever before. Jet air transportation, telstar communications, simultaneous publication of books, magazines and newspapers in different countries around the globe, have ended forever the possibility of national isolation. European countries which spent centuries at each other's throats are joined in a common market. The United States which spent its first hundred years protecting itself against foreign competition is now out in the world market place, building American factories and office buildings, establishing American customs and exporting its people to countries on every continent. The American businessman today is more concerned about how many languages he must speak than about the machinery he buys. All trade is becoming world trade and business people must learn to think, to act and to speak internationally.

Into this changing world a bilingual, bicultural Canada moves with a great natural advantage. It is linked at the outset with the two major cultures in the western world—English and French. It has a foot in each door, so to speak. And at the same time, it has the feeling, the tempo and the business sense of North America.

This is the foundation upon which we should be building. This is our strength, and with it we should be flexing our muscles, preparing with team work to take an even greater part in shaping world events and making an even greater contribution to world peace and world understanding.

In Canada, there is a place for men and women of good will of every race and creed. Our natural resources, still untapped, offer to millions of people a bounteous future. Our history has been one of hard work, of daring and skill against long odds. We have maintained ourselves as a free and independent country when many thought we must succumb to the powerful pull of the United States. We have accepted and spread across this continent the culture of our forefathers from the United Kingdom and from France. We have added to this blend the cultures of many other lands to create something that is truly Canadian.

In three years' time we shall be celebrating our country's hundredth anniversary. Before that birthday party is held, all of us who believe in the Canada that our forefathers founded and who believe, too, that its future depends upon a union of minds and hearts of our people, should take the trail and speak up positively for a united Canada. It is not enough to leave the platforms and the press to those who preach the gospel of separatism. Those who believe in a united Canada have been silent long enough. It is time to enter the fray, not in a spirit of bitterness or reproach, but with outspoken, positive appeals for the Canada which, if we join forces together, may become one of the great and influential nations of the world.

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

DIVORCE

REPORTS ADOPTED

The Senate proceeded to consideration of reports of the Standing Committee on Divorce numbered 61 to 111, inclusive, which were presented on Tuesday, March 17.

Hon. Arthur W. Roebuck, Chairman of the committee, moved the adoption of the reports.

Hon. Jean-François Pouliot: Honourable senators, I do not wish to speak at great length on the motion. All I wish to say is that I know nothing about the cases that have been heard by the Commissioner. We have received the reports which contain the names of the parties, their addresses and the recommendation of the Commissioner, but we are not made familiar with the circumstances of the cases. We know nothing. We are asked to approve these reports with blindfolded eyes. We know nothing, and the work that has been done has not been done by a judge. It has been done by a gentleman, a lawyer, who is employed by the Divorce Committee to do part of that committee's work. His position is abnormal.

I understand that there is a resolution before the other house to regularize that condition. The bill that passed the other house at the end of the last session was not passed by the Senate for the very good reason that honourable senators did not have copies of it when it was presented to this house. We received copies of the bill two days after the prorogation of the session.

As we have been reminded, we were unjustly and unfairly criticized by the leader and by two members of one of the political groups in the other house for not passing that legislation.

Something has to be done. The House of Commons has rid itself of the divorce matter, and it has fallen on our shoulders. With great ingenuity and skill, a scheme was devised on the pretense of improving conditions, but at the present time our own position is ridiculous. What are we doing now except accomplishing the work of a rubber stamp?

If I ask any one of my honourable colleagues what happened in such-and-such a case, who is able to answer me? Did the members of the Divorce Committee read the evidence in each case? Perhaps they did, but we have no opportunity of informing ourselves about it. If we go to any member of the Divorce Committee and ask, "Well, what happened in the case of John Doe and his wife?", we will make a perfect nuisance of ourselves. Yet, we are duty bound to ask for information either from the Commissioner, who would not have the time to answer us, or the members of the Divorce Committee, who would find it a perfect nuisance. I have great respect for the chairman and the members of the Standing Committee on Divorce, and I would not enjoy having to intrude and disturb them in their work by going to their offices and asking, "Will you please give me the information that I should have, and that I have not received from the Divorce Commissioner concerning the cases that are to be brought before the chamber?"

My honourable friend the chairman (Hon. Mr. Roebuck) does the best he can under the circumstances. I know that he is willing to supply us with that information, but none of us should be put in the position of having to go to his office and ask him what happened in a certain case.

To put it bluntly, honourable senators, we do not know what has been happening at all. Some members of the Divorce Committee may know, but we do not, and yet we are asked to approve these resolutions. If the majority of us who are not members of the Divorce Committee do not approve these resolutions, then no divorce will be granted.

The Commissioner, who is now the man Friday of the Divorce Committee—and I say that with all deference and due respect—is not by law qualified as a judge, and yet he expects to have the advantages of a judge. He sits over in the West Block and listens to the cases. His work, I am sure, is painstakingly done. It is not very interesting work. He hears always the same story, although there may be some slight variance as between some cases. He does that work for the committee. If the members of the committee receive the evidence and read it, then they must do the same work as they would have done if there had been no commissioner. I hope honourable senators understand me. I notice that some members of the committee are nodding.

I do not doubt that they know what happens in each case, but in our attempt to follow this system we are making them do, by reading, the same work that the Commissioner

has to do in listening to the evidence in his department in the West Block. The work is, therefore, being done twice. The work is done by that part of the committee which is presided over by the Commissioner, and then it is done a second time by the members of the committee. They have done it—well, I do not know whether they have done it, but I give them the benefit of the doubt.

I bring the matter to your attention because something has been said about the religious importance of having a commissioner rather than a judge hearing the evidence. That was said in the Senate the other day, and I do not see what argument can be made in defence of the argument that a particular religion is not offended when the evidence is heard by a gentleman who is called a commissioner. What difference does that make to any religion, or to the church to which I belong? We do not live in times when people are splitting hairs to that extent. I have great respect for the teachings of the church, and though I do not do as much as I would like to do, I do my best to abide by them, but I cannot understand why a church would censure the Senate, or the Parliament of Canada, for appointing the man Friday of the Senate committee a full judge, when he has the advantages of that position, rather than appointing him a commissioner. That is the point.

When I spoke about this matter to some members of the Divorce Committee, they told me that it was the opinion of a certain group of theologians that it was better to have a commissioner rather than a judge to listen to the evidence in divorce cases. That reminds me of something I said in the House of Commons when the late Tommy Church, who was a great friend of mine, spoke of the late King as the Defender of the Faith. I told him that he should remember that if the King of England had that title, then it was given to Henry VIII by the Pope, because Henry VIII at the time was a good Catholic. That is in *Hansard*.

I have never spoken of religious or racial difficulties in the House of Commons, any more than I have in the Senate. I think it is much better to dispense with that. But if I am given the argument that it is in the defence of religion that we have the evidence in those cases heard by a commissioner rather than by a judge, then all I can say is that it is beyond me. I cannot understand it, and I do not think that many of you can understand it either. It is only hair-splitting.

If the gentleman who is now the commissioner is worthy of this position, then he should be made a full judge. He should be made a judge of the Exchequer Court, and should operate in the same manner as judges of the Exchequer Court have in the past when they have been loaned by the court to some branches of the Civil Service to fulfil a judicial function.

I know that divorce is a serious problem. I understand that divorces should be granted by authority of the Parliament of Canada in virtue of that section of the British North America Act which is to the effect that marriage and divorce belong exclusively to the Parliament of Canada. I know that. I do not intend to enter into an argument today and repeat what I have said with regard to the jurisdiction of provincial courts with respect to divorce. I know that each divorce is granted by a law of the Parliament of Canada; and, whether it is in the manner that was used before the change was made or in virtue of the new regulations that have been passed, it is valid. There is no question about it. Even if the evidence might be controversial, the divorce granted is valid because the Parliament of Canada has the authority to grant divorce, and it is in virtue of that authority that divorce is granted. It is clear. As to the formalities to follow, are we to continue in that fashion, to have the work of the committee done by somebody else, who is at the present time an official of the Senate, and to see the members of the committee doing again the same work that the Commissioner has done, and without giving us the proper information?

I will go further than that. We have been highly disturbed on account of the creation of the new system. I feel that all the civil servants, all the Senate staff now under the Commissioner, should belong to the Exchequer Court as soon as the Commissioner is made a judge of that Court. I am not the first person to make that suggestion. It was made here by my honourable and distinguished colleague, Senator Aseltine, and it was made in the other house by Mr. Stanley Knowles, who is also highly respected; it was made in the Senate also by our esteemed colleague, Senator Dupuis. It is common sense that it be done in that way, in order that justice be respected with regard to the divorce problem.

Honourable colleagues, you are men and women of experience. You have independence of thought, and you have experience of life and parliamentary affairs. You know well that what I have told you is the strict truth. If I may say so, it is not with an ulterior motive; it is in order to bring some relief to the members of the Divorce Committee and to put an end to an absurd situation which has lasted too long.

Honourable senators, I presume that when these facts are submitted to the qualified and high dignitaries of all the churches, they will agree that they make sense. Everybody preaches respect of the bench. We have done so on occasion, to prove that we have respect for the bench. We would put an end to an abnormal situation and give a breathing spell to the members of the Divorce Committee—without insinuating that they have erred in their decisions. I do not say that. I do not want to be misunderstood: I have said what I have because of my sincere belief that this was a proper occasion.

Nobody in this chamber is authorized to speak on behalf of the church in matters of divorce. Nobody here is authorized to speak for any church and give a definite opinion on the religious aspect of a matter like divorce, or any problem.

We have the experience of lawmaking. We pass laws every day and we pass them with the required decorum, and according to the formalities that are prescribed by the law of the land and the rules of the Senate.

Honourable senators, there are some rules which should be changed. The rules concerning the Divorce Committee should apply only to that committee; and the rules concerning the future judge—if you decide that there should be a real judge and if the Government comes to that conclusion—should be the rules not of the Senate but of the Exchequer Court concerning divorce; and the staff of the divorce division of the Exchequer Court should be under the court and not under the Senate. Those persons who actually belong to the Senate and who are now under the Commissioner should be transferred to the Exchequer Court.

I have said what I have to say as plainly as I can, and I hope that everybody has understood.

Hon. Walter M. Aseltine: Honourable senators, I have listened to the honourable Senator Pouliot with great interest, and I am glad to note that he has changed his mind considerably since 1956.

He is one of those who, along with about 30 other senators, in 1956 voted down my bill to refer divorces to the Exchequer Court. Therefore, he is just as responsible as the others who voted against the bill, for the situation that now exists.

Honourable senators who were here in 1956 will remember that I introduced a bill to amend the Exchequer Court Act and give that court jurisdiction over divorces from the provinces of Quebec and Newfoundland. You will also remember that that debate continued on and off for some two or three months. Then, lo and behold, when it came up for a vote, my honourable friend voted against it; the present Chairman of the Divorce Committee voted against it—

Hon. Mr. Roebuck: No, no.

Hon. Mr. Aseltine: The honourable Senator Hugessen voted against it, and the bill was defeated; and on that account we are in the difficult position in which we find ourselves now.

Honourable senators, I have been thinking recently of bringing in that bill again, but I would not wish to do so unless I were sure of getting the support of my friends like Senator Pouliot and others who opposed me very strongly in 1956.

Hon. Mr. Pouliot: Mr. Speaker and honourable colleagues, may I be permitted to speak?

In the first place may I say I was appointed to the Senate in 1955 and I started to sit in 1956. That was my first session. I was appointed in July. As a newcomer, I did not know as much about the Divorce Committee as I do now after nine years. That makes a great difference.

I believe that we can learn with the years. One can get some more information, and one can change his mind. What surprises me is that my honourable friend Senator Aseltine should reproach me now for what I did then.

Hon. Mr. Aseltine: Why should I not do so?

Hon. Mr. Pouliot: He reproaches me now for expressing the same opinion as he expressed nine years ago. He could say that I am too late to accept his view. That would

make sense. But if he criticizes me for repeating today what he said nine years ago, and besides that challenges me, well, that is something else. I never thought it would be as cruel as that. Who can blame anyone for showing his good will? Besides that, I have praised him. I have told him that he was my distinguished colleague, and for that he frowns at me and frightens me with his—I will not say "dirty"—unkind look. Therefore, honourable senators, this may end in perfect harmony, and I hope as my honourable friend reflects on what has been said this afternoon by himself and by me, he will see that I carry in my hand—

Hon. Mr. Aseltine: Do you want me to apologize?

Hon. Mr. Pouliot: Oh, no—I like to hear you speak. I hope that my friend will see that what I carry in my hand is a branch of an olive tree.

Hon. Mr. Choquette: I see that my honourable friend Senator Roebuck is on his feet. If he intends to reply, I would like to put one question to him first.

Hon. Arthur W. Roebuck: Do you wish to put a question to me?

Hon. Mr. Choquette: Yes. Is this the time to ask it, or would you prefer that I wait until after you have spoken?

Hon. Mr. Roebuck: Put the question now.

Hon. Mr. Choquette: It is a simple question. I understand that about 111 applications for dissolution of marriage have been considered and approved. Have any of these applications as yet been turned down or refused?

Hon. Mr. Roebuck: No. No case which has been heard has been rejected. However, honourable senators must remember that the solicitors who present these cases have come to learn very carefully what will be approved and what will be rejected, and it is to their credit that they do not bring cases before us that would have to be rejected. Furthermore, the hearings are most carefully dealt with by the Commissioner.

I have very little to say in reply to my friend Senator Pouliot, although I would like to put myself straight with the former Leader of the Opposition, Senator Aseltine.

Hon. Mr. Aseltine: Former Leader of the Opposition?

Hon. Mr. Roebuck: You were the Leader of the Opposition when you introduced your bill.

Hon. Mr. Aseltine: No, I was not the leader.

Hon. Mr. Roebuck: All right; never mind. At all events, you introduced two bills.

Hon. Mr. Aseltine: That is true. Senator McMeans and I introduced a bill in 1938, to enlarge the grounds for divorce. The bill was passed by this house, and referred to the other place, where it did not receive second reading. In 1955 I introduced a similar bill in this house. The honourable senator supported me on that bill.

Hon. Mr. Roebuck: I did.

Hon. Mr. Aseltine: As did Senator Farris and quite a number of senators. In spite of the fact that I put up the best case I could at the time, that measure was also defeated in the Senate. Then having almost thrown in the towel, in so far as trying to get our divorce laws modernized and brought up to date, I decided on another form of attack. That is why in 1956 I introduced a bill to do away with parliamentary divorce altogether, and transfer to the Exchequer Court of Canada the jurisdiction we were exercising in the Senate with respect to applications for divorce from the provinces of Quebec and Newfoundland. That is the bill to which I referred when I said that the honourable senator was one of the 30 or more senators who voted against me. After that I was more or less discouraged, and I have not followed up what I attempted to do in 1938 and 1955 and 1956.

Hon. Mr. Choquette: It was good missionary work.

Hon. Mr. Roebuck: My friend Senator Aseltine does not say why I voted against that bill. Perhaps he has entirely forgotten the argument that took place at the time. I have a vivid recollection of it. I remember saying that I quite agreed with him in his argument, but that out of deference to those people of the Province of Quebec who were specially affected by the bill, I was not prepared to coerce that province into having a divorce court which it did not want.

Hon. Mr. Choquette: Do they want this system now?

Hon. Mr. Roebuck: I beg your pardon?

Hon. Mr. Choquette: Are they asking for this new system now?

Hon. Mr. Roebuck: Apparently this particular speaker on behalf of the Province of Quebec now asks for a divorce court. If the proper representatives from the Province of Quebec had asked for it at that time, I would certainly have voted in favour of it; and I would do so now, if I thought the Province of Quebec and those in authority there were in favour of a divorce court. However, honourable senators, remember this, that we debated the present system fully last session. We did so in proper order as the result of a bill which came before us, and we passed that bill. That is the law under which we now operate and which governs the Divorce Committee in its activities. We are not a law unto ourselves; we are following the directions, given in the proper way by this chamber, to the best of our ability.

I would also say to my friend Senator Pouliot, that if he does not like the system, the proper method is not to attack the procedure under the system—

Hon. Mr. Aseltine: Hear, hear.

Hon. Mr. Roebuck: —but rather to introduce a bill of his own to change it, transferring the power to which he objects to a judge of the Exchequer Court. I can assure him that all of us in the chamber would give such a bill our very best consideration—and we might pass it. We certainly would do so, were the representatives of the Province of Quebec to endorse it.

Let me say further that so far as the criticism of the system is concerned, every one of the cases that have been passed, every one of the reports which have been approved, have been laid upon the Table with the report of the committee, together with the evidence, if it was transcribed, and all the documents of any significance in connection with the case. These have all been neatly bound and placed upon the Table so that anyone who wished to do so could read them and become informed.

So far as not having any knowledge of any particular cases is concerned, I think my friend will admit that my door is always open, and that any question that he might ask about any particular case would be answered promptly. Perhaps not answered from memory—I might have to look up the case for a moment—but within five or ten minutes he would be given the answer about any case on which he wished to address me.

So far as members of the committee are concerned, my friend, early in the session, asked me whether this was a one-man committee. Let us remember that the Commissioner commenced hearings on January 8 last, but the house did not sit until February 18. During that interval there was work to be done; hearings were in progress, and, of course, I had to look after that. I read 170 reports myself. They are reports which the house has very kindly passed on my recommendation after the committee passed them with my approval.

At the present moment, and ever since the session commenced, that system has ended, and the reports, as they are received, are handed to various members of the committee, usually a day's reports at a time. The member reads them with the greatest of care, checking to make sure that everything required has been attended to, and then moves their adoption in the committee and takes the responsibility involved in doing so. The Divorce Committee has been by no means a one-man committee from the time the Senate convened. I think the old comradeship still exists among us. We are carrying on with the work as best we can, and are not by any means the rubber stamp of anybody. These matters are really thoroughly inquired into and dealt with, with a feeling of responsibility.

I repeat that if the system is not a good one, then the time to attack it is not in the course of the proceedings under the system, but rather by introducing a bill so that we may discuss it in due and proper form, and perhaps do something about it.

Hon. Donald Cameron: Honourable senators, I do not wish to prolong this discussion, but I am glad it has come up.

First of all, I would like to say to Senator Aseltine that I am one of the 17 senators who supported him in 1956, when I was a freshman like my colleague Senator Pouliot; and I would support him now, with even more enthusiasm, as a result of my nine years of experience on the Divorce Committee.

In saying this I would like to take the opportunity of paying tribute to the magnifi-

cent work done by our chairman, Senator Roebuck. The quality of his work in this particular committee has been recognized from one end of the country to the other. Nevertheless, I say with all sincerity, it was the one feature of the work of the Senate out of which I got least satisfaction—not because it was not well done, for every member of the Divorce Committee was painstaking in the discharge of his responsibilities, but because I have always felt this was not a responsibility which should devolve upon members of Parliament. I was sorry Senator Aseltine's bill did not go through in 1956. I hope it will be introduced again.

I must have some sympathy for the views of my colleague Senator Pouliot; I think he is right. There is a feeling that under the present system the members of the Divorce Committee are, in effect, a rubber stamp. Of course, it is not a correct impression, but it is one that nevertheless exists.

Hon. Mr. Pouliot: If my friend permits me, I did not say that of the members of the Divorce Committee; I said that of the senators who do not belong to the Divorce Committee.

Hon. Mr. Cameron: I know you did.

My understanding of the reason for retaining the Divorce Committee of the Senate under the present circumstances is to make absolutely sure there is a "court of appeal" in case of dissatisfaction with a decision of the Commissioner.

Hon. Mr. Pouliot: Hear, hear.

Hon. Mr. Cameron: As long as we retain the present system, where the divorces are granted by resolution on the recommendation, first of the Commissioner and then of the Divorce Committee, there is no question but that work will be done thoroughly and competently. But I believe that so long as this particular system exists it should be made clear that members of the Divorce Committee need not read the evidence; and if they do not read the evidence then they are, in effect, becoming somewhat of a rubber stamp. I say that because those of you who have served on the committee know perfectly well that the impression you get on reading the evidence, as compared to that gained by sitting on the committee where you can assess the personalities and expressions of the people, may be quite different.

So I sincerely hope, honourable senators, that this may be looked upon as a first step in modifying the rules in respect of divorce in Canada. I think the situation is better than it was, certainly for those of us who sat many hours on that committee year after year. I am delighted not to have that responsibility today. However, I would go further. I would say that unless we are prepared to recognize the kind of world in which we are living today, in which there is a tremendous need for broadening the basis of grounds for divorce in this country, we are, in effect, condoning injustice and inhumanity on a very large scale.

Some Hon. Senators: Hear, hear.

Hon. Mr. Cameron: We have to go very much further, honourable senators, and I hope it will not be too long before we have the courage and the honesty to face up to the situation which exists.

In saying this, I am not reflecting on any church. I think I know churchmen of every colour and description. I know many of the Roman Catholic faith who are sincerely concerned about the situation which exists today and who also feel that something should be done.

So I say to Senator Aseltine, I hope you will persist with your legislative project and that the next time you do not throw in the towel quite so soon. And to Senator Pouliot, I say, I think you were quite right in bringing this matter up—it is something we should not overlook.

Hon. J. W. de B. Farris: Honourable senators, I did not intend to speak on this subject, but I think perhaps I should contribute something. My honourable friend is right, when he says that I supported his bill to refer divorces to the Exchequer Court, but I am not sure I would do it again at this time.

I think the new system should be given a trial. I voted for it, but I said in my little speech that I did so reluctantly. The reason I was reluctant was I felt there was just a little bit of "gun play" in the other house, because at that time they were blocking the administration of justice as it then stood by a denial of justice, mostly to women with children whose husbands had not treated them rightly, and, as a result, hundreds of cases accumulated. So there was a little bit of "gun play" there which I did not like.

Now we have this system. My honourable friend said that when he opposed the earlier

bill he was not as wise as he is now. Well, open confession is good for the soul. But being wise now, my honourable friend, instead of criticizing this procedure, should have brought in the bill he says ought to be before this house at the present time; that is, one to transfer divorce jurisdiction to the Exchequer Court.

At this time I think the new system, which is the law now, should be given support until we find reasons to change it.

Hon. Mr. Aseltine: Or until we are sure we can get support for a bill similar to mine.

Hon. Mr. Farris: All right. But, in any event, let us give this new system a fair trial while it is in operation.

Today, as Senator Roebuck has said, we are involved in a procedure under the laws that now exist, and the discussion under that procedure should be confined, with all deference, to the question of whether or not we have the information necessary to enable us to deal with the resolution endorsing the recommendation of the chairman of the committee.

I want to point out to the honourable senator who has just spoken that there is a "court of appeal" in existence today; it has been explained by Senator Roebuck. You have available all the evidence that has been heard, and you can read it. If any applicant for divorce, or anyone opposing a divorce, thinks an injustice has been done, he or she will find many senators ready to bring the case before this "court of appeal" so that it may decide whether the recommendation should be given effect to or not.

So I say that all we need do at this time is ask ourselves: Is there anything to suggest that the recommendations made by the Chairman of the Divorce Committee ought to be investigated further? If there is nothing to suggest that, and if no senator has taken the trouble to investigate—because this is a court of apeal and we have the jurisdiction right now—then I think the less said the better, and these cases should go through as a regular routine.

In the meantime, if there are complaints we are not doing our duty as a court of appeal, or if there is a better system, or if the Province of Quebec or the Province of Newfoundland wants another system, then let somebody have the courage to bring in a bill for the transfer of divorce jurisdiction and let us fight it out again.

Hon. Allister Grosart: Honourable senators, I agree with the constitutional point of order raised by Senator Farris, but the debate has ranged considerably beyond the narrow limits of the resolutions, and I beg leave to make just a brief contribution.

I respect the viewpoint held by Senator Roebuck. I am also inclined to agree with the position taken by Senator Pouliot. My respect for Senator Roebuck stems from my impression that he does not like the system and did not like it when it was brought in, but that with his sense of loyalty to the committee, and to his position as chairman of that committee, he has defended the system as it stands many times.

The reason I say I think Senator Roebuck does not like it is that I well remember, as other honourable senators will, the method by which this present procedure was imposed upon us. And I use the word "imposed" deliberately. On the day before the summer recess last session, the bill came over to us from the other place. We amended it. We took out the word "only", which imposed on us the appointment of a commissioner. The original bill, as it came to us, merely transferred the jurisdiction of the Crown in Parliament to the Senate. We sent the amended bill to the House of Commons and they would not accept our amendment. The bill was considered in hurried sessions of the committee, and the chairman of that committee, in his wisdom, recommended to the Senate that we pass it. I do not think any senator really knew what we were passing on that last hectic day.

With respect to Senator Pouliot, he was not in the chamber on that occasion, and I for one very much regretted his absence because I have no doubt we would have heard from him even more forcefully than we have today.

I protested the measure at that time, and asked if the provinces concerned had been consulted. There was a ruling from His Honour that the question of provincial rights was not involved in the matter before the Senate, and of course I respected that ruling.

The suggestion now made by Senator Pouliot that the whole of this jurisdiction be transferred to the Exchequer Court has support here, and certainly it appears to have the support of logic; but what concerns me is this rather hectic quick-stepping of events. I think the Senate, as I said then, fell into error in passing the earlier bill, and the discussion here indicates that there may be some foundation for that view.

Hon. Mr. Roebuck: The honourable senator realizes there were some 600 cases awaiting action when we passed that bill and that was the compulsion to act quickly.

Hon. Mr. Grosart: I think the honourable senator uses the proper phrase when he says

it was done under compulsion. My point is that there was compulsion, and it is immaterial today what type of compulsion was involved. The honourable senator, I think, supports my position that this was done under compulsion. There were other kinds of compulsion at that time, but my point is, that what was done, was done hastily. We are now trying out the procedure then adopted, and I agree with Senator Farris that perhaps we should continue to try it out.

Many a procedure in democracy that did not appear to work at first has worked in time, and I would say, with all due respect to Senator Pouliot, and to the suggestion that another bill might be introduced, that it would be the better part of wisdom to try this system out, particularly when it is in the hands of such a skilled leader of the democratic process as Senator Roebuck, who has made such a valiant attempt to make it work. Because of that I wish him every success. I believe he should have a chance to see if he can make this work, at least for the time being, or until somebody brings before us information which I consider to be essential and which we do not seem to be able to get, namely, the feeling of the people of the provinces involved. What do they want done?

It has been said that this is not a religious question. With all due respect, I suggest it is. There is a religious aspect to it. If there is a large majority of people of a certain faith who have strong feelings on divorce, and on the limitations of divorce, which I have not, I would say we must take that into consideration, particularly if this is the dominant feeling in one of the provinces. What is the feeling of the Province of Quebec and of its people of the predominant faith there? Do they want divorce by this procedure of a commissioner reporting to a committee of the Senate, and of the committee presenting the resolutions? Are they satisfied with this? I do not know. Do they want full and complete judicial divorce under the Exchequer Court? I have heard this suggestion made. The point has been raised that such a judge would have the right to sit wherever he liked—he could sit in Montreal, should he choose.

Hon. Mr. Aseltine: My bill covered that. It provided that these cases be heard in Ottawa.

Hon. Mr. Grosart: Thank you for the information. Of course I was not here at that time.

I would welcome, as I think the Senate would, any information that could be put before us. I would make an appeal to those who are in responsible positions to let us know the views of the people of Quebec, and of the predominant faith in that province.

Hon. Mr. Pouliot: Honourable senators, I would like to say—

The Hon. the Speaker: I would like to ask the honourable senator if he is now going to clarify some of the statements he has made. He has already spoken, and if I should allow him to speak again, other than to clarify some points, I would have to allow the same right to other senators.

I have granted a lot of latitude to senators this afternoon on this particular question, though I realize it was not according to the rules. If a similar debate were to arise on every occasion, it would certainly transgress the rules.

As your Speaker, I am, of course, in your hands, but I would like to have the co-operation of all honourable senators, and if the question of the principle of the Divorce Committee is to be discussed in the Senate, I hope, as honourable Senator Farris has said, it will be done according to the rules.

Honourable senators, I do not think I can allow the debate to continue in this fashion because I feel it is not according to the rules. Once again, I ask from all of you your co-operation.

I shall allow Senator Pouliot to speak now because I understand he wants to clarify certain statements he has already made.

Hon. Mr. Pouliot: Mr. Speaker, I thank you very much.

My honourable friend Senator Grosart said I was not here on the last day before recess. That was a Friday, and I did not expect Bill C-93 to come at that time. On the day we adjourned for recess I was here and you were here, Mr. Speaker. I do not know if the honourable senator was here on that day, when Bill C-93 came to us.

My second point is in answer to the challenge of the honourable Senator Aseltine as to voting for his bill. I would direct his attention to the *Routine Proceedings and Orders of the Day* for the other house for today, item No. 6, a Government resolution which reads:

> That it is expedient to introduce a measure to amend the Judges Act and the Exchequer Court Act to authorize the appointment of, and the provision of salary for, one additional judge of the Exchequer Court of Canada.—*The Minister of Justice.*

I leave it to the common sense and experience of the Minister of Justice. What I want is that the Exchequer Court judge should be not only a judge in name but a judge *ipso facto.*

Hon. Mr. Roebuck: Honourable senators, I was asked a question which I do not think

I answered completely. Some 12 cases are withheld at the present moment, and are under consideration.

Reports adopted.

PRIVATE BILLS

CANADIAN CONFERENCE OF THE BRETHREN IN CHRIST CHURCH—SECOND READING

Hon. Norman P. Lambert moved the second reading of Bill S-11, to incorporate Canadian Conference of the Brethren in Christ Church.

He said: Honourable senators, Bill S-11 is to incorporate the Canadian Conference of the Brethren in Christ Church. Similar bills have been passed many times by this chamber. It conforms with all the requirements for the incorporation of religious bodies.

The Brethren in Christ Church is a Christian group which includes amongst its founders Baptists, Mennonites, Congregationalists, and members of the Reformed and Moravian churches, and it reflects amongst its teachings much of the professed faiths of all those other denominations.

Since it is a coming together of several denominations, it might be said that it is not a dissident group from any one denomination, but is a church in itself which has bound together men of several faiths with similar interests and a common evangelical conviction.

This church seems to have had its beginnings in the State of Pennsylvania, and it has expanded into other states of the Union. Today the American branch of the Church supports, amongst other institutions, several colleges in California and Pennsylvania, a chain of book stores well known in the United States as the Christian Light Book Stores Incorporated, and, in addition, it maintains orphanages and homes for senior citizens.

During the American War of Independence several of the Brethren in Christ families emigrated to Canada and settled in the Niagara Peninsula area of Ontario. During the early part of the twentieth century a number of these families moved to the Province of Saskatchewan, homesteading in the southwestern and southern sections of that province. The largest concentration of membership today exists in the Niagara Peninsula and western Ontario area and in the Province of Saskatchewan.

A company was incorporated for the church in Ontario in 1935 by letters patent, which will be surrendered should the Parliament of Canada pass the legislation that is now before us.

The intention and eventual hope of the membership of the church in Canada is to have congregations spread throughout the various provinces. The purpose or object of the denomination, as set forth in its manual, is to promote worship of Almighty God and to disseminate His gospel and, in the process of so doing, to co-operate with other denominations through interdenominational efforts.

This church has ordained ministers, licensed by the governing bodies, including the bishops of the church, who are trained in theology generally and the specific doctrines of the denomination. The petitioners are all duly ordained ministers, and are engaged in their ministerial works, including teaching, in some instances, at Niagara Christian College.

The headquarters of the denomination will be located officially in Hamilton, Ontario, and it is the hope of the sponsors of this bill that after incorporation their operations in Canada will become uniform, and will develop into the various fields of church social service, as was carried on by the church's early pioneer associates.

If this bill is acceptable to the Senate, and is given second reading, I shall move that it be referred to the Standing Committee on Miscellaneous Private Bills.

I have not enumerated the various sections of the bill, of which there are 18. As I said at the beginning, this bill conforms to the *pro forma* bill that is usually adopted with respect to the incorporation of religious bodies.

Hon. Mr. Hollett: May I ask the honourable senator a question? As I listened to his statement of the objects of the corporation it did not seem to me to conform to clause 4 of the bill, and I wondered why there was that difference.

Hon. Mr. Lambert: I dealt briefly with the objects of the corporation, which are set out in detail in clause 4. They are to carry out the teachings of the church.

Hon. Mr. Hollett: No. Clause 4 says the objects are to carry on the teachings of the corporation.

Hon. Mr. Lambert: Well, the objects of the corporation include the establishment of a church, which is now in existence in the Province of Ontario and is incorporated by letters patent in that province. This act is to incorporate the Canadian Conference of the Brethren in Christ Church. In other words, there will be a federal, rather than a provincial, charter.

Hon. Mr. Connolly (Ottawa West): Honourable senators, perhaps it might be helpful to

Senator Hollett if I point out that in clause 1 of the bill, line 18, there are these words:

> ...the name of Canadian Conference of the Brethren in Christ Church, hereinafter called "the Corporation"...

For the purposes of simpler draftsmanship the word "corporation" is used throughout the bill rather than the name of the church.

Hon. Mr. Hollett: Thank you.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Lambert, bill referred to the Standing Committee on Miscellaneous Private Bills.

THE GENERAL ACCIDENT ASSURANCE COMPANY OF CANADA—REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the report of the Standing Committee on Banking and Commerce on Bill S-8, respecting The General Accident Assurance Company of Canada.

Hon. Arthur L. Beaubien, for Hon. T. D'Arcy Leonard, moved that the report be adopted.

Motion agreed to.

THIRD READING

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

Hon. Mr. Beaubien (Provencher): On behalf of Senator Leonard, with leave, I move third reading of the bill now.

The Hon. the Speaker: Honourable senators, with leave of the Senate, on behalf of Senator Leonard, it is moved by Senator Beaubien (Provencher), seconded by Senator Farris, that this bill be now read the third time. Is it your pleasure to adopt the motion?

Hon. Mr. Reid: No.

The Hon. the Speaker: Is it agreed?

Hon. Mr. Reid: Do I understand that the bill has stood over from yesterday?

Hon. Mr. Connolly (Ottawa West): Yes. The report was stood over from yesterday.

Hon. Mr. Reid: In that case, I will withdraw my objection.

Motion agreed to and bill read third time and passed.

The Senate adjourned until Tuesday, March 24, at 8 p.m.

THE SENATE

Tuesday, March 24, 1964

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

Prayers.

DIVORCE

RESOLUTIONS PRESENTED

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the following resolutions:

Resolution 61, for the relief of Evelyn Alberta Florence Cere Lalonde.

Resolution 62, for the relief of Lorraine Cook Gough.

Resolution 63, for the relief of Susan Joan Hyman Greenberg.

Resolution 64, for the relief of Grace Lillian Humphreys Hutcheson.

Resolution 65, for the relief of William Billington.

Resolution 66, for the relief of Alice May Graham Laing McKenna.

Resolution 67, for the relief of Albert Desjardins.

Resolution 68, for the relief of Demetra Tsivriotis Savourda.

Resolution 69, for the relief of Ruth Marie Victorine Entwistle Weil-Brenner.

Resolution 70, for the relief of Antonia Sanscartier Cloutier.

Resolution 71, for the relief of Jeanne d'Arc Papineau Benoit.

Resolution 72, for the relief of Maureen Ann O'Shaughnessy Maltby.

Resolution 73, for the relief of Jane Hanson Phillips.

Resolution 74, for the relief of Jules Bellemare.

Resolution 75, for the relief of Margaret Ellen Lapaine Lawlor.

Resolution 76, for the relief of Ernest Francis Pattullo.

Resolution 77, for the relief of Huguette Marcoux Nyeste.

Resolution 78, for the relief of Joyce Eileen Menzie Elliott.

Resolution 79, for the relief of Nicolle Potvin Fleurant.

Resolution 80, for the relief of Marianna Marcali Muller.

Resolution 81, for the relief of Elizabeth Sharp Birch.

Resolution 82, for the relief of Ada Josephine Ford Lejeune.

Resolution 83, for the relief of Mildred Emily Velcoff Dumas.

Resolution 84, for the relief of Janine Madeleine Grumbach Dorland.

Resolution 85, for the relief of Hilda Louise Magnusson Howard.

Resolution 86, for the relief of Anna Hackstuhl Csillag.

Resolution 87, for the relief of Norma Elizabeth Peddle Kovacs.

Resolution 88, for the relief of Alexandra May Galbraith Westover.

Resolution 89, for the relief of Elizabeth Salavich Jonker.

Resolution 90, for the relief of Frances Barbara Brewer Smith.

Resolution 91, for the relief of Elaine Evelyne Evans Dunwoodie.

Resolution 92, for the relief of Rita Anne Page Bonner.

Resolution 93, for the relief of Clara Melissa Riche Frampton.

Resolution 94, for the relief of Roberta Sealey Burns.

Resolution 95, for the relief of Joseph Arthur Marcel Allard.

Resolution 96, for the relief of Alice Candide Sullivan Ward.

Resolution 97, for the relief of Patricia Hobbs Kemp.

Resolution 98, for the relief of Arnold Campbell Scott.

Resolution 99, for the relief of Kingsley Seafield Grant.

Resolution 100, for the relief of Marie Imelda Lisette Rajotte Durocher.

Resolution 101, for the relief of Phyllis Elizabeth Cameron Reeves.

Resolution 102, for the relief of Yvette Giraldeau Pons.

Resolution 103, for the relief of Marie Reine Jeannine Groulx Brousseau.

Resolution 104, for the relief of Marilyn Ida Hansen White.

Resolution 105, for the relief of Gilbert Merrill Aspinall.

Resolution 106, for the relief of Zicele Litvack Aisenthal.

Resolution 107, for the relief of Joyce Irene Tannahill Kylea.

Resolution 108, for the relief of Monique Garneau Coutu.

Resolution 109, for the relief of Carol Thornton Blackman.

Resolution 110, for the relief of Olive Annie Kirby Coulombe.

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

Hon. Mr. Roebuck: Honourable senators, I move that these resolutions be considered on Thursday next.

Motion agreed to.

DOCUMENTS TABLED

Hon. John J. Connolly: Honourable senators, I have a number of documents to be tabled. Of the list of ten, four are required by statute to be tabled; the balance consists of exchange of notes, and agreements resulting from negotiations between Canada and certain other countries.

(The following documents were tabled:)

Agreement between the Government of Canada and the Government of the Republic of Italy amending the Agreement concerning the sale in Italy of waste material and scrap belonging to the Royal Canadian Air Force, signed in Rome on the 18th of December 1961. Rome, September 18, 1963. (English and French texts).

Protocol amending the Interim Convention on Conservation of North Pacific Fur Seals, signed at Washington on February 9, 1957. Washington, October 8, 1963. (English and French texts).

Exchange of Notes between Canada and Denmark concerning Air Traffic Control over Southern Greenland. Ottawa, September 16 and November 28, 1963. (English and French texts).

Exchange of Notes between Canada and the United States of America amending the Agreement of May 5, 1961, concerning the co-ordination of pilotage services in the Great Lakes and the St. Lawrence River as amended February 21 and September 10, 1963. Washington, November 19 and December 4, 1963. (English and French texts).

Exchange of Notes between the Government of Canada and the Government of the United States of America on measures to ensure the orderly, efficient and safe control of aircraft operating in the air space near the common boundary of Canada and the United States of America. Ottawa, December 20 and 27, 1963. (English and French texts).

Exchange of Notes between Canada and the United States of America concerning the reimposition of tolls on the Welland Canal. Ottawa, December 19 and 20, 1963. (English and French texts).

Report to Parliament of the Civil Service Commission of Canada on positions excluded in whole or in part under section 74, and appointments made from May 1, 1963 to January 31, 1964 under section 25, of the Civil Service Act, pursuant to section 76(2) of the said act, chapter 57, Statutes of Canada, 1960-61. (English and French texts).

Report of Polymer Corporation Limited, including its Accounts and Financial Statement certified by the Auditor General, for the year ended December 31, 1963, pursuant to sections 85(3) and 87(3) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French texts).

Report, dated February 26, 1964, of the Restrictive Trade Practices Commission, under the Combines Investigation Act, on the Production, Distribution and Supply of Newspapers in the Sudbury-Copper Cliff Area of the province of Ontario. (English and French texts).

Report of the Central Mortgage and Housing Corporation, together with a Statement of its Accounts certified by the Auditors, for the year ended December 31, 1963, pursuant to section 33 of the Central Mortgage and Housing Corporation Act, chapter 46, R.S.C., 1952. (English and French texts).

PRIVATE BILLS

ALLSTATE INSURANCE COMPANY OF CANADA —FIRST READING

Hon. L. P. Beaubien, for Hon. Mr. Thorvaldson, presented Bill S-12, respecting Allstate Insurance Company of Canada.

Bill read first time.

Hon. Mr. Beaubien (Bedford) moved, for Hon. Mr. Thorvaldson, that the bill be placed on the Orders of the Day for second reading on Thursday next.

Motion agreed to.

LAURENTIDE BANK OF CANADA—FIRST READING

Hon. Donald Cameron, presented Bill S-13, respecting Laurentide Bank of Canada.

Bill read first time.

Hon. Mr. Cameron moved that the bill be placed on the Orders of the Day for second reading on Thursday next.

Motion agreed to.

THE DOMINION LIFE ASSURANCE COMPANY— FIRST READING

Hon. Daniel A. Lang presented Bill S-14, respecting The Dominion Life Assurance Company.

Bill read first time.

Hon. Mr. Lang moved that the bill be placed on the Orders of the Day for second reading on Thursday next.

Motion agreed to.

DIVORCE

REPORTS OF COMMITTEE PRESENTED

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 112 to 161, inclusive, and moved that the said reports be taken into consideration on Thursday next.

Motion agreed to.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

The Senate resumed from Thursday, March 19, consideration of His Excellency the Governor General's speech at the opening of the session, and the motion of Hon. Mr. Cook, seconded by Hon. Mr. Denis, for an address in reply thereto.

Hon. Muriel McQ. Fergusson: Honourable senators, like those who have preceded me in this debate, I take this opportunity of complimenting you, Mr. Speaker and, through you, your charming wife, for the manner in which you both carried on your duties during the last session and are continuing to do during this session. I extend also my best wishes for health and happiness to you so that you may be able to continue for some years in the position you now occupy with such grace and dignity.

To the leader of the Government during the last session (Hon. Mr. Macdonald, Brantford) I convey my sincere thanks and appreciation for the very fine leadership he has given both as Government Leader and Leader of the Opposition. He has held one or other of these posts ever since I came to the Senate in 1953. I have found him always most helpful, considerate and understanding.

To the present Leader of the Government (Hon. Mr. Connolly, Ottawa West) I would like to say that although his responsibilities are heavy, we know that he too is able and willing to discharge them. I am sure he will do so in a manner that will enhance the prestige of the Canadian Senate not only throughout this country but throughout the world.

To the honourable Leader of the Opposition (Hon. Mr. Brooks), one of New Brunswick's favourite sons and a long-time friend, I wish health and happiness, and that he too may long be able to occupy his present position.

As my other colleagues who have spoken in this debate have done, I wish to welcome the new senators, especially the new senator from New Brunswick (Hon. Mr. Rattenbury) who in his maiden speech in this chamber told us of many interesting developments in our province. I trust that all the new senators will find the work of the Senate as interesting and as satisfying as I have in the past, and as I still do.

My sincere congratulations go to Senator White, a former Speaker of the Senate, on his appointment as a member of Her Majesty's Privy Council. No honour could be more fitting, and no appointment more popular in this chamber.

I congratulate the mover (Hon. Mr. Cook) and seconder (Hon. Mr. Denis) of the motion for an address in reply to the Speech from the Throne on the very excellent speeches they made. From listening to debates in the House of Commons we knew that Senator Denis could always be depended upon to make an excellent speech, as he did on this occasion in the Senate chamber.

However, it must have been particularly difficult for Senator Cook to deliver such a fine speech, within a few minutes of his introduction into the Senate. The speeches of both honourable senators were of a high order and forecast well what we may expect to hear from them in the future.

The Speech from the Throne mentioned many subjects which are of much interest to me. The signing of an agreement by the President of the United States and our Prime Minister, under the terms of which our two countries become for the first time joint owners of property on Campobello Island in my native province, is a step forward in the friendly relations with our neighbours to the south.

The property, which will be known as the Roosevelt-Campobello International Park, will always remind North Americans on both sides of our long, undefended border, of that renowned American President of the United States, Franklin D. Roosevelt, who was such a good friend of Canada and of Canadians and who spent many summer holidays on Campobello Island.

The Speech from the Throne referred to the improvement of international relations. This is something I know we all support.

I would like to tell you tonight a little of my experience last December when, as a Canadian delegate, I attended a United Nations Seminar on the Status of Women in Family Law, held at Bogota, Colombia. During that seminar I met people from many countries. I would like to tell you a little about a pioneer project which is being carried on by Canadians in Bogota, led by our Ambassador, His Excellency T. F. M. Newton and his staff, which has the co-operation of the other Canadians living there and of some

Canadians back home. I know that this project is establishing friendly relations for Canada with many of the people of Colombia.

The General Assembly of the United Nations in 1955 gave authority for the holding of seminars under the United Nations Program of Advisory Services in the Field of Human Rights. Some of these seminars have been held in several different regions of the world, at the request of various governments. If the United Nations accepts an invitation, the country which issued the invitation becomes co-host to the seminar. Colombia had issued such an invitation and it had been accepted by the United Nations.

Although the United Nations provides experts to organize the seminar, and takes care of the expense, such as travel and hotel costs of one delegate from each country, there are many things which the host country is required to do, such as providing the meeting places, the staff and equipment, and looking after the printing of the innumerable reports. The host country also plans for any leisure time or social activities which can be included in the busy program; this they try to do so as to give the visiting delegates an opportunity to learn the interesting history of the host country, to see some of the outstanding sights and also to give the people attending the seminar an opportunity to become acquainted with the people of the host country.

It would take me too long to tell you of even a few of the delightful experiences which were arranged for us by the group of Colombian women which the Government of Colombia appointed to make plans for the seminar. The Colombia Government was most generous in its treatment of the people attending the seminar.

Seminars on the subject of the Status of Women in Family Law were held in Tokyo in 1962 for countries of Asia and the Far East, and in Bucharest, Roumania, in 1961, for the countries of Europe. The Bogota seminar of 1963 was for the people of the western hemisphere. It is expected that a fourth will be held in Africa.

Bogota—and never mind if you learned in school to call it "Bo-go-ta"; the Colombians call it "Bogota". They also call our country "Can-a-da." Bogota, however we pronounce it, until airplanes were used for transportation, had few visitors because of transportation difficulties. It is situated on a plateau in the Andes, 8,600 feet above sea level, and the plateau is surrounded by mountains rising 2,000 feet higher. Today planes easily fly over the mountains and down into Bogota.

Although it is near the equator, the altitude of Bogota prevents the city from ever experiencing extreme heat or cold. The temperature varies between 45 and 71 degrees, and is known as "the city of perpetual spring." Actually, there seem to be only two seasons down there—one when it rains and the other when it does not.

Although I could talk endlessly of the fascinating things I learned about the country and its people, I know that most of you have travelled in many more foreign countries than I have, and I do not propose to bore you with a travelogue. However, I would like to mention briefly a few of the subjects which were discussed in the sessions of the seminar.

There were delegates from all countries of North, Central and South America and the Caribbean Islands, except Venezuela—which was in the midst of an election—Chile and Cuba. Countries could send additional representatives at their own expense, and the United States, Mexico and Ecuador did so.

Except for one man who represented Panama, the delegates were all women. All delegates had reached considerable heights in the professions of law, social work or government administration in their own countries. There were several women judges among the delegates, and also among the observers who had been sent by international organizations which have consultative status with the Economic and Social Council of the United Nations, entitling them to send observers to the seminar.

The delegate from Mexico was a Supreme Court judge, and we were told that she was the first woman in the world to be appointed a judge of a Supreme Court. Several other delegates were judges of lower courts in their own countries, as was Judge Sarah Hughes of Texas, who, as an observer, represented the International Federation of Business and Professional Women's Clubs.

Honourable senators may remember that Judge Hughes administered the Oath of Office to President Johnson in the presidential airplane shortly after the tragic death of President Kennedy, in Dallas, last November, and she was much in demand by the press and by members of the delegation to tell about her experience on that occasion.

The purpose of the seminar was not that the delegates should draw up resolutions to present to anyone, but rather to make possible the exchange of ideas and of experiences in different countries, and to stimulate the thinking of the delegates. It was hoped that when the delegates returned to their own countries they would promote there greater respect for, and observance of, human rights and fundamental freedoms.

The whole agenda was based on the Status of Women in Family Law, and amongst the subjects discussed were marriage, including

age of marriage, consent and registration of marriage, parental rights and duties, the legal status of married and of unmarried women, inheritance rights of women and social factors affecting the status of women in regard to family law.

Many of us in Canada are inclined to think that our country leads all others in legislation which guarantees the observance of human rights and fundamental freedoms, and protection for those unable to protect themselves. A careful study of our laws and a comparison of them with the laws of other countries does not always support this wishful thinking. For instance, under the subject of marriage, the absolute minimum age of marriage in the various countries was discussed, and the question of what the minimum age was throughout the western hemisphere was considered. Many were of the opinion that to protect their young people, each country should have legislation forbidding very early marriage. The opinion expressed by several was that a boy or girl under the age of 15 is not mature enough to take on the responsibilities of marriage. It was also stated that very youthful marriages are often unstable and lead to unhappiness of the husband and wife and the children, and many times to separation and divorce.

Honourable senators may know that in the draft of the United Nations Convention on Consent to Marriage, Minimum Age of Marriage and Registration of Marriage, the minimum age of marriage was set out as 15 years. However, before the convention received sufficient support to be adopted by the General Assembly in 1962, this had been changed to a more general provision, worded as follows:

> Member states shall take legislative action to specify a minimum age for marriage.

Some delegates to the seminar stated that the absolute minimum age in their countries was even higher than 15 years, but in some it was much lower.

As you may know, Canada has no federal legislation setting the absolute minimum age of marriage. Please do not confuse the absolute minimum age of marriage with the minimum age at which persons can marry without the consent of parents. There is adequate provincial legislation on this in all provinces, and the consent of parents or guardians is required in marriages of those under 18 in some provinces, and under 21 in others. The absolute minimum age, however, refers to the age below which no marriage takes place even though the parents or guardians have consented to it. Some Canadian provinces have legislation on this subject, and in most of the provinces which do have such legislation the minimum age is 15 or higher. In one province which has legislation on this subject the absolute minimum age is set out as 12 for girls and 14 for boys. In another province the minimum age is 14 for either boys or girls. In the four Atlantic provinces there is no legislation on this subject; therefore, the common law would apply, and the minimum age for marriage of girls is 12 and 14 for boys. After hearing this question discussed very thoroughly I would be happy if legislation could be passed to set the minimum age of marriage in Canada at 15 years.

I am aware of the constitutional difficulties that might arise if a bill were introduced into Parliament specifying an absolute minimum age for marriage throughout Canada. Marriage and divorce under the British North America Act are assigned to the federal Parliament, except for the solemnization of marriage, over which the provincial legislatures were given control. There is some difference of opinion as to whether legislation specifying an absolute minimum age for marriage throughout Canada would have to do with the capacity of the parties, in which case it would be within the federal jurisdiction, or if it would have to do with the form of the marriage, in which case it would be within provincial jurisdiction. If it should be established that the matter comes within provincial jurisdiction, there is another way in which such a minimum age could be established throughout Canada, namely, for each province which has a lower minimum age than 15, to pass legislation setting that age as the minimum. All delegates were in agreement that free consent by the principals to the marriage and registration of marriage were essential to protect women and children.

The delegates gave general support to the principles embodied in the United Nations Marriage Convention. After this convention was adopted by the General Assembly in the fall of 1962 it was opened for signature in December 1962. It has been signed by only 13 countries, of which Canada is not one. Several delegates expressed surprise to me that Canada had not signed the convention, and I was asked by some to do everything I could to secure the signature of my country to this document. The reason given for the request was that Canada is looked upon as a leader, and that leadership from Canada would cause many other countries to follow. After signing, these countries would probably, in order to comply with the principles of the convention, change any of their laws which were not in accord with these principles.

The seminar discussed the civil capacity of women, including the right to vote, to hold office, to sit on juries, and the rights of citizenship. I was proud to be able to say

that even before the United Nations Convention on Citizenship was adopted by the General Assembly, Canada had already in 1946 passed its Citizenship Act, which gave women all the privileges provided for in the convention, and Canada was able to sign and ratify the convention without having to make any change in its existing laws. On the other hand, when the rights of married women to an independent domicile was discussed, I had little to say because, as you know, married women in Canada are not entitled to an independent domicile. There is an exception under the provisions of the Divorce Jurisdiction Act of 1930 which permits a woman who has been deserted by her husband for two years to bring a divorce action against him in the province where she was deserted, even though he may no longer be domiciled in that province.

In the matter of domicile, married women certainly do not have equal rights with men in this country, although they do in some countries. I am well aware of the arguments against granting married women this right. I have read the debates on bills introduced both in this house and the other place some years ago, which provided that a woman might bring a divorce action in any province in which she had been domiciled for two years. Even these bills would not have given women equal rights, but they would have provided more rights than our present legislation provides. However, none of those bills passed both houses and became law.

The study I made of Canadian laws in preparation for, and at the seminar, made me realize that although some Canadian laws recognize the equality of women with men, there are also Canadian laws which do not recognize these rights even to the same extent as is done in some other countries in this hemisphere.

I have discussed the previous items in some detail to give you an idea of the work of the seminar. Many other subjects which have to do with women's rights under the law were studied just as thoroughly. After I have done some more research I will probably be appealing to you for your support to change some of the existing laws which I consider discriminate against girls and women and are not in accord with the Declaration of Human Rights.

Honourable senators, if you will bear with me a little longer, before concluding I would like to tell you of an experience I had in Bogota that was not directly connected with the seminar. Ian Sclanders wrote an article which was published in *MacLean's* magazine of July 6, 1963, telling of a slum district of Bogota called "Barrio Santa Ines" in which there is a small parcel of land called "Parque el Canada." The barrio is about ten blocks square and has 25,000 inhabitants. The people of this barrio are Mestizos—a mixture of white persons, usually Spanish, and native Indians. About five years ago a group of the inhabitants of this barrio—which is something like a ward in our cities—asked the Canadian ambassador if they might call a bit of land in their barrio after Canada and if they might have the Canadian Ensign to fly beside the Colombian flag. Both permission and the flag were given.

Subsequently, the ambassador—who at that time was Mr. Ford—and the personnel of the Canadian mission visited "Parque el Canada," and were much impressed and touched by the extreme poverty of the inhabitants, about half of whom are children. Few of the parents in this barrio have any employment, and those who have, seldom earn more than $50 or $60 a month. They all have large families, and several families live together in very small quarters. The Canadians discovered that a Colombian policeman, whose special duty it was to look after children—and a number of policemen are assigned to such duties in Bogota—had become very much interested in the children of this barrio and was devoting much of his leisure time to teaching them in a small kiosk situated in "Parque el Canada." The members of the Canadian mission and of the Canadian colony in Bogota decided to raise money to expand this small school. They did this, not through government grants but through their own voluntary efforts and the voluntary assistance of other Canadians who had visited Bogota, who had been taken to see "Parque el Canada" and who had become very interested in the project. About $12,000 has been raised.

When I was in Bogota a school was in the process of being built with this money, in which about 200 children of the Barrio Santa Ines will be given an elementary education and one good meal a day, which is much more than most of them have ever had. In the evening the parents of the children will be given similar education, as well as information about nutrition and sanitation. A projector has been provided and at times films will be shown, many of them documentaries from our National Film Board. This is part of an adult education program for the parents. You must remember that $12,000 goes much further in building a school in Bogota than in Canada, for it is not necessary to provide any heating and the buildings do not have to be protected from the extremes of weather as ours do. However, this school will have an indoor toilet, something practically unknown in this barrio.

Because I am a member of the Advisory Board of Co-Operative American Relief Everywhere, which is more generally known

as CARE, before leaving Canada I had been asked by the Canadian Director, Mrs. Wadsworth, to make a presentation of Canadian articles which were purchased through money collected by CARE from Canadian school children. I was asked to make this presentation to the children of the school in Parque el Canada. The articles were of a value of $1,000, and included books, school supplies such as pencils, rulers and erasers, and many other items including some sewing machines to teach sewing to the mothers. They also included some agricultural implements like hoes and shovels, so they could cultivate small gardens and raise vegetables.

The sewing machines were used at the school to teach the mothers to make clothes for their children. Many of the children and their parents came to the school to see the presentation of these articles which were packed in large boxes, each bearing a large green maple leaf, and bearing the words in large letters "CARE of CANADA". Ambassador Newton and Mrs. Newton and others from the embassy accompanied me, and I wish I could convey to you the warm feeling of friendship that obviously exists between the people of this barrio of Bogota and the Canadians who were present. The children and their parents were most trusting and affectionate toward anyone who represented Canada to them.

I think one of the things that impressed me most in my visit to Bogota was this simple "people to people" pioneer project which is the result of the voluntary efforts of Canadians. It seems to me that if Canadian missions in other countries would follow this example it would do more to encourage friendly relations with the people of those countries than many larger and more expensive programs which Canada supports.

The Canadians in Bogota continue to work hard to raise money for this project. The ambassador, from time to time, opens his home for bazaars, and members of the staff undertake similar projects. The City of Bogota has been so impressed by the success of this school that when it is completed the city has agreed to pay half of its maintenance. Canadians will still be responsible for the other half. A committee of three Canadians, two Colombians and two British has been set up to manage the school.

The people of this barrio, all of whom are Roman Catholics, are so poor that for many years they have been unable to maintain a priest, and often could not arrange even for burial services for their children—a large proportion of whom die at an early age. Recently a friar has settled amongst them who looks after their religious needs. He asks for very little beyond enough to eat, a place to sleep, and assistance in building a small church. He is a delightful and, I thought, a simple person. With sincere appreciation he thanked the children of Canada, through me, for the abundance of gifts.

I may say that since I returned to Canada I have visited the Broadview School in Ottawa and told the pupils there of Parque el Canada in Bogota and of the delight of the children with their gifts. The children of Broadview School had raised $553 of the $1,000 used to purchase the gifts which I presented on their behalf.

The friar asked me to go through the little church he is having built and, when I praised it and him, I decided he was not quite so ingenuous or simple as I had thought, for his last words to me, as translated, were "Yes, Senora, we will finish the church in time but we need and we never can get money for a bell." This appealed to me much more than a direct request for a bell would have done, and I am sure you will not be surprised when I tell you that I have been involved in a quest for a bell for the little church beside the Parque el Canada in Bogota, and I think I am going to be successful.

I am very grateful for the many kindnesses shown me by the members of the Canadian Mission in Colombia, all of whom were so helpful that I felt I was in the midst of a Canadian family and that I was free to call on any of them for help or assistance. That is a wonderful feeling to have when one is alone in a completely foreign country and not even able to speak the language of its citizens. I think sometimes we do not fully appreciate the devoted service given to Canada and to Canadians by our representatives in foreign lands.

I will never forget and will always be grateful for the opportunity that I was given to attend the United Nations Seminar in Bogota, Colombia, last December.

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

DIVORCE

RESOLUTIONS ADOPTED

The Senate proceeded to the consideration of Resolutions numbered 24 to 60, both inclusive, which were presented on Wednesday, March 18.

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved the adoption of the following resolutions:

Resolution 24, for the relief of Gita Joy Kaplan Davis.

Resolution 25, for the relief of Roger Laframboise.

Resolution 26, for the relief of Frances Margaret Allan Poirier.

Resolution 27, for the relief of Marie Celine Therese Courteau Vezina.

Resolution 28, for the relief of Andre Hourlier.

Resolution 29, for the relief of Marilyn Wexelman Dobrofsky.

Resolution 30, for the relief of Lillian Turowitz Ofter.

Resolution 31, for the relief of Patricia James Lang O'Connor.

Resolution 32, for the relief of William Gordon Allen.

Resolution 33, for the relief of Marie-Anne Landry Desjardins.

Resolution 34, for the relief of Graham Campbell Harris.

Resolution 35, for the relief of Mildred Niren Cubitz, otherwise known as Mildred Nirenberg Cubitz.

Resolution 36, for the relief of Joan Margaret Gooch Wise.

Resolution 37, for the relief of Eric Meace.

Resolution 38, for the relief of Helen Lycas Vipond.

Resolution 39, for the relief of Beverley Respitz Grundman.

Resolution 40, for the relief of Ahuva Lina Sussman Sandperl.

Resolution 41, for the relief of Ida Christina Amalia Helena Koel Arsenault.

Resolution 42, for the relief of Jeanette Dorothy Saysell Wright.

Resolution 43, for the relief of Jurgen Manfred Kluwe.

Resolution 44, for the relief of Sarah Jane Harbinson Scott.

Resolution 45, for the relief of Vytautas Peter Kazlauskas.

Resolution 46, for the relief of Lillian Cere Kulczycki.

Resolution 47, for the relief of Arnold Adie.

Resolution 48, for the relief of Elizabeth Cameron Foucar Kielmann.

Resolution 49, for the relief of Phyllis Wishnowski Kara.

Resolution 50, for the relief of Ruby Grace Christie Buckell.

Resolution 51, for the relief of Dean Roberts Bishop.

Resolution 52, for the relief of Frank (Franciszek) Kaim.

Resolution 53, for the relief of Robert Toupin.

Resolution 54, for the relief of Rhoda Prosterman Zoberman.

Resolution 55, for the relief of Helen Freda Benjamin Markowiecki, otherwise known as Helen Freda Benjamin Marks.

Resolution 56, for the relief of Elizabeth Yvonne Goldberger Buday Mactaggart.

Resolution 57, for the relief of Michel Weissberger.

Resolution 58, for the relief of Denyse St. Hilaire Marshall.

Resolution 59, for the relief of Madeleine Turgeon Caron.

Resolution 60, for the relief of Rita Emma Clara Gentmantel Sanderson.

Resolutions adopted, on division.

BLUE WATER BRIDGE AUTHORITY BILL

SECOND READING

Hon. W. Ross Macdonald moved the second reading of Bill S-4, respecting the International Bridge over the St. Clair River known as the Blue Water Bridge.

He said: Honourable senators, from time to time bills have been introduced in the Senate with regard to the erection of bridges crossing international waters. The bill before us today differs from most of these bills in that they refer to bridges about to be built, while this bill refers to the operation of a bridge which has been in use for many years.

Specifically, this legislation refers to the Blue Water Bridge which spans the St. Clair River connecting Point Edward, near Sarnia on the Canadian side, with Port Huron on the American side.

In 1928 a bill was introduced in the Senate and subsequently passed by Parliament, and now appears on our 1928 statutes as chapter 64, as An Act to incorporate the St. Clair Transit Company. This act authorized the construction of the Blue Water Bridge, to which the bill before us now refers.

The 1928 legislation was subsequently amended in 1930 and 1935. These amendments empowered the St. Clair Transit Company to assign its powers to the Michigan State Bridge Commission. The Blue Water Bridge was then built by this commission, and opened to traffic in 1938. We do not have exact figures on the cost of the bridge, but on the basis of the most reliable figures available to us, the project cost about $4 million. Of this sum, approximately $1,600,000 was for approaches, and about $2,500,000 for the centre span.

The Canadian approaches cost approximately $900,000, and were built by the Province of Ontario, with federal Government assistance in the form of relief work. The United States approaches cost approximately $700,000, of which about $350,000 was contributed by the United States Government.

The sum of $2,500,000 required for the centre span was raised by the Bridge Commission through the issue of public bonds. That is a fact worthy of note because the St. Clair Transit Company Act further provided that after the corporate obligations of the company, or of any other company with which it might unite, had been retired, the Canadian portion of the bridge would be conveyed without cost to the federal Government or to such authority as the Governor in Council might designate. The bonded indebtedness of the bridge was paid off in 1961.

Since that time, honourable senators, discussions have been taking place between federal, provincial and state officials, and municipal officials on both sides of the border, concerning the future of the Blue Water Bridge. Throughout these discussions the Canadian position has been that the long-term solution to the operation of this bridge, and other similar international structures in which the public has a substantial interest, should involve some arrangement whereby the bridge would be placed under the control of a commission or other authority that is genuinely public in character and made up of an equal number of members appointed by the governments on each side of the international water.

Such an authority would, by virtue of reciprocal legislation in each country, be empowered to maintain and operate the bridge placed under its control, and to impose tolls sufficient to cover the costs of the maintenance and operation of the bridge.

I come now to one of the purposes of the passage of this act. Until such time as reciprocal legislation is enacted in the United States—and I would point out at this time that such legislation has not yet been enacted —this bill provides for the establishment of the Blue Water Bridge Authority, consisting of four members to be appointed by the Governor in Council. The Bridge Authority is given full powers to maintain and operate that portion of the bridge which lies within Canada, and to charge tolls sufficient for that purpose.

The bill also contains a provision that if and when the competent authorities in the United States enact reciprocal legislation clothing the Authority with powers in the United States similar to those it has in Canada, then the number of members of the Authority will be increased to provide for equal numbers of Canadian and United States members. The Authority would then assume responsibility for the whole of the bridge and charge tolls accordingly.

Some of the principal provisions of the bill are set forth in the preamble, and others in Parts I and II. The preamble to the bill explains its purpose much better than I can. I will not read the whole of it, but the first paragraph sets forth words to the effect that it is deemed appropriate that Canada and the United States should operate this bridge on a joint international basis by a public authority having equal representation from each country.

The second paragraph of the preamble sets forth very clearly the necessity of this bill. It is as follows:

> And whereas there is at present no competent authority to levy tolls to defray the costs of operating and maintaining the Canadian portion of the international bridge connecting Canada and the United States across the St. Clair River, commonly known as the Blue Water Bridge, and it is deemed advisable that, pending the establishment of a competent joint international authority to operate the Blue Water Bridge, an authority be established at the earliest possible date to operate and maintain the Canadian portion of the said bridge and to levy tolls to defray the costs thereof;

Honourable senators, it is not my intention to go over this bill, explaining it clause by clause, because I believe the only way in which it can be dealt with adequately is to refer it to the Standing Committee on Transport and Communications. Departmental officials can then be present, and we can go over the bill clause by clause and obtain all the information we deem necessary. I do, however, wish to mention the more important provisions.

Clause 7 of the bill gives the Authority power to acquire the Blue Water Bridge from the appropriate authorities in Canada and the United States and to operate, maintain and repair it.

By clause 9 the Authority is given power to charge sufficient tolls to cover reasonable maintenance costs, to replenish reserves, and to provide or replenish sinking funds for the payment of outstanding bond issues, and any other expenses the bridge Authority may incur in the performance of its duties under the act.

Clause 13 gives the Bridge Authority power to issue bonds subject to the approval of the Government in Council and the conditions set out in the act. It is not anticipated that the Authority will need to issue bonds because at the present time the structure is fully paid for, but similar legislation in the United States requires such detailed provisions, and it was deemed advisable to include those provisions in this bill in the hope that it can be

used as a legislative base for the future operation of the bridge on both sides of the border. I should point out that there is no obligation on the part of the federal Government with respect to any bonds which may be issued.

I deal now with Part II of the bill which anticipates reciprocal legislation being enacted in the United States, and provides for interim arrangements pending such legislation. Clause 23 in Part II provides:

> When the Governor in Council is satisfied that the appropriate authority in the United States has indicated its consent to the joint operation of the Blue Water Bridge, by enacting reciprocal legislation authorizing the Bridge Authority to operate and maintain the portion of the Blue Water Bridge situated in the United States, the Governor in Council may by proclamation empower the Bridge Authority to exercise its powers and carry out its functions in the United States. . .

That is to say, when the United States passes similar legislation the Authority will then consist of eight members which will have power over the whole bridge in respect to its operation in both Canada and the United States. Until such a proclamation is issued, the Bridge Authority, as I have already indicated, shall consist of the four Canadian members only, and shall not exercise any of its powers in the United States. However, in the meantime the Authority may enter into contractual or other arrangements with the appropriate United States agency for the joint or co-operative maintenance, operation and repair of the Blue Water Bridge.

Honourable senators, as I say, I think the bill should go to committee for more careful study, clause by clause; but I trust that in the meantime you have obtained a general idea of its purposes.

Hon. Arthur W. Roebuck: Honourable senators, I do not quite understand the situation. My honourable friend has said that there is now no competent authority to operate the bridge. Well, how was it built? How has it been operated up to date? What is the proposition? Are we buying the bridge?

Hon. Mr. Macdonald (Brantford): No, we are not buying the bridge. Under the provisions of the act which was passed originally in 1928 incorporating the St. Clair Transit Company, the Canadian section of the bridge was to be turned over to the federal Government or its nominees, upon retirement of the bonded indebtedness. That bonded indebtedness was paid in full in 1961. Since then the Government of Canada has not been prepared to accept conveyance of the bridge. It has felt that an arrangement should be made with the United States whereby the appropriate portions of the bridge would be transferred to a joint public authority charged with the operation of the bridge.

In the meantime the bridge has been operated as previously, except that since 1961 no tolls have been levied. The Province of Ontario has maintained the Canadian section of the bridge with respect to snow removal and it has kept the road in proper repair. No doubt a similar arrangement has been made on the American side.

Hon. Mr. Roebuck: How did the bonds become paid?

Hon. Mr. Macdonald (Brantford): The commission had certain moneys on hand. The Michigan State Commission had a surplus of funds from tolls collected prior to 1961, and that surplus was used to operate the bridge since 1961. The commission now has run out of funds and something must be done. That is why this bill is before the house at the present time.

Hon. Mr. Roebuck: Where did they get the money to pay off the bonds?

Hon. Mr. Macdonald (Brantford): When Canada accepts conveyance of its section of the bridge, it will designate the authority to operate it.

Hon. George S. White: Honourable senators, we are all indebted to Senator Macdonald, not only for his clear explanation of the purposes of the bill but also for giving us some of the background of the construction and operation of the bridge.

When I read the bill I noticed that there were no notes on the right-hand pages. Naturally, many questions arose in my mind as to when the bridge was built, how it had been financed, how it had been operated, and the necessity for the change at the present time. Senator Macdonald has given us the background as to dates, as to the cost borne by each country, and how the bridge has been operated.

After an examination of the bill, I think honourable senators will agree that many questions which arise in their minds can be answered only in committee. Nevertheless, there are some points I should like to raise at this time.

Clause 6 provides that there shall be no pay for the members of the Bridge Authority. Senator Macdonald has told us that this bridge cost approximately $4 million in 1928. Naturally, it is worth much more today. It does not seem quite proper to appoint four

members from Canada to operate a million dollar business and pay them nothing but their travelling expenses.

Clause 7 provides for the transfer of authority by the two countries. I presume that when that transfer is made, as far as Canada is concerned the entire title to the bridge, including the approaches and everything else, will be made, and that the same will apply to that part of the bridge in the United States.

However, subclause 4 of clause 7 refers to the transfer of that part of the bridge in the United States, and says that that portion:

> . . . shall be deemed, for the purposes of this Act, to be held by the Bridge Authority notwithstanding the title or interest therein acquired by the Bridge Authority.

I wonder how any act which the Parliament of Canada could pass would have any effect on property situated in the United States.

Senator Macdonald indicated that the bridge had been paid for, but he did not state what assets are on hand, if any, as far as Canada is concerned, or what debts or claims or anything of that nature are outstanding. I believe honourable senators would like that and similar information in regard to what might be owing in respect of the portion located in the United States.

Senator Macdonald also indicated that while the Authority will have power to issue bonds, it is very unlikely that they will issue bonds. A brief glance at clause 13(3) shows that the Bridge Authority can issue bonds and that they are to be sold at a price:

> . . . not less than a price at which the interest-yield basis will equal six and one-half per cent per annum as computed from standard tables of bond values; . . .

That seems to be a pretty high rate of interest. Furthermore, if you look at subclause 4 you will notice a very interesting provision. It says:

> (4) In the discretion of the Bridge Authority, a bond issued by it
>
> (a) may be issued with a call provision reserving to the Bridge Authority the right to redeem the bond before maturity at a price or prices not exceeding the sum of the accrued interest plus one hundred and fifty per cent of the par value;

There may be some reason for such an insertion. I do not pretend to be a corporation lawyer, but it struck me as being a pretty nice provision by which some people might benefit. It may be that there is an explanation for it.

As has been pointed out, the bill also provides that, in regard to the bonds or other obligations, the Crown is not liable, nor are any of the employees of the Crown. Nevertheless, clause 17 reads:

> No charge against any portion of the Blue Water Bridge in Canada or against any underlying land therein may be created or enforced, either by agreement or by judicial process, to secure or enforce the payment of any obligation of the Bridge Authority.

That would clear them. If bonds are issued the only backing those bonds would have would be the tolls imposed by the Bridge Authority. Clause 12(2) provides that:

> The Bridge Authority may not incur any liability not dischargeable solely from revenues or funds received by the Bridge Authority under this or any other Act of the Parliament of Canada or under any enactment of the appropriate authority in the United States.

Honourable senators, if it is correct that the physical assets of this bridge cannot be attached for any debt, would it naturally follow that if debt occurred the Crown would be liable to pay its share of the debt, whatever that debt or obligation might be? That and a few other questions have occurred to me. I am sure that when the bill is considered in committee, as Senator Macdonald has indicated, the officials of the department will give us the required information.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Macdonald (Brantford), bill referred to the Standing Committee on Transport and Communications.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, March 25, 1964

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

Prayers.

THE LATE SENATOR HOWARD

TRIBUTES

Hon. John J. Connolly: Honourable senators, I perform a sad task today as I announce to the Senate that one of our beloved colleagues, the Honourable Charles B. Howard, passed away in his home in Sherbrooke this morning.

It is no exaggeration to say that Charlie Howard, as we all knew him, was beloved. He had been in Parliament for nearly forty years. He was a strong party man, but he earned the respect and the affection of members on both sides of this chamber and, indeed, of the House of Commons when he was a member there.

What can be said of him in Parliament applies even more so to him in his own community; and this was not Sherbrooke alone, although he thought Sherbrooke was the greatest town in the world. We all know Sherbrooke is a city, but because Charlie Howard knew everyone there and was at home with them all, the use of the word "town" seems to be so much more appropriate on this occasion.

Senator Howard, to many people in Parliament and elsewhere, was "Mr. Eastern Townships." And the Eastern Townships form a region which is one of the jewels of the Province of Quebec. There has always been a large English-speaking community there. But their collaboration with their French-speaking compatriots was great, and Charlie Howard contributed much to this racial amity. In this connection and as a further illustration of the point, one thinks of his long association and his deep friendship with another of our late colleagues, Senator Jacob Nicol.

Senator Howard was a son of Quebec, too, and he did much to foster the social and industrial life of that province. His blood was a mixture of the English and the Irish. His first language was English, but from his early days, and at the instance of his father, he became fluent in French. This was easy because he understood the mentality of the Canadians among whom he grew up.

If you look at Senator Howard's biography in the *Canadian Parliamentary Guide* you will see how much he meant to the commercial and industrial life of his city, his region, his province and his country.

During his years in the Senate he was a respected figure, and his capacity for friendship made its mark upon all his colleagues. He was a genial man, and in his soul there was no rancour of race, religion or language.

Canada can be proud of the career which Charles Howard made. The Senate and Parliament are better places because of him. I hope, honourable senators, that the memory of his constructive and helpful career will console Mrs. Howard and the other members of his family.

Hon. A. J. Brooks: Honourable senators, as I rise to say a few words this afternoon on this sad occasion I recall the lines of the old hymn:

> Time, like an ever-flowing stream,
> Bears all its sons away.

No place in which I have ever been confirms this sentiment more than the Canadian Senate.

I join with the honourable Leader of the Government (Hon. Mr. Connolly, Ottawa West) in his fitting tribute to our departed colleague, Senator Howard. It is sad indeed that we should once again have to record the decease of one of our number, especially at this time when we are about to commence the Easter recess. Death is no more a respecter of time than it is of persons.

I had the privilege of sitting in the House of Commons with the late Senator Howard from 1935 to 1940, before he came to the Senate. I cannot say that I knew him well, but I knew that he was a man who commanded great respect. Senator Connolly has referred to his illustrious career, a full career spanning over half a century and highlighted throughout by outstanding service to his fellow men. The Parliamentary Guide records him as a businessman, farmer and legislator—a full life, indeed. He was what we might call a true Canadian. His ancestry was of English-Irish stock, and at the same time he was fluently bilingual. I have heard him make eloquent speeches in both languages. His contribution to national unity and understanding between the two great races of this country has set a fine example for all Canadians to follow.

Senator Howard came from the City of Sherbrooke in the Province of Quebec. Sherbrooke is in a part of that beautiful province where English and French-speaking Canadians have been living together in harmony for many years. It was indeed a tribute to him, as it is a tribute to the people of Sherbrooke, that an English-speaking Canadian was selected as their representative for many years in Parliament—having served four terms in the House of Commons.

In these days when we hear so much about national unity, it is encouraging to note that we had in our midst for many years a man of the stature of Senator Howard, making his wonderful contribution.

Honourable senators, may I refer to a personal matter. When I came to the Senate a few years ago, Senator Howard, at some inconvenience to himself, made it possible for me to be adequately accommodated in an office. It was difficult to get offices in those days, as it is at present. Senator Howard and the late Senator Donat Raymond—who has since passed on—agreed between themselves to occupy Senator Howard's office, thus making it possible for me to have the office which Senator Raymond had occupied. I expressed my appreciation of their thoughtfulness and kindness, and I also wrote to both honourable senators and received a very courteous reply from each.

Senator Howard was indeed an outstanding Canadian. To his widow, his surviving children and grandchildren, I join with the Leader of the Government in extending my deepest sympathy.

Hon. J. W. de B. Farris: Honourable senators, for many years Senator Howard was my deskmate here. The place that knew him shall know him no more. To me it is a deep loss, as we shared a real friendship and a happy association together.

I cannot forget that one of the penalties of getting old is that many of your friends go ahead of you. I liked Charlie Howard, and I endorse everything which has been said about him. I wish to add to the condolences which have been expressed, my own sincere sorrow.

Hon. W. Ross Macdonald: Honourable senators, I can scarcely add to the tribute so well deserved and so well expressed today on the loss of one of our colleagues who was a dear friend to all of us.

When I entered the House of Commons, Charlie Howard was there to greet me and we were close friends from that time onwards. He preceded me to the Senate and was a loyal supporter and adviser to me during my term of leadership.

During the last few years Senator Howard has been ill and has not been here regularly, but he was in touch with the Senate and frequently telephoned to me to ascertain our progress and to ask how I personally was getting along. He and I were close personal friends.

Reference was made today to the respect with which he was held in his home city. I visited him there and I know the close association he had with the people there and the interest he took in all organizations for the welfare of the community.

Charlie Howard was a dear and a faithful friend. He loved the Senate; he looked forward to returning to the Senate. It was my good fortune two months ago to be in the Barbados; he heard I was there and he came to see me. He never looked better; he never seemed happier. The whole conversation was about the Senate, and about you, my colleagues, mentioning you personally. Senator Howard was looking forward to the period after the Easter recess, to be back home and to be with us in the Senate; but that was not to be.

Honourable senators, Canada has lost a great public servant and you and I have lost a true friend. May I join with you in extending deep sympathy to Mrs. Howard and their family.

(Translation):

Hon. Cyrille Vaillancourt: Honourable senators, I wish to join with my colleagues who have just paid a tribute of admiration to one of our colleagues who, for several years, on account of his failing health, has been unable to attend the sittings of the Senate as regularly as at the beginning of his career. Those who spoke before me mentioned their fellowship and friendship with Senator Howard either in the House of Commons or in the Senate.

Personally, I became acquainted with Charlie Howard much before then. It was at the time when he was in the lumber business with his father. Reference was made of the co-operation between him—who was not a French Canadian but simply a Canadian, a true Canadian—and his constituents.

As I was saying, I have known him for about forty years. I was interested in the maple sugar industry when Senator Howard and his father owned timber limits in the upper section of Dorchester county, and in the counties of Beauce, and Frontenac. When maple sugar time came, Charlie Howard would allow the farmers of the upper sections of Beauce and Dorchester counties to go on his lands, tap his maple trees, and harvest the sap. That always appeared to me as a really practical as well as fraternal co-operation between this great industrialist and those to whom he so willingly lent assistance.

Since then, I kept a fraternal memory of Senator Howard, a man who was always ready to co-operate in business matters, even with people of lower level and of lesser means than himself, who cared for these farmers and invited them to go on his property and harvest what they could; and that made him most happy.

That is the reason why Charlie Howard has always been most popular with the people of the province of Quebec.

The honourable leader was referring a while ago to the City of Sherbrooke as being, in the opinion of Mr. Howard, one of the most beautiful cities in Canada. This is true. It is such a beautiful city that in our province we have named it "The Queen City of the Eastern Townships." Charlie Howard led there the life of a good prince, of a good king. He assisted his fellow citizens, be they French or English, Scotch or Irish; that did not matter. The welfare of all, that is what he was concerned with. To this end, he developed many industries in his own city. Moreover, he was president, organizer and manager of many firms but Charlie Howard always went about among his own people and our own as a sympathetic man. It is the finest testimonial I can give him.

To his wife, as well as to all members of his family, I convey my most sincere sympathy.

(Text):

Hon. Jean-François Pouliot: Honourable senators, I had known the late Senator Howard for many years, as a member of the House of Commons and as a colleague in the Senate. I shall never forget him, and that is why I want to join with my colleagues who have spoken so well of him.

When the flag is at half-mast over the Peace Tower, one wonders who has gone to the Great Beyond. This morning I learned with deepest regret that it was our friend and colleague, Charlie Howard, who had passed away. He was very lively and jovial; he saw the good side of life. He was a very important businessman. He had a delightful disposition. He seemed to enjoy life so much, and he was helpful to everybody.

I remember, as I am sure my honourable friend, the Leader of the Opposition (Hon. Mr. Brooks) must also remember, the active part that Senator Howard took in the Civil Service Committee, of which we were members in the years 1938 and 1939. Senator Howard's suggestions were always to the point, for he had a practical mind. It touched me deeply when, at the end of the sittings of one session, he moved a vote of thanks to the chairman of the committee. I thanked him at the time. That incident I have not forgotten.

Today it is my privilege to pay homage to Senator Howard. I remember, honourable colleagues, that at times we went to his constituency. If I am not mistaken, our friend Senator Arthur Beaubien was with us one day. We went there four by four to address his constituents, and there we could see the immense popularity which our late colleague enjoyed in Sherbrooke and vicinity. As has already been said, he was known throughout the Province of Quebec as one of the leaders of industry. In the Senate we mourn him very deeply because he was a good member of Parliament, a good senator, a worthy businessman and a great Canadian. I pray Mrs. Howard, his wife, to accept my most sincere sympathy, and also that of my wife, for herself and for all the members of the late Senator Howard's family.

Hon. L. M. Gouin: Honourable senators, during the first years I occupied my seat in this chamber I was closely associated with the Honourable Charles Howard. For me he was, indeed, a very good friend. He was a man of sound judgment, a good Canadian, and a good Quebecker.

In my own province, some of our best citizens come from the Eastern Townships. Charles Howard was proud to be a son of the Eastern Townships. He was very successful in business. He also gave sound municipal administration to his home city of Sherbrooke.

What most impressed me, however, and the reason for which I am anxious to pay our departed colleague a most sincere tribute of admiration and gratitude, was his deep understanding of his French-Canadian fellow countrymen. He knew our language, he understood our mentality; we could discuss any problem with him, and we could always be sure that he would suggest to us a fair solution. Senator Howard was a man of tolerance and a most charitable man. I think he was living proof of the fact that it is possible to be a good Canadian and a good Quebecker; that it is possible to have a fruitful co-operation between the various elements of our population.

Honourable senators, to this very good man, our dear friend, I wish to pay tribute, and to offer my sympathy to his family.

DOCUMENTS TABLED

Hon. John J. Connolly tabled:

Report of Expenditures and Administration in connection with the Unemployment Assistance Act for the fiscal year ended March 31, 1963, pursuant to section 9 of the said act, chapter 25, Statutes of Canada, 1956. (English and French texts).

Report on the Administration of the Fitness and Amateur Sport Act for the year ended March 31, 1963, pursuant to section 13 of the said act, chapter 59, Statutes of Canada, 1960-61. (English and French texts).

Copy of "Data from Radiation Protection Programs", dated February, 1964. (English and French texts).

INTERNAL ECONOMY

FIRST REPORT OF COMMITTEE

Hon. Sydney J. Smith, Chairman of the Standing Committee on Internal Economy and

Contingent Accounts, presented the committee's first report:

> Your committee recommend that pursuant to the provisions of subsection 1 of section 44 of the Senate and House of Commons Act enacted at the first session of the 26th Parliament, that, effective from October 1, 1963:
>
> (1) for each session of Parliament there be paid to members of the Senate actual moving or transportation and travelling expenses between their places of residence and Ottawa as may be required for the performance of their duties as members of the Senate, if such expenses do not exceed the cost of air transportation economy fares (plus ground transportation between the airline pick-up point and the airport);
>
> (2) any member of the Senate residing at a greater distance than 400 miles from Ottawa may commute such allowance for moving or transportation and travelling expenses, receiving in lieu thereof an allowance of $20 per day for each day necessarily occupied in the journey between his place of residence and Ottawa, the day of departure and the day of arrival being counted each as a full day.

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

Hon. Mr. Smith (Kamloops) moved that the report be placed on the Orders of the Day for consideration at the next sitting.

Motion agreed to.

PARLIAMENTARY RULES AND ORDERS

INQUIRY ANSWERED

Hon. Jean-François Pouliot inquired of the Government, pursuant to notice:

> In 1963, were there any copies of *The Rules of the Senate of Canada* and of *The Standing Orders of the House of Commons of Canada* at the Ottawa libraries of the Department of Justice and of the Supreme Court?

Hon. John J. Connolly: The answer to the honourable senator's inquiry is as follows:

> Copies of *The Rules of the Senate of Canada* and of *The Standing Orders of the House of Commons of Canada* were available at the Ottawa library of the Department of Justice in 1963.

TOURIST TRAFFIC

AUTHORITY FOR COMMITTEE TO CONDUCT INQUIRY—NOTICE OF MOTION STANDS

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

> That the Standing Committee on Tourist Traffic be empowered to inquire into and report upon the activities of the various agencies concerned with promoting tourist travel in Canada and that the committee be authorized to send for persons, papers and records.

Hon. Mr. Connolly (Ottawa West): On behalf of Senator Isnor who spoke to me about this matter, I ask that it stand until April 15.

The Hon. the Speaker: Motion No. 2 stands until April 15 next.

SPEECH FROM THE THRONE

ADDRESS IN REPLY ADOPTED

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

Hon. Daniel A. Lang: Honourable senators, you will appreciate that I did not have the great good fortune of my deskmate, the honourable Senator Cook, to be pitchforked into my maiden speech almost immediately following my introduction to the Senate. How fortunate Senator Cook was, to be able to rise quite unmindful of the array of rhetoric talent seated about this chamber and quite unaware of the incisive perception with which his words would be greeted. It is little wonder that he was able to deliver of himself with such equanimity and aplomb. Unlike Senator Cook, I am today acutely aware, because of my brief tenure here, of the extent of those qualities of rhetoric talent and incisive perception displayed by honourable senators. This awareness serves to heighten the keen concern I always feel when called upon to speak even on the most mundane occasions. Therefore, honourable senators, I ask you to bear with me this afternoon, perhaps with more tolerance than I might otherwise deserve.

I have been with you now for just five weeks—five weeks from the day His Honour the Speaker so graciously greeted my colleagues, the honourable Senators Rattenbury and Cook, and myself in his chambers, with the words, "Welcome home." Now I can respond to those words spoken with a full appreciation of the strangeness and sense of temerity one feels on being introduced here. I will respond by saying to you, Mr. Speaker, and to all honourable senators: Nous sommes fort honorés de se sentir chez nous après une si courte période de temps.

Hon. Senators: Hear, hear.

Hon. Mr. Lang: Only your courtesy, indulgence and many kind remarks delivered from the floor of this chamber have made this possible.

At the outset I would like to take this opportunity of saying that the Right Honourable the Prime Minister is a man for whom I have the deepest admiration and respect and, indeed I must add, to whom I feel a deep sense of personal loyalty which transcends political affiliations. I trust that in the years ahead my performance in this chamber will fully justify the confidence he has shown in me by elevating me to a place among you.

Notwithstanding his protestations earlier, I would like to be permitted to single out for tribute the Honourable Ross Macdonald. His many years of selfless service both here and in the other place are, in some ways, as well known to me as they are to all of you. Senator Macdonald has always been an example of dignity and integrity in public life, and in displaying those fine qualities he has encouraged many others to participate in the affairs of the country, many others who otherwise would not have done so. May his influence long be felt.

To the honourable Leader of the Government (Hon. Mr. Connolly, Ottawa West), may I join with all of you in welcoming the leadership he is displaying as he assumes his new responsibilities. I am impressed by and confident in that leadership, and look forward to the months and years ahead as ones of challenge and satisfaction in the discharge of duties under his guidance.

Honourable senators, in keeping with the tradition of speeches on such occasions as this, I know I should spend some time elaborating upon the virtues and natural endowments of that part of the country from which I come. I should perhaps speak of the great Province of Ontario in terms of its immense resources in lumber, pulp, nickel, gold, copper, uranium and agriculture; but to do so, I feel, would be quite redundant, as honourable senators are undoubtedly only all too familiar with the good fortunes of that part of the country from which I hail. Perhaps I should discourse at some length on that burgeoning metropolis of Toronto whence I come, but over the years, like so many Torontonians, I have developed a slightly self-conscious reserve in speaking about my own city. It seems to speak very well for itself, but perhaps non-Torontonians speak more often and probably more articulately for it. I must confess, however, that this is often done in a somewhat backhanded fashion.

About Toronto today, however, I cannot avoid remarking that in terms of political colouration the chameleon-like qualities of that great city have been a source of deep satisfaction to some of us.

In a more serious vein, it is interesting to observe that over the past decade approximately one-half of the immigrants to Canada have come to Ontario, and approximately one-half of those have settled in the City of Toronto. The effect of this has been startling, and stimulating beyond measure. These immigrants differ quite radically from those who came to this country a quarter of a century ago. The vast majority of them are people of some financial means, who have come with their trades and professions. They include Dutch and Portuguese market gardeners, Belgian engineers, French goldsmiths and cabinetmakers, Hungarian doctors and accountants, German chemists and draftsmen, Italian builders and ceramic artists, to mention only some of the categories. The contribution of these people in terms of real wealth not only to Toronto but to Canada as a whole cannot be measured. After they settled, the skyline of Toronto changed, as new and stimulating architectural forms appeared; theatres, music centres, community and recreational halls sprang up and flourished where drab old buildings had previously marked the scene. Interesting restaurants, street markets and boutiques opened up. Indeed, everywhere a new and fascinating diversity became evident.

If you ride the Toronto subway, as I do each day when I am not here, you will likely hear as many conversations carried on in Italian, French or German, as in English. There are no bi-, tri- or quadrilingual problems there—just a general sense of urgency amongst those handicapped by fluency in one language only, a sense of urgency to acquire some command of as many languages as possible in as short a time as possible. What an opportunity now exists to practice new linguistic skills!

I mention this phenomenon because, understood for what it is—the fascination of diversity, the creativity through interchange, the deepening of culture in the arts and humanities that it represents, may be an example for the whole of Canada right now.

With these words I conclude what might be called the maiden part of my speech, but with your leave I would like to trespass for a few minutes into what may be considered a somewhat political area of thought.

This afternoon, before the passage of time may dull them, I would like to leave with you some first impressions that I have formed of the Senate since my appointment, and to relay some notions of the Senate that I have picked up abroad. These impressions may be quite lacking in depth because of their freshness, and perhaps not entirely correct because of the inexperience of the relater, but they may be of some value simply because they are first impressions.

Firstly, I have been somewhat disturbed by the general lack of knowledge and understanding among so many persons, not directly associated with activities of government, with respect to the constitutional history and background of the Senate. It is regrettable how few people realize—and I think this is particularly true in Ontario—that the Senate was constituted as one of the keystones in the structure of Confederation and that without it federation of the provinces would very likely have been impossible.

It is a significant fact, too frequently overlooked today, that the Senate still stands as the guardian of those historical rights and privileges reserved in 1867 to the provinces whose relatively smaller populations left them vulnerable to the will of more populous areas holding majority representation in that other place. It is equally regrettable how few supposedly well-informed people do not realize that in legislative power the Senate is equal to the House of Commons except, of course, with respect to money bills constitutionally reserved for initiation in that place.

While such important historical facts appear lost to public awareness, it is strange to find that some of the more anachronistic attributes of the Senate appear to have survived. Herein I refer particularly to the concept of the Senate as being representative of property in the country. I also refer to the idea that the Senate must be available to retard any hasty government action coming from the other place. I presume that this function is now probably more effectively fulfilled in that other place itself than could be done here. I also refer to the anachronistic concept that the Senate would provide a bulwark against rampant universal democracy which was, of course, a fear which prevailed at the time of Confederation and because of its proximity to the years of the American civil war.

While these concepts have little meaning today, in some ways they appear to have survived to a greater extent than the realities of contemporary significance to which I have referred.

Secondly, I would note that there is likewise abroad a general lack of understanding as to the place of the Senate in the modern machinery of government. Many appear to have little knowledge as to why or for how long this chamber remains in session each year, and there is relatively little appreciation of the multitudinous legislative duties carried by this body. There persists instead a vague notion that here some negative veto remains constantly in suspension. The work of the Senate in initiating bills or reviewing bills initiated in the Commons, both of a public and private nature, the numerous and detailed committees constituted for the examination of proposed legislation and for study in areas of particular national concern, pass to a great extent unnoticed by the public.

Thirdly, in all candour, I cannot avoid mention of the many ways in which the public image of a Canadian senator is at such variance with the fact as to be inexcusable in this time of supposedly broad and accurate communications. He is ofttimes considered aged, rather than highly experienced and wise, as is the case. He may ofttimes be considered highly political, as though political accomplishment was in any way less praiseworthy than accomplishment in other endeavours, or he may be considered as someone enjoying a reward in a state of semi-retirement. To this latter suggestion I can only add that if an infinite opportunity for work through sessions, the length of which was unheard of a quarter of a century ago, and for a relatively modest indemnity, be a reward or a retirement, then I am a British Columbia bluenose. While still a novice free from any imputation of self-acclaim and, I would suppose, relatively immune to any suspicion of environmental subjugation, I would like to contradict those notions for the record and, perhaps, for many honourable senators whose services and accomplishments here might make them more diffident in so doing.

Frankly, honourable senators, I am impressed at how this chamber conducts its affairs, free from the time-consuming trammels of partisan bickering. I am convinced that endowed with the experience, dedication and wisdom here assembled, this body is probably as well, if not better, equipped to deal with the complexities of modern legislation as any other legislative body in our country. The dangers inherent in these complexities, combined with a one-chamber legislature, were no more clearly demonstrated than in Ontario during last week when, whether through inadvertence or ignorance, a bill was introduced that could have had the effect of depriving us at one stroke of the personal liberties that are the hallmark of our common law heritage.

Perhaps more than in any other way possible this incident underlines the importance of our institutions of government, not as law-making bodies, but as custodians of the very liberty of our people. It demonstrates that the detachment and independence of the Senate is indispensable in safeguarding and preserving our hard-won traditions of individual freedom and the rule of law. I suggest, honourable senators, that the vigilance of this body alone is a small price to pay for liberty in this day and age.

I suspect that the lack of understanding of the Senate's place in our constitutional structure, and of its role and potential role in government, can be laid to some extent at the feet of our educational authorities and, perhaps to a great extent, at our own feet. I suspect also that these deficiencies, and some of those notions prevalent as to the image of a Canadian senator, can be laid at the feet of our press and other communications media which, deprived here of the sensationalism on which today they seem so prone to feed, tend to deride if opportunity to do so presents itself. Their perfect right to criticize I would never question, but I do question the wisdom of destructive criticism and of sensationalism generally, particularly at this time when the forces of decentralization are marshalling, and disruptive elements are abroad in our country.

Here I make no suggestion—or, I do not wish it imputed to me that I am making any suggestion—that we should avert from the realities of current politics. In fact, it may very well be that in its functions today the Senate might rather emphasize its capacity for political awareness, and in the highest sense of these words.

Most honourable senators here were tempered in the fire of contemporary political controversy, and I for my part hope that this qualification will always be a predominant characteristic of senators in the years ahead. Real knowledge of problems, people and issues is best learned in political activity, and I feel we must decry those cynics who fail to recognize the sacrifice involved in putting aside the privacy of other occupations for the privations of public life.

Honourable senators, I mention this today because I am convinced that there is emerging a new and growing number of highly qualified men and women prepared to play their part in the political party of their choice, to seek office themselves, or prepared to play their part in supporting others who seek public office for worthy causes. This is due in part to the fact that today almost every decision of government has an immediate effect upon the lives of every one of us. I think it may be due in part also to the fact that the breadth and complexities of administration and policy in government today are such as to arouse and challenge the most inquisitive and enlightened minds.

These people are idealistic, and idealism is a vital necessity to enable us to meet new and unprecedented situations, where old ideas and prejudiced attitudes cannot stand up to new facts and swift changes. These new politicians which are found today in every political party are more concerned with discharging duties than protecting rights. They are desperately anxious to find solutions to our social and political problems and, in this search, to rise above special and narrow interests. They are concerned in promoting national welfare through a form of politics which rejects partisan, sectional and selfish interests in the interests of the country as a whole.

These new politicians are prepared to forego pursuit of more comfortable and remunerative vocations, and nothing must be done to discourage them. Pride in one's party, pride in aspiring to be a politician, and pride in one's representatives here and in the other place are all essential ingredients to pride in one's country. I suggest that it is only enlightened national self-interest to recognize and promote what is worthy in politics, to encourage and extend involvement of all people in politics, and thus strengthen our body politic at all levels of government—federal, provincial and municipal.

After passing through just less than one hundred years of change from a country of hamlets and homesteads to one of great metropolitan areas, to a time of industrial automation and mechanized agriculture, and having survived two vast economic depressions and two great wars, we today in Canada find ourselves enjoying prosperity and opportunities for prosperity as never before have been presented. Yet, notwithstanding that, we are being challenged by sectional interests, with both racial and economic overtones, which can come close to threatening our continued unity.

I have no concern, as I know you have not, honourable senators, that, as on such previous occasions, our federal Government will discharge the great responsibility of meeting and resolving the legitimate aspirations of the variety of components that make up this Canada. Much of the legislative program laid before this Parliament is directed to just that end. I am convinced that by virtue of its peculiar sectional representation and its independence, the Senate will play a significant role in meeting this challenge, and that above all it will, in a time of national cacophony, give voice to tolerance and reason on behalf of all Canadians.

[For report of speech delivered this day by honourable Senator Sarto Fournier, see Appendix to *Debates of the Senate* of tomorrow].

Motion agreed to, and the address in reply to the speech from the Throne adopted.

The Hon. the Speaker: Ordered that the said address be presented to His Excellency the Governor General by such members of this house as are members of the Privy Council.

CONSUMER CREDIT

JOINT COMMITTEE—COMMONS MEMBERS

The Hon. the Speaker informed the Senate that the following message had been received from the House of Commons:

Ordered: That the Members of the House of Commons on the Joint Committee of the Senate and House of Commons to enquire into and report upon the problem of Consumer Credit be Messrs. Bell, Cashin, Chrétien, Clancy, Coates, Côté (Longueuil), Crossman, Deachman, Drouin, Greene, Grégoire, Hales, Jewett (Miss), Macdonald, Mandziuk, Marcoux, Matte, McCutcheon, Nasserden, Orlikow, Pennell, Ryan, Scott, and Vincent.

Ordered: That a Message be sent to the Senate to acquaint Their Honours thereof.

Ordered, that the message do lie on the Table.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, March 26, 1964

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

Prayers.

DOCUMENTS TABLED

Hon. John J. Connolly tabled:

Statutory Orders and Regulations published in the *Canada Gazette*, Part II, of Wednesday, March 25, 1964, pursuant to section 7 of the Regulations Act, chapter 235, R.S.C., 1952. (English and French texts).

Report and Financial Statements of the Export Credits Insurance Corporation certified by the Auditor General for the year ended December 31, 1963, pursuant to sections 17(3) and 18 of the Export Credits Insurance Act, chapter 105, and sections 85(3) and 87(3) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French texts).

DIVORCE

REPORTS OF COMMITTEE PRESENTED

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 162 to 219, inclusive, and moved that the said reports be taken into consideration on Tuesday, April 14.

Motion agreed to.

BLUE WATER BRIDGE AUTHORITY BILL

AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. A. K. Hugessen, Chairman of the Standing Committee on Transport and Communications, presented the following report of the committee on Bill S-4, respecting the International Bridge over the St. Clair River known as the Blue Water Bridge.

> Your committee recommend that authority be granted for the printing of 500 copies in English and 200 copies in French of their proceedings on the said bill.

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

Hon. Mr. Hugessen: I move, with leave, that the report be adopted now.

Report adopted.

REPORT OF COMMITTEE ADOPTED

Hon. Mr. Hugessen reported that the Standing Committee on Transport and Communications had considered Bill S-4, respecting the International Bridge over the St. Clair River known as the Blue Water Bridge, and had directed that the bill be reported with the following amendments:

1. Page 9: Immediately after clause 22 insert the following as new clause 23:

"23. The Bridge Authority shall provide and maintain at its expense such suitable office, warehouse and other accommodation, with adequate light and heat,

(a) as the Governor in Council or any Minister designated by the Governor in Council may from time to time require for Canadian customs and immigration purposes; and

(b) as the appropriate authority in the United States or any authority designated by the appropriate authority in the United States may from time to time require for United States customs and immigration purposes."

2. Page 10: Renumber clauses 23 and 24 as clauses 24 and 25.

3. Page 10, line 13: Strike out "23" and substitute therefor "24".

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

Hon. Mr. Hugessen: Honourable senators, the sponsor of the bill, honourable Senator Macdonald (Brantford) is unable to be here today. I wondered whether it would be suitable to honourable senators to consider the report now, and to allow me to explain the amendments.

I am not asking for third reading this afternoon, unless the Senate unanimously agrees to it. It might be better if I explain the amendment now.

Hon. Mr. Roebuck: Then we will do whatever we might decide would be best.

Hon. Mr. Hugessen: With leave, I move that the report be adopted now.

As honourable senators will recall from the explanation given on second reading, this is a bill to set up a Bridge Authority with respect to the Blue Water Bridge, which spans the St. Clair River between Sarnia and Port Huron. It is to be an international authority. This is the Canadian section of the legislation. It is expected that in the United States similar legislation will be passed in so far as the United States section of the bridge is concerned.

This bill raised some rather interesting legal and international questions. At its consideration by the Standing Committee on Transport

and Communications this morning, we had representatives of the Department of Justice, the Department of External Affairs and the Privy Council. They appeared in support of the bill.

While the committee meeting was in progress, counsel for the Department of National Revenue arrived and, on behalf of his department, asked for an amendment to the bill. He suggested an amendment in the terms which have just been read by the Clerk Assistant, to make certain that the Bridge Authority to be constituted under this bill will have the duty to provide the necessary facilities on the bridge for customs and immigration purposes. There was no objection to that amendment on the part of any member of the committee, and it was adopted unanimously.

The two minor amendments read by the Clerk Assistant are consequential changes, and have no significance in themselves.

That is the explanation of the amendments. If the Senate is willing to agree to third reading this afternoon, I would be glad so to move, but if there is any difficulty the matter may stand until the next sitting.

Report adopted.

THIRD READING

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

Hon. Mr. Hugessen: With leave, I move third reading now.

Motion agreed to and bill read third time and passed.

DIVORCE

RESOLUTIONS ADOPTED

The Senate proceeded to the consideration of Resolutions numbered 61 to 110, inclusive, which were presented on Tuesday, March 24.

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved the adoption of the following resolutions:

Resolution 61, for the relief of Evelyn Alberta Florence Cere Lalonde.

Resolution 62, for the relief of Lorraine Cook Gough.

Resolution 63, for the relief of Susan Joan Hyman Greenberg.

Resolution 64, for the relief of Grace Lillian Humphreys Hutcheson.

Resolution 65, for the relief of William Billington.

Resolution 66, for the relief of Alice May Graham Laing McKenna.

Resolution 67, for the relief of Albert Desjardins.

Resolution 68, for the relief of Demetra Tsivriotis Savourda.

Resolution 69, for the relief of Ruth Marie Victorine Entwistle Weil-Brenner.

Resolution 70, for the relief of Antonia Sanscartier Cloutier.

Resolution 71, for the relief of Jeanne d'Arc Papineau Benoit.

Resolution 72, for the relief of Maureen Ann O'Shaughnessy Maltby.

Resolution 73, for the relief of Jane Hanson Phillips.

Resolution 74, for the relief of Jules Bellemare.

Resolution 75, for the relief of Margaret Ellen Lapaine Lawlor.

Resolution 76, for the relief of Ernest Francis Pattullo.

Resolution 77, for the relief of Huguette Marcoux Nyeste.

Resolution 78, for the relief of Joyce Eileen Menzie Elliott.

Resolution 79, for the relief of Nicolle Potvin Fleurant.

Resolution 80, for the relief of Marianna Marcali Muller.

Resolution 81, for the relief of Elizabeth Sharp Birch.

Resolution 82, for the relief of Ada Josephine Ford Lejeune.

Resolution 83, for the relief of Mildred Emily Velcoff Dumas.

Resolution 84, for the relief of Janine Madeleine Grumbach Dorland.

Resolution 85, for the relief of Hilda Louise Magnusson Howard.

Resolution 86, for the relief of Anna Hackstuhl Csillag.

Resolution 87, for the relief of Norma Elizabeth Peddle Kovacs.

Resolution 88, for the relief of Alexandra May Galbraith Westover.

Resolution 89, for the relief of Elizabeth Salavich Jonker.

Resolution 90, for the relief of Frances Barbara Brewer Smith.

Resolution 91, for the relief of Elaine Evelyne Evans Dunwoodie.

Resolution 92, for the relief of Rita Anne Page Bonner.

Resolution 93, for the relief of Clara Melissa Riche Frampton.

Resolution 94, for the relief of Roberta Sealey Burns.

Resolution 95, for the relief of Joseph Arthur Marcel Allard.

Resolution 96, for the relief of Alice Candide Sullivan Ward.

Resolution 97, for the relief of Patricia Hobbs Kemp.

Resolution 98, for the relief of Arnold Campbell Scott.

Resolution 99, for the relief of Kingsley Seafield Grant.

Resolution 100, for the relief of Marie Imelda Lisette Rajotte Durocher.

Resolution 101, for the relief of Phyllis Elizabeth Cameron Reeves.

Resolution 102, for the relief of Yvette Giraldeau Pons.

Resolution 103, for the relief of Marie Reine Jeannine Groulx Brousseau.

Resolution 104, for the relief of Marilyn Ida Hansen White.

Resolution 105, for the relief of Gilbert Merrill Aspinall.

Resolution 106, for the relief of Zicele Litvack Aisenthal.

Resolution 107, for the relief of Joyce Irene Tannahill Kylea.

Resolution 108, for the relief of Monique Garneau Coutu.

Resolution 109, for the relief of Carol Thornton Blackman.

Resolution 110, for the relief of Olive Annie Kirby Coulombe.

Resolutions adopted, on division.

PRIVATE BILL

THE DOMINION LIFE ASSURANCE COMPANY—SECOND READING

Hon. Daniel A. Lang moved the second reading of Bill S-14, respecting The Dominion Life Assurance Company.

He said: Honourable senators, this is a simple bill to change the French name of The Dominion Life Assurance Company to another French name. That is not entirely in conformity with the explanatory note to the bill. Originally, this company was incorporated by a special act of the Parliament of Canada, 1889, and in the French translation the name that appears in the preamble to the bill was used. That name in French is cumbersome and lengthy, and accordingly the company has not used it in its policies and other documents. The company is now asking for legislative authority to use another version of its name in French.

The Dominion Life Assurance Company operates in all provinces of Canada, in eight states of the United States, in Jamaica, Bermuda and the Bahamas. Of its 47 offices and agencies in Canada there are three offices and two agencies in the Province of Quebec. Nineteen per cent of the company's investments are now held in that province, and approximately 13 per cent of its business is carried on there.

Honourable senators, if this bill receives second reading I propose to move that it be referred to the Standing Committee on Banking and Commerce.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Lang, bill referred to Standing Committee on Banking and Commerce.

DIVORCE

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of reports of the Standing Committee on Divorce, Nos. 112 to 161, inclusive, which were presented on Tuesday, March 24.

Hon. Arthur W. Roebuck: Honourable senators, seconded by Senator Haig, I move concurrence in the reports.

The Hon. the Speaker: It is moved by the honourable Senator Roebuck, seconded by the honourable Senator Haig, that reports Nos. 112 to 161, both inclusive, from the Standing Committee on Divorce be now adopted. Is it your pleasure, honourable senators, to adopt the motion?

Some Hon. Senators: Carried.

Hon. Mr. Fournier (De Lanaudière): On division.

Hon. Mr. Roebuck: The resolutions can be carried on division, but not the reports.

Reports adopted.

INTERNAL ECONOMY

REPORT OF COMMITTEE

The Senate proceeded to consideration of the first report of the Standing Committee on Internal Economy and Contingent Accounts.

FIRST REPORT ADOPTED

Hon. Sydney J. Smith, Chairman of the committee, moved that the first report of the committee be adopted.

He said: Honourable senators, the recommendations contained in the first report of the Standing Committee on Internal Economy and Contingent Accounts are the result of much discussion and consideration, not only by the members of the committee but also by many honourable senators who were particularly interested in the matter.

An open invitation had been extended to all honourable senators who wished to sit in on the committee discussion, and as a result the recommendations were unanimously approved by a large meeting composed of many non-members as well as members of the committee. I need not say more than that they represented our best thinking at that time; and it is understood that the whole situation will be thoroughly reviewed by the committee after the recommendations have had a trial run.

Report adopted.

BUSINESS OF THE SENATE

Hon. John J. Connolly: Honourable senators, the bill with reference to interim supply has not yet arrived from the other place. I propose that we rise for about an hour. Would it meet the convenience of honourable senators if we resume at the call of the bell at around 4.30?

Some Hon. Senators: Agreed.

The Senate adjourned during pleasure.

At 4.45 p.m. the sitting was resumed.

APPROPRIATION BILL NO. 1, 1964

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-84, for granting to Her Majesty certain sums of money for the public service for the financial year ending 31st March, 1965.

Bill read first time.

SECOND READING

Hon. John J. Connolly, with leave of the Senate, moved the second reading of the bill.

He said: Honourable senators, I have some extra copies of this bill for distribution, which the pages will distribute. I apologize for the fact that not all honourable senators have received a copy.

Hon. Mr. Willis: Are they in French or English?

Hon. Mr. Connolly (Ottawa West): I think they are in both languages.

Hon. Mr. Willis: My copy is in French.

Hon. Mr. Connolly (Ottawa West): Perhaps the honourable senator can make an exchange, although the French version of this bill is just as comprehensible as the English version.

Honourable senators, the fiscal year of the federal Government begins on April 1 and ends on March 31. The spending program of the Government, as all honourable senators know, is set out in the main estimates which have been tabled and are thus available to all. The main estimates, together with supplementary estimates which are presented to Parliament from time to time, contain an outline of the Government's spending program in a given fiscal year.

In some countries the main estimates are considered and approved before the opening of the new fiscal year. This is the case in the United States where the fiscal year begins on July 1. But in countries where the parliamentary system obtains, the main estimates seldom get full approval in the early part of a parliamentary session, and very often final approval is delayed until the dying days of the session.

Accordingly, at the opening of a fiscal year it is customary for the Government to submit to Parliament a bill mentioning an amount of money that is to be voted in respect of the main estimates. A bill of this kind is called an appropriation bill or a supply bill. We have such a bill before us now.

I draw the attention of honourable senators to the fact that this is not a final supply bill. Since it authorizes expenditures to be made in the interim before the final supply bill is passed, it is usually designated as a bill for interim supply.

I know perfectly well that I am making rather elementary statements, but I think it is useful to have these fundamental principles on the record at this time. The bill before us is designed to enable departments and agencies of Government to meet expenses which they could reasonably anticipate in the first two months of the fiscal year. Those are the months of April and May.

The bill, therefore, authorizes the expenditures of two-twelfths, or one-sixth, of the main estimates for the new fiscal year which will begin in a few days. This authority is sufficient to enable most departments to carry on for this period. However, in addition to the one-sixth of the main estimates which it is proposed to be supplied by this bill, it is necessary to provide for some departments and some agencies of Government in which an extra amount of spending must be carried out in the early part of the year. I give you two examples. The first example appears in Schedule E on page 7 of the bill before us, under the heading "Mines and Technical Surveys—Field and Air Surveys...."

In the Department of Mines and Technical Surveys, in addition to expenses to be met by voting two-twelfths, or one-sixth, of its spending program as contained in the main estimates, there are seasonal expenses incurred in the early part of the fiscal year. For example, one of the programs in that

department involves the launching of survey parties, the hiring of personnel, the purchasing of equipment and supplies. This survey work is done in the spring and summer and perhaps even carries over into the fall. In any event, quite a number of expenses which are incurred in connection with a program of this kind must be met in the early part of the fiscal year.

I am speaking at the moment about item 10 on page 7. The figure $6,785,000 shown there is the total amount for that item called for in the main estimates. The department, in addition to the two-twelfths or one-sixth which it will receive under this bill, asks for an additional one-twelfth because of these seasonal requirements.

That is why honourable senators will see, at the top of page 7, under Schedule E, that an additional one-twelfth is required for these purposes by this department.

Honourable senators, it might be helpful if I gave another example. I select this from page 4, Schedule B—Atomic Energy Control Board. In the main estimates the board has a vote of $1,250,000. Under this bill the board will receive authority to spend the two-twelfths which is being granted for all of the votes in the main estimates 1964-65. In addition, the board asks for an additional four-twelfths of its main estimates, or a little over $416,000. The reason for this additional amount lies in the fact that in more than 90 per cent of the cases, the grants which are to be made under this item are made to universities, and a substantial portion of the money is advanced for this work in the early part of the fiscal year.

Honourable senators, I want to also direct your attention to section 5 of the bill, page 2, which deals with borrowing powers. As is readily appreciated, the Government has huge requirements for cash. The cash flow from tax sources is substantial, but it comes at irregular intervals. In other words, there is no matching of the cash inflow and the requirements for spending as set out in the estimates. In addition, cash is needed by the Government to meet maturing debt and to make advances like those required to be made under the Canadian National Financing Act, which the Senate considered at the last session, and for the Canadian Overseas Telecommunications Company, which we have also dealt with in this chamber, and which requires cash advances from time to time. It is therefore usual in various interim supply bills to authorize the Government to borrow for these and other cash purposes early in the year. In this bill authority is sought to empower the Government to borrow up to $1 billion for this purpose. This is provided in section 5 subsection 1 of the bill.

Subsection 2 of section 5 cancels any unused authority granted by previous supply bills in the fiscal year about to close.

Perhaps I should add that the maximum authorization in the past five years for borrowing authority in any one year was $2½ billion, and it is usual in the first interim supply bill to request borrowing authority in the amount of $1 billion. This has been exceeded only once in the past five years.

Honourable senators, that is a general explanation of this bill. Perhaps I should apologize for being so elementary in the explanation that I have given. However, as I said at the beginning, I think at this time it may be helpful to have remarks of this kind on record because we will be getting several of these interim supply bills before the session concludes.

If there are any questions with respect to this bill, I shall do what I can to answer them.

Hon. Mr. Hollett: May I ask one question, honourable senator? I notice that under "Fisheries" there is an extra $1,050,000 added to the general estimates. Is that much over the amount which was granted last year and, if so, is there anything in the estimates here to take care of the fishery program about which we heard a great deal recently? I am wondering if there have been any amounts provided for that purpose, or if it would come out of that $1 billion loan.

Hon. Mr. Connolly (Ottawa West): Unfortunately, I cannot make any comparisons today, but I shall be glad to get information on the question of the comparisons between this year and last year and send it to my honourable friend. I am informed that the item to which he refers provides for various payments, such as assistance to producers of salted fish, construction and assistance for fishing vessels, and bait freezing and storage facilities. Further, the present indications are that a substantial number of plans, particularly for fishing vessels construction subsidies will be processed and ready for payment within the first two months of the fiscal year.

Hon. Mr. McCutcheon: Honourable senators, before commenting on the explanation the Leader of the Government has just made, I assume he is giving the usual undertaking that the passing of these estimates will not prejudice our subsequent rights?

Hon. Mr. Connolly (Ottawa West): I apologize, honourable senators. I certainly should have said at the outset that on behalf of the Government I was giving the undertaking that the passing of any items under this bill would not in any way prejudice the right of any honourable senator later, when future

supply bills, including the final supply bill, come before us, to raise questions on any of the items covered by this bill.

Hon. M. Wallace McCutcheon: Honourable senators, I am sure we are all indebted to the Leader of the Government for putting on record, as he has this afternoon, the procedures necessary in order to provide supply for Her Majesty from time to time during the life of a Parliament. As the Leader of the Government has given the usual undertaking, I shall not delay you long, but there are a few comments I feel I should make.

My honourable friend Senator Hollett asked a question a moment ago, which illustrates the unfortunate position in which we are placed by having this bill come before us within a few hours of the recess, within a few hours of a long weekend, and a few days before the moneys we are going to vote will be required to pay salaries and make other necessary expenditures of the Government in the early days of next month.

I regret I have not the eloquence of the Honourable Ross Macdonald, whom I have heard speak on this subject a number of times and whose remarks on other occasions I have read in *Hansard*. But I would like to say this: there are occasions I can understand and be sympathetic with when an appropriation bill may of necessity have to come before us at the last minute before an adjournment of Parliament. However, that is not the situation today. The responsibility for the position, the humiliating position in which the members of this chamber are placed this afternoon, is clearly that of the Government, and no one else. I leafed back and tried to ascertain just when these estimates were tabled—it was certainly some weeks ago. By the very nature of things, the Government cannot have six supply motions open on all the departments and have all the estimates approved by March 31. But during all that time it has known that by March 31 it was going to have to ask the House of Commons, with the concurrence of the Senate, for interim supply. The debate on this matter in the other place, instead of starting as it might have done two weeks ago, ten days ago, or a week ago, started, I believe, only yesterday morning.

I could offer suggestions as to why that was done. There was an overweening anxiety on the part of the Government to see certain pieces of legislation introduced, to force a budget debate which commenced, I believe, earlier than the great majority of budget debates ever commenced. It need not have commenced until after the recess. The fact is, it is the Government that has put this house in the position it is in this afternoon. I believe it should also be stated that it is only by the leave of each and every honourable senator sitting here that this bill will be passed this afternoon. Had any honourable member risen and said "no" when the Leader of the Government asked leave to move second reading this afternoon, it would not take place at this time. I may speak with somewhat stronger words if about May 30 we are faced with a situation similar to that which we are facing this afternoon.

It is true we have an undertaking that the passage of this bill does not deprive us of the right to discuss any of the items contained therein. It is also true that with this bill before us we are entitled to discuss any matter within the competence of Government, but there is hardly time to do that this afternoon. Every member of this chamber is therefore being deprived of that right this afternoon.

There are many comments one might wish to make on these estimates. One might like to make some general comments on the apparent failure to control expenditures. One might wish to comment on the very substantial deficit indicated, notwithstanding the very heavy increases in taxation which become effective on April 1, and the proceeds of which, if added to the announced deficit, would produce a much larger deficit than we have had in recent years.

We might like to comment upon some interesting changes that have been made in the form of the estimates. We might like to have some information as to why, instead of the moneys paid to the Canadian Broadcasting Corporation for capital being included as a budgetary expense, as in previous years, they are now shown as a loan and investment to the amount of $14¼ million. We might like to inquire as to who the Government thinks will repay that loan. We might want to ask if this is just a question of sweeping an item of $14¼ million under the rug so that the apparent deficit will be reduced by that amount.

These and many other matters could be inquired into if we had the opportunity which this honourable chamber had, for example, in the spring of 1960—I looked up just one year at random—when the final supplementary bill for that year was passed, to debate the bill until it had been given its full readings in the normal way. There was one long day in which senators raised many questions concerning matters which interested them, as they had a perfect right to do.

There are many matters set out in this volume that I should like to discuss. But there is no opportunity to do so this afternoon, and I am not going to attempt to delay

passage of the bill. I hope that the Government, and I am sure all honourable senators will join me in this, will give this chamber the opportunity to which it is entitled to discuss these matters when a similar bill comes up in the month of May.

Hon. Mr. Connolly (Ottawa West): Honourable senators—

The Hon. the Speaker: I must inform honourable senators that if the honourable Leader of the Government speaks now it will have the effect of closing the debate.

Hon. Mr. Connolly (Ottawa West): Honourable senators, I have little to add to what I have already said. Perhaps that is because I am a new member of the Government.

I sympathize with what Senator McCutcheon has said about bills of this kind coming to the Senate in the last minutes of a session, or just before an adjournment, but in the ten years that I have been a senator this speech has been made on almost every similar occasion. I go further and say that long before I became a senator, I sat in the Senate gallery on similar occasions and heard the same speech being made.

Hon. Mr. McCutcheon: It may be that on some occasion honourable senators should say "No."

Hon. Mr. Connolly (Ottawa West): This may well develop some day. I do know it is a very unsatisfactory position in which the Senate is almost continually placed.

I had hoped, and I think I so informed honourable senators at one stage, that this bill could have come to us about a week ago when we could have dealt with it more thoroughly than we are able to today. For what my assurance is worth, I certainly undertake to do everything I can to see to it that bills of this kind come to us early enough so that we can give to them the kind of consideration we should.

I say this, that in dealing with the estimates and with supply we could, and I think should, use the facilities that our Standing Committee on Finance provides for examining the estimates. This has been done to very good effect by the Senate. However, we should not embark upon a project of that kind until the estimates, which after all are primarily the concern of the House of Commons, have been dealt with to some considerable extent by that branch of Parliament. It would help the consciences of all honourable senators if each year our Finance Committee considered the estimates and brought in a report. Of course, if that procedure were instituted all honourable senators who are interested in that work could attend the meetings of the Finance Committee whether they are members or not.

I think there is nothing more I need say at this time.

Motion agreed to and bill read second time.

THIRD READING

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

Hon. Mr. Connolly (Ottawa West): Honourable senators, with leave of the Senate, I move the third reading of the bill now.

Motion agreed to and bill read third time and passed.

BUSINESS OF THE SENATE

Hon. Mr. Connolly (Ottawa West): Honourable senators, there is no word about legislation from the other place. I understand it was proposed today that that house would adjourn at 6 o'clock. Frankly, I do not think we will know anything about progress until that hour arrives.

In the event that the intention is to sit in the other place this evening, it might meet the convenience of all honourable senators if we adjourn now during pleasure, to resume at the call of the bell at 6.15 p.m. I think the bell should be rung promptly at that time. We will know then what the prospects are for further sittings today and for the very important royal assent.

The Senate adjourned during pleasure.

At 6.30 p.m. the sitting was resumed.

Hon. Mr. Connolly (Ottawa West): Honourable senators, I understand that the House of Commons has adjourned until tomorrow at 11 o'clock. I do not know what the program is for tomorrow, but in view of the fact that there is a royal assent pending in respect of the bill that the Senate passed this afternoon, I think it would be most appropriate in the circumstances for us to adjourn until tomorrow morning at about 11.30.

Honourable senators, with leave, I so move.

Hon. M. Grattan O'Leary: May I ask the honourable Leader of the Senate if he knows if there is a peacetime precedent for Parliament sitting on Good Friday? Would it not be possible to have the house adjourn until Monday, or even Saturday, to pass this supply bill, and would that not suffice just as well as if we passed the bill tonight?

Hon. Mr. Connolly (Ottawa West): The only answer I can make is that this is in contemplation, and for that reason and because of the position the Senate is in in respect of the royal assent, I think we should adjourn until tomorrow. Then, should it happen tomorrow morning that the other place adjourns until Saturday, we could do likewise. We cannot do it now. That is why I think the motion I have submitted is the only practicable one to make at this time.

Hon. Mr. Choquette: Honourable senators, apparently this delay is inevitable, and we on this side are quite prepared to co-operate with the Government.

Motion agreed to.

The Senate adjourned until tomorrow at 11.30 a.m.

APPENDIX

(*See* p. 233)

REPORT OF SPEECH DELIVERED BY THE HONOURABLE SARTO FOURNIER, IN THE SPEECH FROM THE THRONE DEBATE, MARCH 25, 1964

Hon. Sarto Fournier: Honourable senators, at the outset of my remarks I would very much like to join with those who preceded me in paying a tribute of admiration and respect to the memory of our late colleague Senator Howard.

Senator Howard was one of the first I met when I entered public life. His explanation to me of what was meant by "a real Canadian" so much impressed me at the time that the remarks I am about to make today in this chamber are very largely inspired by his true Canadianism.

Honourable senators, every time I rise to speak in public, I feel some sort of difficulty. Usually I speak in French. You have been most kind in the past, and I hope that today you will not mind if I revert to my mother tongue.

[*Translation*]

Honourable senators, I believe it may be said of Senator Howard that he belonged to the world where the finest things have the worst fate. Senator Howard was a kind, jovial and open-minded man who had a thorough understanding of this country. He could speak French fluently and possessed a very acute sense of the Canadian social climate, for he understood the practical spirit of the two great nations who co-exist on Canadian soil. His death fills us with sorrow. It is certainly a great loss for the Senate and this country.

When we returned to Ottawa to attend this new session, we noticed with pleasure the presence of four new faces coming from four different provinces. I wish to join all those who spoke before me to tell the new senators how happy we are to have them among us and to welcome them most cordially. All are men of great experience about individuals and things; they bring us something which was lacking before their arrival among us.

I also wish to join the honourable senators who participated in this debate in congratulating Senator Cook and Senator Denis for the elegant way they discharged their responsibilities, in moving and in seconding the address in reply to the Speech from the Throne. I did not hear them because at the time of their speeches, I was out of the country. But on reading their remarks in the official report of the *Debates of the Senate*, I could appreciate the accuracy and relevancy of those comments.

And we have a new leader whose main task is to be the spokesman of the government in this house. Those who know Senator Connolly were not surprised to hear of his promotion to this high office. His culture, his learning and his wide general knowledge, the fine breeding he has always shown, his tact and his sensitive mind, have made him a prominent, respected and respectable citizen. I wish him in carrying out his duties as much success as he has had in the past.

He replaces one of my good friends, Senator Ross Macdonald (Brantford). Every time I think of a friend—and I hope I still have some—Senator Macdonald comes to my mind. I will always remember with joy his very personal and delicate kindnesses. I am happy to pay tribute to him by expressing my gratitude and my admiration for the way he conducted, with all the required dignity and efficiency, the business of the Senate while he held the office of Leader of the Government in this house. No doubt he deserves our admiration in more ways than one, but as a Canadian of French ancestry, I hail with respect the courage he showed by learning, at an age when it is practically impossible to study it, the French language which he speaks with elegance indeed. The heroic efforts that Senator Macdonald had to make to impose such a hard discipline on himself, in order to gain a better knowledge and understanding of a group of Canadians who make up one-third of the population of Canada, makes him an example that all Canadians should endeavour to follow.

All the difficulties facing us now and which are so hard to overcome stem mainly from the fact that Canadians do not know one another and, therefore, can hardly understand each other. I think it is proper to say that, generally speaking, Canadians were not educated to be what they are. We live in a social context requiring from each of our fellow citizens a knowledge of facts which is not required in other countries. It is hard to be a Canadian. It is complicated. Our citizens of good faith endeavour especially to find out and understand what we have in common. Unfortunately, others, less enlightened and of dubious faith, always try to give exaggerated importance to the apparent differences which seem to divide us. Yet, if we speak different languages, those two forms of expression

spring from a common source in Greco-Latin civilization; 2,500 words are spelled exactly the same way and mean exactly the same thing in both languages, the only difference being in the pronunciation. I fail to see why that difference should be a source of a misunderstanding and discord.

As far as the racial point of view is concerned, the difference is also very thin. Our common origin is European: the French and the English. According to the fortunes of ancient wars, they occupied each other's territory in turn to such an extent that once a king of England was king of France and the king of France was at the same time king of England. I think one must be of bad faith to use such slight differences to pit one group of Canadians against the other. Surely, we have enough problems which must be solved that we do not want to see the break-up of our nation.

Most of those problems arise out of the weaknesses of the text of the Constitution which has governed us since 1867. It is obvious that this written act places us in a framework that has become too small and is exactly like a garment which becomes less and less fitting. That act has been passed during the steam age. Now that we are in the atomic age and none of the problems which we are tackling today existed a hundred years ago, I say that this act, which could be looked upon a long time ago as ahead of its time, allowing for the social, economic and political climate that prevailed a century ago, is no longer in tune with our needs, with the necessities and with the imperative requirements that exist in Canada in this twentieth century. We have gone far beyond the colonial era. We no longer belong to a distant metropolis, as was the case for several centuries, when we first belonged to France, and, after the Seven Years' War and the Treaty of Paris, due to the lack of care and foresight of Louis XV—who was more interested in the charms of Madame de Pompadour than in the welfare of his kingdom—we had to change our allegiance and become a British colony. Today, we are an adult people, a responsible free nation in full possession of its sovereignty in domestic and external affairs.

Yet, there is a tribute we should render to my fellow French Canadians from the province of Quebec, which is that they never faltered in their loyalty to anybody. The whole of our history proves it, and I do not know of another people in the world who would be more faithful and loyal to their allegiance.

When, in the middle of last century, the call came from Rome for us to stand up for the freedom, integrity and sovereignty of the pontifical states, French Canadians flocked by the thousands across the ocean to fight for a cause they considered to be just. More than 60 years ago another call came from London, where Queen Victoria ruled at the time, for us to go and defend British interests in the deepest South African veldt. There again, French Canadians joined their fellow citizens and risked their lives defending a cause the fairness of which has always remained doubtful, but we did so because of our allegiance.

Twice, we took up arms to defend our country and the interests of the British colony against attempts at American domination over Canada.

At the time of the first world war, again by the thousands, Canadians offered their services, freely and loyally, to fight overseas once again, side by side with Frenchmen, Englishmen, Americans and others, to defend a cause which we believed to be just and which was just, and this in spite of the manhunt organized in our cities and villages by half-civilized soldiery which looked upon us as savages and wanted to enroll us forcibly. We deplored that crime committed against us but we remained faithful and loyal.

At the time of the second world war, another generation of French Canadians joined by the thousands, freely and voluntarily, with their English-Canadian compatriots, to serve in the three forces, give their life and shed their blood for a cause that we believed was just, and still do. We never lacked loyalty towards anyone.

Even though we now find that the Canadian confederation, due to the organization of its public service, encroaches upon the Constitution, we are always faithful and loyal citizens, because we have not and will not stop believing and hoping that our present differences, which make the Canadian Confederation work against us, will finally be settled and removed.

Our fellow citizens from other provinces must know and understand that these problems are of the greatest urgency and that they must be settled, because if we should learn one day that a fair settlement is impossible, there would be a blow-up. The sensible and level-headed persons will be unable to restrain the people. Anarchy will prevail and those who will want to be reasonable will be considered traitors. Any agreement will then be impossible, because the same words said by different persons will have a different meaning and it will be the end of Canada and the end of us unless we recognize that no two provinces are alike.

We do not want joint plans any more, we do not want double-meaning articles in the Constitution any more, especially those dealing with taxation problems in Canada. We have become an adult people, fully aware of what we are and of what we want to be. We are not asking for anything that belongs to others, but we want to keep what is rightly ours.

Confederation has been such a burden to us that there is not sufficient economic means at our disposal left to solve our problems, namely, those in respect of education, labour and welfare. We are looking forward to the day when we will cease to pay for the maintenance of some departments, like Agriculture, National Health and Welfare, Labour, Northern Affairs and National Resources, and Fisheries, which are all very costly to us and which we could easily dispense with. That, of course, would be more compatible with the spirit and the letter of the Constitution.

Do you want me to give you a striking example of what I just said? This year, the estimates of the Department of Agriculture, in Ottawa, are of the order of $300 million. Now, if we take for granted that the people in Quebec alone contribute 25 per cent of public expenditures in Canada, as I was informed by officials of the Department of National Revenue and, on the other hand, I know for a fact, having inquired about this matter from officials of the Department of Agriculture, that this department which is costing us $75 million this year, will hardly bring in $25 million directly or indirectly in salaries, grants, subsidies, or in any other way; we are then overpaying $50 million unnecesarily to a department which is entirely useless to us, which never looked earnestly into the farm problems of the province of Quebec and which imposes on us a financial obligation disproportionate to our means. If somebody would take the trouble to make a similar study in other departments of no use to us and which only duplicate services already available, the same conclusion would be reached.

Honourable senators, the other day a friend of mine came to ask me if I could help him in getting his 12-year old son admitted in a Montreal classical college, the *Externat classique Sainte-Croix,* on Sherbrooke street, in the eastern section of the city. I talked to the superior; he told me that 300 young men had made the same application; a hundred had not been able to qualify and out of the remaining 200 there was room for only 70. The same situation prevails in all our institutions of higher learning, which means that thousands of young French Canadians will have to give up or postpone their studies because there are not enough facilities. We lack facilities because we lack money. We lack money because the Canadian Confederation, at this stage, is costing us too much.

Some people are asking why Canadians in the province of Quebec feel less and less at home in their country. It is because the Canadian Constitution is too often violated, the federal Government interferes in the field of social welfare among others and administers matters which we could better administer ourselves. The problem is now acute. The solution can no longer be postponed. We are convinced that with good faith and sincerity, Canadians can reach an agreement.

You can be sure of one thing: we want to remain loyal to our country and we understand that separation would be a disaster for everyone, most of all for us. For most French Canadians in the province of Quebec, separatism is unthinkable, because it would be a useless and worthless experience. We want to remain Canadians but subject to human and reasonable conditions.

Like all other peoples, the Quebec people change at such a rapid pace that it is hard to follow the trend. Therefore, public administration standards had to be changed and priorities considered as essential had to be created; we have no alternative but carry them out.

I say to those who find it honestly difficult to understand our situation and our point of view, to put themselves in our place and imagine they are French Canadians, and then to observe carefully their reactions. They would also ask for a change of situation. I want to tell you that in the fields which come exclusively under the federal jurisdiction, we see no objection at all in a frank and generous co-operation towards co-operative federalism. On the contrary, we are quite prepared to do anything in our power to give our country a greater degree of well-being. We love Canada. We know that to be able to live here is a blessing and we understand that the social context of our people and the immensity of a country like ours can create delicate situations and problems difficult to settle. However, you can count on our entire loyalty and our devotion, but, as I said, we are now faced with certain circumstances leaving us no alternative.

Despite the fuss made by a few agitators, some of whom undoubtedly receive their directives from outside, who act in a way that threatens to disgrace the province of Quebec, to achieve an objective contrary to

what they claim to seek, our people stay calm because they hope that those they have chosen to lead their destinies within a sound democracy will finally come to an agreement.

I do not feel that the solution can come from a federal body. If we look at history we find that the federal Government is the creature of the provinces, that it was established after the provinces and that it could not be set up without the consent of the latter. That is why I feel that our chances of success will be improved if we proceed along the same lines.

I believe that if the provinces were to agree on a concrete proposal giving back to them all the powers they need, putting all the provinces on the same footing, taking great care not to favour one at the expense of the others, the central government would have no other alternative. Furthermore, I am inclined to believe that it would readily agree to amend the Constitution according to a fair and equitable formula, and this would not prevent the provinces who wish to do so to come to Ottawa and propose for themselves the *status quo*. They would be free to renounce certain rights, certain privileges, as indeed they appear to be willing to do today.

I appeal to my fellow French Canadians who, in most cases and with the best of intentions, have separatist inclination, to think it over twice. They will ultimately understand that separatism is nothing but a mirage.

Separatism will not change geography. It would only change the present social context of the province of Quebec. If we were to separate from the rest of Canada, the first consequence would be that the others would separate from us at a time when, more than ever, the Christian world and all civilized people seek to unite and when countries all over the world, in Europe as well as in America, are trying to close the gap that divides them. Why give in to futile thoughts and wishes which will only lead to anarchy and ruin when unity has never been such an imperious need?

Everything will have to be started all over again. There are, in the province of Quebec, four or five different separatist groups. They are merely sowing the wind and already they are reaping the whirlwind. Let us not be taken by their fallacious and empty promises. Let us not imitate the example of the frog in La Fontaine's fable because if we do we will have the same fate. I call my compatriots to turn down this suicidal idea.

There is a very significant question I wanted briefly to mention: I was thinking of a national education for Canadians. I believe that, in a general way, Canadians from all parts of Canada have not been very well served in this field. I always wondered why we persisted in teaching different histories of Canada, when there is only one. Unfortunately, the teaching we received at the national level is more than inadequate. Today we see people trying to educate adults. Why? Because, before they became adults those people did not get the complete national education they should have received.

Canadians do not know one another sufficiently and, in many instances, they know each other poorly. If educators in Canada, particularly those who head our great educational institutions, took counsel together and finally agreed on the books Canadian youngsters use in their studies, especially in the matter of Canadian history, it would be found that all Canadians, in less than two generations, having learned the same things, having learned the truth about one another in an atmosphere free from prejudice, would certainly find it much easier to agree among themselves, to understand and to respect one another.

I do not think this initiative can be taken by our governments. It rather belongs to men of experience and good will who devote their lives to teaching and intellectual and moral training among our young people. History should be taught in a better way; if all Canadians knew about the same things, could as much as possible understand and speak both official languages, all our problems, which result from the shortcomings of our national education, would be solved in one fell swoop.

Honourable senators, in a few months we shall receive the visit of our gracious Queen Elizabeth II. I cannot understand why some people object to this additional trip of the Queen of Canada. I know of no other woman in the world who is held in so high esteem and considered with more respect than the Queen of Canada. As we have known her so well since the days of her childhood, we make no mistake when we say that she is the very symbol of nobleness, kindness and generosity. I do not believe that a royal crown could be laid on a head more worthy of receiving it. I feel somewhat ashamed that some people have feelings of hatred for her, feelings which they hide rather badly under the cover of the most futile excuses.

That woman did not choose her destiny. Nor did she usurp her title. If, today, Elizabeth II is Queen of Canada, it is because of the unconcern and the stupidity of a former king of France called Louis XV.

In spite of what some people might pretend, I do not think she will be more in danger in Quebec than in London or elsewhere. All through the years, the lives of princes have been always in danger. Such are the risks of their position. You may be certain that French Canadians will greet her with respect and sympathy. I admit that some hot-heads will try to take advantage of that event to remind us of their existence, but you may be sure that the great majority intend to greet her in a manner worthy of the good reputation of a people for whom an exquisite sense of hospitality is a tradition and a custom.

THE SENATE

Friday, March 27, 1964

The Senate met at 11.30 a.m., the Speaker in the Chair.

Prayers.

BUSINESS OF THE SENATE

Hon. John J. Connolly: Honourable senators, I am informed that the House of Commons met this morning and adjourned until Monday afternoon at 2.30.

Honourable senators are all aware that we have an interim supply bill standing for royal assent.

In the circumstances, with leave, I move, seconded by honourable Senator Vaillancourt, that the Senate do now adjourn until Monday next, at 8 o'clock in the evening.

Motion agreed to.

The Senate adjourned until Monday, March 30, at 8 p.m.

THE SENATE

Monday, March 30, 1964

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

Prayers.

ROYAL ASSENT

NOTICE

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

GOVERNMENT HOUSE

Ottawa
March 30, 1964

Sir,

I have the honour to inform you that the Hon. Wishart F. Spence, Puisne Judge of the Supreme Court of Canada, acting as Deputy to His Excellency the Governor General, will proceed to the Senate Chamber today, at 9.45 p.m. for the purpose of giving Royal Assent to certain bills.

I have the honour to be,
Sir,
Your obedient servant,

A. G. Cherrier
Assistant Secretary
to the Governor General.

The Honourable
The Speaker of the Senate.

DOCUMENTS TABLED

Hon. John J. Connolly tabled:

Capital and Operating Budgets of the Canadian National Railway Company for the year ending December 31, 1964, pursuant to section 37 of the Canadian National Railways Act, chapter 29, Statutes of Canada, 1955, together with copy of Order in Council P.C. 1964-299, dated February 28, 1964, approving same. (English text).

Copies of correspondence between the Prime Minister of Canada and the Premiers of the provinces concerning the agenda and procedures for the Federal-Provincial Conference proposed for March 31, 1964. (English and French texts).

BUSINESS OF THE SENATE

Hon. John J. Connolly: Honourable senators, there will be royal assent at approximately a quarter to ten this evening. I would therefore move, seconded by Senator Vaillancourt, that the Senate do now adjourn during pleasure, to re-assemble at the call of the bell at approximately 9.40 p.m.

The Senate adjourned during pleasure.

At 9.45 p.m. the sitting was resumed.

The Senate adjourned during pleasure.

ROYAL ASSENT

The Honourable Wishart F. Spence, Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned, and being come with their Speaker, the Honourable the Speaker of the Senate said:

Honourable members of the Senate:

Members of the House of Commons:

I have the honour to inform you that His Excellency the Governor General has been pleased to cause Letters Patent to be issued under his Sign Manual and Signet constituting the Honourable Wishart F. Spence, a Puisne Judge of the Supreme Court of Canada, his Deputy, to do in His Excellency's name all acts on his part necessary to be done during His Excellency's pleasure.

The Commission was read by the Clerk.

The Honourable the Deputy of his Excellency the Governor General was pleased to give the royal assent to the following bill:

An Act respecting the Trans-Canada Air Lines Act.

The Honourable Alan A. Macnaughton, Speaker of the House of Commons, then addressed the Honourable the Deputy of His Excellency the Governor General as follows:

May it please Your Honour:

The Commons of Canada have voted certain supplies required to enable the Government to defray the expenses of the public service.

In the name of the Commons, I present to Your Honour the following bill:

An Act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1965.

To which bill I humbly request Your Honour's assent.

The Honourable the Deputy of His Excellency the Governor General was pleased to give the royal assent to the said bill.

The House of Commons withdrew.

The Honourable the Deputy of His Excellency the Governor General was pleased to retire.

The sitting of the Senate was resumed.

ADJOURNMENT

Hon. Cyrille Vaillancourt: Honourable senators, with leave of the Senate, I move that when the Senate adjourns today it do stand adjourned until tomorrow, March 31, at 5 o'clock in the afternoon.

Motion agreed to.

The Senate adjourned until tomorrow at 5 p.m.

THE SENATE

Tuesday, March 31, 1964

The Senate met at 5 p.m., the Speaker in the Chair.

Prayers.

DOCUMENTS TABLED

Hon. John J. Connolly tabled:

Copy of "White Paper on Defence", dated March 1964. (English and French texts).

Report of the National Harbours Board, including its Accounts and Financial Statements certified by the Auditor General, for the year ended December 31, 1963, pursuant to section 32 of the National Harbours Board Act, chapter 187, and sections 85(3) and 87(3) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French texts).

DIVORCE

RESOLUTIONS PRESENTED

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the following resolutions:

Resolution 111, for the relief of Helene Cohen Yaffa.

Resolution 112, for the relief of Gisele Plouffe Rivard.

Resolution 113, for the relief of William Guy Ransom.

Resolution 114, for the relief of Lionel Mortimer Pasen.

Resolution 115, for the relief of Margaret Helen Brander Hall.

Resolution 116, for the relief of Maurice Therrien.

Resolution 117, for the relief of Mary Suszek Cieply.

Resolution 118, for the relief of Elizabeth Morecroft Tooke Hamilton.

Resolution 119, for the relief of Joseph Emelien Rene Racine.

Resolution 120, for the relief of Joan Hembling Impellezzeri.

Resolution 121, for the relief of Jean-Paul Mousseau.

Resolution 122, for the relief of Arthur William Tombs.

Resolution 123, for the relief of Adele Caprioli Fisher.

Resolution 124, for the relief of Rose Marie Luci Gates.

Resolution 125, for the relief of Frances Mary Coghill Cushing.

Resolution 126, for the relief of Jacques Marchessault.

Resolution 127, for the relief of Mario Marino.

Resolution 128, for the relief of Sheila Aronoff Cohen.

Resolution 129, for the relief of Elizabeth Rosamund Bushe Kertland.

Resolution 130, for the relief of Marguerite Lacoste Hof.

Resolution 131, for the relief of Roger Martel.

Resolution 132, for the relief of Josephine Agnes Rita Feehan Maltman.

Resolution 133, for the relief of Constance Marion Hulburd Musgrove.

Resolution 134, for the relief of Joseph Leandre Guitard.

Resolution 135, for the relief of Joan Pauline Day Steeves.

Resolution 136, for the relief of Elizabeth Kolokithia Lambrinoudis.

Resolution 137, for the relief of Sheila Cohen Wright.

Resolution 138, for the relief of Jack Reinhold Russel.

Resolution 139, for the relief of Jean Elaine Lowe Pinatel.

Resolution 140, for the relief of Ethelind Zidulka Silverman.

Resolution 141, for the relief of Jeannine Guerin Archambault.

Resolution 142, for the relief of Clairette Schnurer Leibovici.

Resolution 143, for the relief of George Markozanis.

Resolution 144, for the relief of Hipolite Paul Molla.

Resolution 145, for the relief of Barbara Winnifred Kurtz Oleschuk.

Resolution 146, for the relief of Fleur Aimee Marie Liette Ranger Methot.

Resolution 147, for the relief of Magdolna Rado Robert.

Resolution 148, for the relief of Hisako (Elizabeth) Honma.

Resolution 149, for the relief of Gitta Klages Rybicki.

Resolution 150, for the relief of Mary Eileen Slattery Menard.

Resolution 151, for the relief of Patricia Patience Scarbrough Dixon.

Resolution 152, for the relief of Nicholas Kyrangelos.

Resolution 153, for the relief of Edmund Arthur McMahon.

Resolution 154, for the relief of Elizabeth Cormack Franey.

Resolution 155, for the relief of Reine Ethier Lafleur.

Resolution 156, for the relief of Lawrence Giblin McLean.

Resolution 157, for the relief of Diane Irene Gaudard Chicoyne.

Resolution 158, for the relief of Margaret Stuart Cairns Liontos.

Resolution 159, for the relief of Beverley Grace Smith Proulx.

Resolution 160, for the relief of Marcel Talbot.

He said: Honourable senators will recall that quite recently I proposed an amendment, which was carried, requiring two days' notice for the consideration of resolutions of this nature. If I give two days' notice in this instance, let us hope it will be returnable perhaps on April 20. Under those circumstances, I think it would be a public service to consider these resolutions now.

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

Hon. Mr. Roebuck: Honourable senators, I ask leave of the house to move that these resolutions be considered now. Before doing so, may I give some figures as to the progress made in divorce matters.

To date, 280 cases have been passed by the Commissioner. I think he has done very well; he has been most industrious. While that is not a large number of cases when calculated by the day, it is a considerable number when calculated by the week.

The Commissioner commenced his hearings on January 8 last, approximately 12 weeks ago. Making a mental calculation, that represents 25 cases a week. As he has become more accustomed to the work, on some days he has been hearing as many as eight cases. There are 485 cases yet to be heard by the Commissioner. Of these, 415 were on the docket prior to the opening of this session. He has now heard 280 cases.

During this session, which commenced on February 18, there have been filed 70 petitions. These, together with the 415 petitions already filed at the commencement of the session, give us a total now of 485 cases to be heard.

The number of resolutions presented and adopted since the opening of the session, including those which I have just now tabled, total 160. I think it would be a public service if I were to place on *Hansard* some statistics showing when these various cases, adopted from time to time, will mature to the point where the applicant may ask the Clerk of the Senate for a certified copy of the resolution.

On March 17 we adopted 24 resolutions which will become effective on April 16; on March 24 we adopted 37 which will become effective on April 23; on March 26 we adopted 50 resolutions which will become effective on April 25; and, if honourable senators grant my present request, the 49 resolutions under discussion today, if adopted, will become effective on April 30. If they are not adopted today, they will mature 30 days from the date we reassemble.

I put that information in full on *Hansard*.

Therefore, with leave, I move the adoption now of the 49 resolutions I have presented today.

Hon. Mr. Pouliot: Next sitting.

The Hon. the Speaker: It is moved by honourable Senator Roebuck, seconded by honourable Senator Lambert, that resolutions 111 to 160, both inclusive, be placed on the Orders of the Day for consideration at the next sitting of the Senate. Is it your pleasure, honourable senators, to adopt the motion?

Hon. Mr. Roebuck: I do not thank Senator Pouliot for that.

Motion agreed to.

GOVERNMENT PRINTING BUREAU

NOTICE OF INQUIRY

Hon. Jean-François Pouliot: Honourable senators, I give notice of two inquiries concerning publications of the Printing Bureau, and translations of the Translation Bureau. Similar inquiries were on the Order Paper last session. The only difference between those inquiries and the ones I now give notice of is that I am asking for information covering fifteen months instead of twelve. My first inquiry is as follows:

1. What reports and other publications were published during the last fifteen months by the Printing Bureau for each House of the Parliament of Canada and for each one of the various branches of each department, each commission and each agency of the Government of Canada, and what are those which have been printed only in English or only in French, or in both English and French languages?

2. What reports and periodicals are being published daily, weekly, semi-monthly, monthly and yearly by the Printing Bureau in English or in French or in both languages?

3. What aforesaid reports and periodicals are edited by a French editor or by an English editor or by both an English and a French editor?

4. During the above-mentioned period, did the Printing Bureau print any books

which had nothing to do with the Parliament or the Government of Canada, and if so, what were their titles and the names of their authors?

TRANSLATORS AND INTERPRETERS

NOTICE OF INQUIRY

Hon. Mr. Pouliot: Honourable senators, with regard to translating and interpreting, I give notice of the following inquiry:

1. During the last fifteen months, how many translators and interpreters have been employed in each department, agency or commission of the Government of Canada,

(a) in Canada?

(b) in other countries?

2. What is the total number of translators and interpreters who have been, during the said period,

(a) employed and paid by the Government of Canada,

(b) appointed by the Civil Service Commission after examination and belong to the Translation Bureau,

(c) appointed by order in council and do not belong to the Translation Bureau?

3. How many translators are employed for the translation of the correspondence of the departments, commissions and agencies of the Government of Canada?

4. How many books have been translated by the Translation Bureau during the same period,

(a) from English into French, and

(b) from French into English?

HIGH COMMISSIONERS TO CANADA

NOTICE OF INQUIRY STANDS

Hon. Jean-François Pouliot: Honourable senators, I ask leave to withdraw Inquiry No. 3 on today's Order Paper.

Hon. Mr. Roebuck: Next sitting.

Hon. Mr. Pouliot: That is all right. I will then give notice. I will proceed in another way.

Hon. Mr. Roebuck: I withdraw my remark. I made it more in jest than in seriousness, although I am not handing any thanks to my friend for what he just did.

Hon. Mr. Pouliot: The honourable gentleman is only ten years older than I am. We are contemporaries, and we are on good terms. I have once quoted him as an example to others for his work, but that does not mean that I shall follow him blindly into every corner. I keep my independence as a treasure.

Honourable senators, with the best possible disposition I now give notice of a new inquiry which I can read or put on the Order Paper.

Hon. Senators: Agreed.

The Hon. the Speaker: I understand that the honourable senator has unanimous consent. I do not think it will be necessary to give notice of his withdrawal of Inquiry No. 3.

Hon. Mr. Pouliot: Thank you, Mr. Speaker. I might wait until the next sitting in order to withdraw it. Time is immaterial with respect to these matters. My previous inquiries have been on the Order Paper for nearly the whole of the last session in order to give the department time to gather the information required. They will now have even more time in which to answer the questions.

Notice of Inquiry No. 3 stands.

UNITED KINGDOM HIGH COMMISSIONER TO CANADA AND OTHER BRITISH SUBJECTS—VOTING PRIVILEGES

NOTICE OF INQUIRY

Hon. Mr. Pouliot: I now give notice of the following inquiry:

1. Is the High Commissioner to Canada for the United Kingdom of Great Britain and Northern Ireland qualified as an elector in virtue of the Canada Elections Act, (R.S.C. 1952, c. 23, as amended) inasmuch as he complies with the provisions of section 14 of the said act?

2. Are the British subjects born in the Commonwealth but outside Canada entitled to enjoy in Canada the same public rights as Canadian citizens do in Canada, upon the same conditions?

3. Are the Canadian citizens entitled to enjoy in the United Kingdom of Great Britain and Ireland the same public rights as the British subject, upon the same conditions?

4. Is the political status of a British subject the same in Canada as in any other part of the Commonwealth?

5. If not, are there any (a) degrees or (b) differences in the British nationality and what are they in each country?

BUSINESS OF THE SENATE

Hon. John J. Connolly: Honourable senators, the House of Commons has not yet concluded its consideration of the bill dealing with the supplementary estimates. I understand that there is some prospect that consideration will be concluded in the course of the evening.

With this in mind, I now move, seconded by Senator Vaillancourt, that the Senate adjourn during pleasure, to reassemble at the call of the bell at approximately 9 o'clock this evening.

The Senate adjourned during pleasure.

At 9 p.m. the sitting was resumed.

Hon. Mr. Connolly (Ottawa West): Honourable senators, the bill that we are waiting for from the other place is the appropriation bill, containing supplementary estimates which were tabled in the other house on March 6 and in this house on March 10 last. The bill has been debated in the other place on the following days: March 13, 16, 25, 26, 30, and today, March 31, and still we have not received it.

I think there is little prospect that the bill will reach us in time for us to debate it tonight. It may be that the other place will sit after 10 o'clock and finish its consideration of the bill, in which event I feel it would be too late for the Senate to give it consideration tonight. I would therefore suggest, with the concurrence of the house, that even if the other place concludes its consideration of the bill tonight, the Senate should await the arrival of the bill tomorrow, and that we assemble here at 4 o'clock in the afternoon and at that time debate the bill, if it is available. Of course, I can give no assurance whatever that the bill will be available then.

In the circumstances, it now being ten minutes after nine, I think we should adjourn for the day, and I am prepared to so move.

Hon. Mr. Roebuck: May I make a suggestion?

Hon. Mr. Connolly (Ottawa West): Perhaps honourable senators would like to speak before I make the motion; it may have an effect upon the hour at which we should reassemble tomorrow.

Hon. Mr. Roebuck: My thought is this: if there is any chance of the bill going through the Commons tonight, we could meet tomorrow morning and that would enable senators to leave by train in the afternoon or evening, rather than having to wait until four o'clock in the afternoon, when the day will be spent so far as travel is concerned. I am prepared to attend tomorrow morning to see if there is any news concerning the bill; then, if necessary, we can adjourn again. That would allow me, as well as others—because the trains go in all directions—to take the afternoon train, instead of waiting for the afternoon train on the following day.

Hon. Lionel Choquette: Honourable senators, I was going to make the same suggestion. I am quite in agreement with it.

I was going to ask my friend the Leader of the Government in the Senate, must we go on indefinitely until the end of the week awaiting this bill, or can we have his assurance that if the bill is not before us tomorrow we could adjourn until next Monday? I ask that question for many reasons. One, of course, is that since Thursday a number of our senators have been considered absent. On Friday, although it was a short sitting, they would be considered absent, as well as yesterday, today and tomorrow, and probably the rest of the week. Could we have the honourable leader's assurance that if this famous bill does not come to us in some form tomorrow, we will adjourn at least until next Monday? Of course, it would be impossible to adjourn until April 20, in the circumstances.

Hon. Norman P. Lambert: Honourable senators, it occurs to me that if a satisfactory conclusion is reached tonight it would be an easy matter to meet tomorrow morning. However, if no conclusion is reached tonight, then I think the suggestion of the leader, that we meet tomorrow afternoon, would be more reasonable, than to suggest now in a blind way that we should come back tomorrow morning. If some compromise or solution is arrived at in the other house tonight and there is a chance of the bill being passed, this information could easily be transmitted to us and we could meet in the morning; otherwise, I see no purpose in our meeting tomorrow morning.

Hon. M. Grattan O'Leary: Honourable senators, let me say that I do not intend to place any blame upon the Leader of the Government in this house. I am sure he is doing his best under the circumstances. But I wonder if the members of both houses have any real awareness of what is being said outside by the public as to what is taking place in the other house at the present time.

The Leader of the Government mentioned the number of days these supplementaries have been debated. I am not sure that they have in fact been examined and debated all that time. But surely it was possible for grown men to sit down together in the other place and agree among themselves to pass this supply bill, send it on to the Senate, and then proceed with the examination of the items in the supplementary estimates, and if their study was not concluded by Thursday,

then to adjourn over Friday. Surely it cannot be true that the Government of this country would stop if all these supplementary estimates were not passed. The members of the Commons are not getting through to the public the various sides of the controversy that are being taken over there, and I am not myself concerned with that; but I am concerned with the spectacle that is being made of this branch of Parliament. I believe this business of calling us back here as messenger boys is not only an affront to the Senate but, because the Senate is an integral part of Parliament, I think it is an insult to Parliament itself.

I was brought up to reverence Parliament in a home to which Parliament was very dear, because it was something for which my ancestors had struggled for centuries. We thought of Parliament as being very precious. But what have we seen here in the last few days?

When I accepted membership in this house I believed I was being done a great honour. During the past few days I have been made to wonder about it when I have been treated, as I said a moment ago, as a messenger boy. I am serving notice now that if in the future there is a recurrence of this, with bills being sent over here and this house being asked to approve them as if it were a mere gramophone of the House of Commons, I am going to resist. I know such speeches as this have been made here every year, and made by distinguished senators far more experienced than I am. Nevertheless, as a member of this house, I feel I have been humiliated in the last few days, and I am sure that there is not a member in this chamber who does not feel that his position in the Senate has been degraded to some extent by what has occurred.

There was no need whatever for this house to be called into session on Good Friday. There was no reason in the world why sensible men in the other place could not have sat down, as good Canadians, and agreed on a course of procedure. Had they done so, they would not have appeared foolish to people outside. During the past few days people outside Parliament have been saying almost unanimously that the conduct of Parliament in the past few weeks has been a disgrace to our democratic institutions. I believe this is true.

I repeat, I am not blaming the Leader of the Government in this chamber. For fifty years I have been following the deliberations of the Senate, and I doubt very much whether Senator Lougheed, or Senator Dandurand or Senator Meighen would have accepted without a more violent protest than we have heard, the condition which has been imposed on us in this chamber this past week.

I repeat that not again will I sit in my seat in this chamber and agree to a supply bill or any other bill being sent to this house, and this house being told to pass it, or else.

Hon. Jean-François Pouliot: Honourable senators, it is not often that one can be so very eloquent when he is indignant. My honourable friend has been eloquent tonight, and I do not disagree with him. I have also spoken, not so eloquently perhaps, but to the same effect as he has done. I have spoken many times, and for a whole session I had a question on the Order Paper, which I left there deliberately, insisting that we have at least two weeks or 15 days in which to study the supplementary estimates before their adoption by the Senate. As I say, that question was on the Order Paper and could be seen by all, but it appears that nobody read it because it has had no effect at all.

I am ready to co-operate, and I am ready to postpone some speeches I would have made on some matters of public concern, but the time has come when all parties should meet together and try to come to an understanding in order to bring the estimates forward at the proper time. I feel that the budget could have been postponed at least for some days in order to bring the estimates forward. I am very sorry this situation has occurred. However, it is impossible to blame any party in particular. All parties have the same responsibility, and it is time for them to unite to bring an end to such a situation which is deplored by all.

What I have said is not intended to reflect in any way on any of my colleagues in the Senate.

Hon. Daniel A. Lang: Honourable senators, it is with diffidence that I rise to speak on an occasion like this, being so recently appointed a member of the Senate. But I feel I could not be true to myself or express my love for the trust we hold if I did not fully endorse the remarks of Senator O'Leary (Carleton). This reaction by one so recently ensconced in this chamber is a reflection on the situation in which we find ourselves. I would not rise to speak if I did not feel the same indignation which Senator O'Leary feels on this occasion.

I feel that in some respects the dignity of this chamber has been affronted by the present situation.

Hon. Mr. Connolly (Ottawa West): Honourable senators, there is certainly agreement on all sides in this house, and I am sure if it had been possible at all for agreement among the parties in the other place, such an agreement would have been made. I am sure it was attempted, but without success. The honourable senator from Carleton (Hon. Mr. O'Leary)

says, quite rightly, that this is the time for the Senate to protest. I think the remarks that have already been made indicate that the Senate does protest. However, this matter is beyond our control at the moment.

As I have indicated, these estimates were tabled in Parliament on March 6, and it is now March 31. They have been debated in the other place on six different days, and yet not one item in the schedule before that house has passed, which means that they have not yet come to the consideration of the supplementary estimates. At least up until a few moments before I came into the chamber this evening, the other place had not passed the first item of these supplementary estimates. The members have been debating other matters.

Whether the rules of relevancy apply in the other place, I do not know, but it seems to me that, while we do not tell them how they should conduct their business nor do we expect them to tell us how we should perform, the rules of relevancy that we endeavour to observe here might very well be given a more careful scrutiny there.

I think I should say too that the other place has yet to deal with six supply motions, each of which gives the members there an opportunity to talk on almost everything they care to discuss, and then the estimates of the various departments have to go before the house. There is ample opportunity for very wide-ranging debate to take place on these occasions. In addition to that, the budget debate has to be finished, and that also allows for a general debate.

We should remember, of course, that the voting of money is not in our hands only. It is primarily the responsibility of the elected representatives of the people. I suppose second chambers will always be in the position we are tonight in respect of a bill of this kind.

The honourable senator from Carleton (Hon. Mr. O'Leary) has said—and I paraphrase his remarks—that the Senate is humiliated by this kind of performance. I would point out that I am sure there are many members of the other place who feel a similar kind of humiliation. The Senate has been extremely patient in this matter, but there is really nothing we can do about it unless we choose to adjourn and thus delay the passage of this appropriation bill.

The honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) has suggested that we adjourn until tomorrow morning. I do not disagree with that proposal if it has the general concurrence of all senators present. We must remember, of course, that to have royal assent the House of Commons must be in session in order to be summoned here. It is not likely to be in session tomorrow morning except by unanimous consent. We will gain little if honourable senators are put to the inconvenience of attending at 11 o'clock tomorrow morning simply for the purpose of adjourning again.

The Acting Leader of the Opposition has suggested I give an undertaking that if the bill is not available tomorrow we will adjourn until Monday.

I do not know how practical or useful that would be. There are senators from far-flung parts of the country in the chamber tonight, and it will not be helpful to them if we adjourn until Monday and then have to come back again. There may be others who could take their places, but there is a difficulty about that aspect of the matter.

However, if it meets with the concurrence of the senators present tonight, I have no objection to the Senate adjourning until tomorrow morning at 11 o'clock, although I feel that we will accomplish little by doing so.

Are there any honourable senators who would care to make any further remarks on this point? If the feeling generally is that the motion be that we adjourn until tomorrow morning at 11 o'clock, I would be happy to make it, but I do not wish to divide the house on this question and I am sure honourable senators would not wish to do so.

Hon. Allister Grosart: The honourable senator has asked for an opinion. I would favour the original motion he suggested, for the very reason he gave us, that the other place will not be in session tomorrow morning—short of a miracle happening—and therefore we would not be able to proceed with royal assent.

Hon. Mr. Power: Unless they finish in the other place tonight and then adjourn.

Hon. Mr. Connolly (Ottawa West): If by unanimous consent the Commons agree to sit and finish tonight, then 11 o'clock is much preferable to 4 o'clock as our hour of adjournment.

If it meets the convenience of all honourable senators, we can adjourn until tomorrow morning at 11 o'clock, look at the situation at that time and then, if necessary, adjourn until later tomorrow. Is that agreeable?

Hon. Mr. Choquette: Agreed.

Hon. Mr. Connolly (Ottawa West): I therefore move, with leave, seconded by honourable Senator Vaillancourt, that when the Senate adjourns tonight it do stand adjourned until 11 o'clock tomorrow morning.

Motion agreed to.

The Senate adjourned until tomorrow at 11 a.m.

THE SENATE

Wednesday, April 1, 1964

The Senate met at 11 a.m., the Speaker in the Chair.

Prayers.

CONSUMER CREDIT

COMMONS BILLS REFERRED TO JOINT COMMITTEE

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons to acquaint the Senate that the subject matter of the following bills has been referred by that house to the Joint Committee on Consumer Credit:

Bill C-3, An Act to amend the Bankruptcy Act (Wage Earners' Assignments).

Bill C-13, An Act to amend the Small Loans Act (Advertising).

Bill C-20, An Act to amend the Small Loans Act.

Bill C-23, An Act to provide for the Control of Consumer Credit.

Bill C-44, An Act to amend the Bills of Exchange Act and the Interest Act (Off-store Instalment Sales).

Bill C-51, An Act to amend the Bills of Exchange Act (Instalment Purchases).

Bill C-52, An Act to amend the Interest Act.

Bill C-53, An Act to amend the Interest Act (Application of Small Loans Act).

Bill C-63, An Act to provide for Control of the Use of Collateral Bills and Notes in Consumer Credit Transactions.

BUSINESS OF THE SENATE

Hon. John J. Connolly: Honourable senators, last evening, while the House of Commons was still sitting, we adjourned until this hour today. We did so with the hope that by this time we would have some definite indication as to the progress of the appropriation bill we are expecting to receive for consideration.

The news about the progress of that bill is now no more definite than it was at adjournment time yesterday. Today the House of Commons will sit at 2.30 and, under its rules, unless they are suspended by unanimous consent, it will adjourn at six o'clock this afternoon. With the other matters before that house, the probability is that there will not be sufficient time before six o'clock for it to conclude consideration of the measure we are now awaiting.

To keep all honourable senators as fully informed as I can, I may say that there is some possibility of the House of Commons sitting tonight in an attempt to dispose of the appropriation bill.

Once again we are faced with a decision as to what we should do in the interests of expediting the public business. A number of choices are open to us, and I would invite all honourable senators to discuss this matter briefly this morning so that jointly we can come to the best decision. I think first we might consider waiting until we know what the House of Commons will do early this afternoon, and what the prospects are for later sittings today. That would involve our adjourning until four o'clock or six o'clock this afternoon.

In the event that the House of Commons sits only until 6 o'clock this afternoon, we might consider adjourning, with leave, until, say, 5 o'clock tomorrow afternoon. The advantage, if any, in such a move would be that if the House of Commons finished its consideration of this legislation tomorrow afternoon we could then debate it, and royal assent could be arranged.

A further alternative is that we adjourn this house until Friday at 11 o'clock in the morning. We would hope that by that time the bill would be before us.

I think honourable senators will agree that throughout this rather distressing week I have not tried to impose any views upon this chamber. If I may say so, I am very proud of the way the Senate has performed since this process began. Nearly one-third of the membership has been present on all occasions. We have been ready and willing to discharge whatever responsibility we have in respect of a bill such as this one. This has been done at considerable inconvenience to many senators.

I would invite honourable senators to express their views as to the best course of action to follow and, in view of the co-operation that you have shown all week, I am sure we can arrive at a satisfactory conclusion.

Hon. Lionel Choquette: Honourable senators, I must say that until midnight of March 31 it was my understanding that the passage of this bill was a matter of urgency and it was necessary for us to meet here two and even three times a day; but having passed midnight at the end of the fiscal year we know there is no further urgency, and that we have another 30 days within which we can approve these supplementary estimates.

I have a precedent on this very point, in what occurred on April 18, 1962. The then Leader of the Government, the Honourable Walter Aseltine, introduced the bill entitled "An Act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1962." Section 1 of that bill says: "This act may

be cited as the Appropriation Act No. 4, 1962." The honourable Leader of the Government at that time, in introducing that bill, had this to say:

> The bill is in the usual form with the exception of section 4, which it was necessary to include because these supplementary estimates were not passed prior to March 31 last. That section reads as follows:
>
> "Notwithstanding the provisions of the Financial Administration Act, the amounts appropriated by this act may be paid at any time on or before the thirtieth day of April, one thousand nine hundred and sixty-two, and such payment shall be deemed to have been made in and be chargeable to the fiscal year ending the thirty-first day of March, one thousand nine hundred and sixty-two."

Honourable senators, it is my humble submission that, even if we meet tomorrow and Friday and again Saturday, we cannot assume that the bill will even then have passed the other place. I understand that up until late yesterday they had not completed the discussion on the first item, which pertained to agriculture.

I appreciate that the honourable Leader of the Government has asked us for suggestions, and I am serious when I suggest that this house should adjourn now until April 20. We would have then about 10 days within which to discuss that bill, when it is before us.

Hon. C. G. Power: Honourable senators, with most of what honourable Senator Choquette has said I heartily agree. The sacramental sacrosanct date of March 31 has passed now; and whether these estimates come before us on April 1, 5, 10, or 20, steps can be taken by the Government, by legislation or other means, whereby these moneys can be paid.

I would have been prepared to accept, without the slightest hesitation, the suggestion made by my honourable friend Senator Choquette last evening, that we adjourn until Monday next, April 6, and I still support that suggestion.

I suppose this is neither the time nor the place to discuss the reasons for what I might call the mess in which the whole of Parliament is at the present time. Whether it is due to the intellectual political amateurism of one party, or the stupid obstinacy of another, or the blatant opportunism of another, the fact is that in the public mind Parliament has suffered a reverse more serious than any I have known for many years.

I believe that Parliament as such no longer holds the high and dignified position which it should have in the public esteem. That being to my mind the fact, there is no reason why this branch of Parliament, the Senate, should be treated to the kind of procedure which we have had to follow in these hour-to-hour adjournments. Let us be specific and say to what date and to what hour we shall adjourn. This dilemma, not knowing whether or not people in the other place will make up their minds, makes it indecorous and undignified for us to carry on in this fashion.

I quite understand and agree with my honourable friend that up to March 31 there was necessity for it. However, that date has passed and the necessity, to my mind, has disappeared.

I want it to be very well understood by my honourable friend the Leader of the Government and other senators that I am not by any means raising the standard of rebellion. I personally have the highest esteem for my honourable Leader. I felt last night when he was addressing the house, even though he was reticent as to the stand he took in Cabinet, and properly so, that he shared at least the views of all members of this house, that we were being placed in an undignified position, a position which we could not stand for much longer.

I suggest, therefore, that today—allowing one more chance, by sitting this afternoon or this evening—our Leader be instructed to tell those with whom he has to deal, that the Senate is sick and tired of this kind of procedure, that we will adjourn until Monday, April 6.

Hon. Arthur W. Roebuck: Honourable senators, I would like to hear from the Leader of the Government once again. Will he tell us what the urgency is now, if there is any urgency, for the passing of this bill? What is there in the bill, or what is its subject matter, that requires attention in a special way?

Hon. Mr. Power: We have not even come to the bill yet.

Hon. Mr. Roebuck: No; we have not even received the bill. It is still under consideration, and we are sitting here waiting to deal with it in accordance with our good judgment.

Allow me to make one comment with regard to the Senate's position in connection with this matter. We heard some eloquent speeches yesterday with regard to the indignity to the Senate. I do not agree with those statements. It is true that it is not very dignified to sit in the antechambers of the great, "cooling your heels." That does not pander much to one's egotism. At the same time, let it be thoroughly understood that we are in no wise responsible for the situation which presents itself to us. On the other

hand, as the leader has said, we have been here ready and prepared to do our duty and to attend to the interests of the public, as it appeared to us at the time, and at considerable inconvenience to many of us. I cannot see that we have been in any way downgraded by what has taken place. Rather, I would say that we are entitled to some credit for the patience we have exercised and for the reserve which has been observed by all of us in this chamber. I can take some credit to myself, as can other members, for being here at all under these circumstances.

I agree with the Acting Leader of the Opposition that we ought to adjourn now until April 20. Unless the Leader of the Government has something to say with regard to the urgency of the situation, we should stay here no longer. Perhaps we should sit this afternoon, and then adjourn. However, I see no reason why we should not adjourn right now, go home, and come back when there is work to be done.

Hon. Mr. Connolly (Ottawa West): I do appreciate the fact that honourable senators have expressed their views this morning about this situation. I thank them for their views and for the reasonable way in which they have been put forward.

May I first deal with the point raised by the Acting Leader of the Opposition? He referred to a section in the Appropriation Bill No. 4 passed in 1962. As he very well knows, the present appropriation bill is not yet before us, and I believe it is not even before the House of Commons at this time. It may well be that a similar section will form a part of this bill. Whether or not it will, no one is able to say until the bill is distributed in the other place, when for the first time it will be open to public inspection. However, I do thank the honourable senator for drawing this matter to my attention and I assure him that it will be brought to the attention of the appropriate authorities.

The honourable senator from Gulf (Hon. Mr. Power) and the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) have substantially agreed on one point. They want to know, now that the "magic hour" of midnight, March 31, has passed, whether there is any urgency with respect to this appropriation bill being debated in this chamber and being given royal assent. I understand there are a number of items in the schedule to the supplementary estimates now before both branches of Parliament which will require urgent attention. One involves payments into the Unemployment Insurance Fund. I understand that the fund is very low, and with anticipated payments out of it in the very near future, money may be required to replenish it within a matter of days. That alone indicates an element of urgency about the legislation.

Honourable senators may ask: Why were not this and similar items in this appropriation bill dealt with separately? I believe the answer is that in making its plans, the normal practice of the Government is to place all the estimates in one bill, including these urgent items, and a great many other items which call for payment. Unfortunately, the bill has been held up, and so both the urgent and the routine items have been delayed.

There are other urgent items in the supplementaries. There is a salary item to be dealt with under the Department of Finance, to which some urgency and importance are attached. I understand there are accounts of the Department of External Affairs which involve payments to other than Canadian nationals, and the Government and Parliament wish these payments to be made promptly.

Honourable senators, I can say little more about the question of urgency. However, I believe I have said enough to indicate there is an element of urgency and that it would be desirable, in the public interest, for this bill to come before this chamber as soon as possible to be debated and, if approved, to receive royal assent.

I think it is fair to say what I have said just now. The honourable senator from Gulf (Hon. Mr. Power), who does not speak often enough, has had wide experience in the Parliament of Canada, and when he does speak we listen to him with more than usual attention. He has said that Parliament has suffered as a result of the proceedings which we have witnessed here in the past week, and with this I think most of us agree. But whether or not we agree, I think the members of the public have reached that conclusion.

I do not want to embark upon any criticism of the other place, but I do give credit to the members of this chamber for their readiness and willingness to be here to do the duty required of them. The decision of course is not mine; I am in the hands of the house and, like all honourable senators, I am ready and willing to abide by the decision of the house in respect to the time of adjournment. As I said in my opening remarks, I think it would be too optimistic to expect that this measure would be ready to receive royal assent tonight; but there is a possibility, as the senator from Gulf has suggested, that we would know something about this a little later today. Honourable senators may feel that since we are here it

might be the part of wisdom for us to adjourn until later today at the call of the bell for the purpose of assessing the situation then.

I know we do not want to engage in a general debate on this matter, but if it is decided to adjourn until later this afternoon, and if then there is no definite word as to what we can expect, I shall ask for leave to adjourn until Friday morning at 11 o'clock.

Hon. Mr. Roebuck: What about Monday?

Hon. Mr. Connolly (Ottawa West): I would not want that possibility to be ruled out either, but if we are going to sit later today, perhaps honourable senators would consider sitting Friday morning at 11 o'clock. My personal feeling about the matter is that we would be better off to sit on Friday, as there is a good prospect that the bill may be dealt with in the other place by tomorrow night. Honourable senators, for a very good reason I am not suggesting that we adjourn until late tomorrow night. Even if this measure is dealt with by the House of Commons by 10 o'clock tomorrow night, it is not my intention to ask the Senate, after having waited all week, to sit late tomorrow night to give rushed consideration to this bill.

Hon. Mr. Roebuck: Hear, hear.

Hon. Mr. Connolly (Ottawa West): I suggest that we do not sit tomorrow night, and that Friday, for the reasons I have given, might be the best day.

I know there is irritation in the chamber even at my making this suggestion, but I am trying to balance the problems, irritations and frustrations against the duty we are required to perform.

Unless there are other views to be expressed by honourable senators, I would move that the Senate do now adjourn during pleasure to reassemble at the call of the bell at 5 o'clock this afternoon.

Hon. George S. White: Honourable senators, I would like to suggest to the honourable Leader of the Government that he move we adjourn until 6 o'clock. We would then have the advantage of knowing what happened in the House of Commons throughout the afternoon until 6 o'clock.

I was present in the gallery of the other place at 10 o'clock last night, and it was not very hard to sense what was the feeling of that house. I think at 6 o'clock tonight we will be in a better position to make an assessment of the situation, and we can then consider the possibility suggested by Senator Choquette and Senator Roebuck, that we adjourn until April 20.

Hon. Mr. Connolly (Ottawa West): That is an excellent suggestion, and I thank the honourable senator for it.

HIGH COMMISSIONERS IN CANADA

NOTICE OF INQUIRY WITHDRAWN

On the Notice of Inquiry of Hon. Mr. Pouliot:

That he will inquire of the Government:

1. Are the High Commissioners to Canada for
   (a) the United Kingdom of Great Britain and Northern Ireland,
   (b) Australia,
   (c) Ceylon,
   (d) Ghana,
   (e) Malaya,
   (f) New Zealand, and
   (g) South Africa

   qualified as electors in virtue of the Canada Elections Act, (R.S., c. 39, as amended), inasmuch as they comply with the provisions of section 14 of the said act?

2. Are the British subjects referred to in No. 1 enjoying in Canada the same public rights as Canadian citizens do, upon the same conditions?

3. Is the political status of a British subject the same in Canada as in any other part of the Commonwealth?

4. If not, are there any
   (a) degrees, or
   (b) differences in the British nationality and what are they in each country?

Hon. Jean-François Pouliot: Dropped. It has been answered personally.

I ask that Inquiries Nos. 4, 5 and 6 in my name stand until April 20.

DIVORCE

RESOLUTIONS ADOPTED

The Senate proceeded to the consideration of Resolutions numbered 111 to 160, inclusive, which were presented yesterday.

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved the adoption of the following resolutions:

Resolution 111, for the relief of Helene Cohen Yaffa.

Resolution 112, for the relief of Gisele Plouffe Rivard.

Resolution 113, for the relief of William Guy Ransom.

Resolution 114, for the relief of Lionel Mortimer Pasen.

Resolution 115, for the relief of Margaret Helen Brander Hall.

Resolution 116, for the relief of Maurice Therrien.

Resolution 117, for the relief of Mary Suszek Cieply.

Resolution 118, for the relief of Elizabeth Morecroft Tooke Hamilton.

Resolution 119, for the relief of Joseph Emelien Rene Racine.

Resolution 120, for the relief of Joan Hembling Impellezzeri.

Resolution 121, for the relief of Jean-Paul Mousseau.

Resolution 122, for the relief of Arthur William Tombs.

Resolution 123, for the relief of Adele Caprioli Fisher.

Resolution 124, for the relief of Rose Marie Luci Gates.

Resolution 125, for the relief of Frances Mary Coghill Cushing.

Resolution 126, for the relief of Jacques Marchessault.

Resolution 127, for the relief of Mario Marino.

Resolution 128, for the relief of Sheila Aronoff Cohen.

Resolution 129, for the relief of Elizabeth Rosamund Bushe Kertland.

Resolution 130, for the relief of Marguerite Lacoste Hof.

Resolution 131, for the relief of Roger Martel.

Resolution 132, for the relief of Josephine Agnes Rita Feehan Maltman.

Resolution 133, for the relief of Constance Marion Hulburd Musgrove.

Resolution 134, for the relief of Joseph Leandre Guitard.

Resolution 135, for the relief of Joan Pauline Day Steeves.

Resolution 136, for the relief of Elizabeth Kolokithia Lambrinoudis.

Resolution 137, for the relief of Sheila Cohen Wright.

Resolution 138, for the relief of Jack Reinhold Russel.

Resolution 139, for the relief of Jean Elaine Lowe Pinatel.

Resolution 140, for the relief of Ethelind Zidulka Silverman.

Resolution 141, for the relief of Jeannine Guerin Archambault.

Resolution 142, for the relief of Clairette Schnurer Leibovici.

Resolution 143, for the relief of George Markozanis.

Resolution 144, for the relief of Hipolite Paul Molla.

Resolution 145, for the relief of Barbara Winnifred Kurtz Oleschuk.

Resolution 146, for the relief of Fleur Aimee Marie Liette Ranger Methot.

Resolution 147, for the relief of Magdolna Rado Robert.

Resolution 148, for the relief of Hisako (Elizabeth) Honma.

Resolution 149, for the relief of Gitta Klages Rybicki.

Resolution 150, for the relief of Mary Eileen Slattery Menard.

Resolution 151, for the relief of Patricia Patience Scarbrough Dixon.

Resolution 152, for the relief of Nicholas Kyrangelos.

Resolution 153, for the relief of Edmund Arthur McMahon.

Resolution 154, for the relief of Elizabeth Cormack Franey.

Resolution 155, for the relief of Reine Ethier Lafleur.

Resolution 156, for the relief of Lawrence Giblin McLean.

Resolution 157, for the relief of Diane Irene Gaudard Chicoyne.

Resolution 158, for the relief of Margaret Stuart Cairns Liontos.

Resolution 159, for the relief of Beverley Grace Smith Proulx.

Resolution 160, for the relief of Marcel Talbot.

Resolutions adopted, on division.

BUSINESS OF THE SENATE

Hon. John J. Connolly: Honourable senators, I move that the Senate do now adjourn to reassemble at the call of the bell at approximately 6 o'clock this evening.

The Senate adjourned during pleasure.

At 6 p.m. the sitting was resumed.

Hon. Mr. Connolly (Ottawa West): Honourable senators, I am informed that the private members' hour in the other place, which was scheduled to start at 5 o'clock this afternoon, was dispensed with and that the appropriation bill was discussed during that period. Items for the Department of External Affairs were considered, but were not completed.

Unanimous consent has been given in the other place to sit tonight, because the items for the Department of External Affairs must be completed. I am informed that the Unemployment Insurance Fund will be debated this evening, and there may be other items of interest which will be considered, perhaps at some length.

I may frankly say that, in my judgment—and again this is a "guesstimate" rather than an estimate—there is little prospect of this bill reaching final determination in the other

place this evening. The prospects for tomorrow are even difficult to guess. However, the fact that in the other place two significant steps have been taken towards progress—they have foregone the private members' hour and have agreed to sit on a Wednesday night—indicates they are showing some determination to conclude their discussion.

Honourable senators, at this time it might be appropriate for the honourable Acting Leader of the Opposition and other honourable senators to speak on this point, but my own feeling is that there is little prospect of getting the completed bill this evening.

Perhaps I should add this observation. On a number of occasions I have said how grateful I am to all honourable senators for their patience. I think, too, that a sense of duty is actuating the Senate. We are required to deal with these matters, and we have been willing and ready to do so all this week. That is an important point which the public should know. Having gone as far as we can, we should certainly be careful to preserve the position which we have taken consistently throughout the week.

Hon. Lionel Choquette: Honourable senators, I appreciate very much the position in which the Leader of the Government finds himself. I would say, however, that he seems a little too optimistic. As he has already pointed out to this house, we are all here to co-operate. I think we must bring to an end the complaints which have been lodged during the week to the effect that we cannot go on holidays. School children are on holidays; their parents are working. We are paid to work, and we will stay here as we should. That is the attitude we should take from now on.

The Unemployment Insurance Fund will be discussed at considerable length in the other place, and the question of D.V.A. hospitals being turned over to civilian authorities will also take some time to discuss.

Honourable senators, if we were to adjourn until 4 o'clock tomorrow afternoon, I feel confident that we would have some concrete work to do then. Therefore, I suggest, subject to the approval of all senators present, that we adjourn until tomorrow afternoon at 4 o'clock.

Hon. Mr. White: May I ask the honourable Leader of the Government a question?

At the beginning of the sitting in the other place today, there was considerable discussion on the Unemployment Insurance Fund, and that was all that was discussed. The honourable Leader mentioned that the members of the other place were on External Affairs. Does he mean that certain items for External Affairs will have to be passed in this appropriation bill, along with whatever money is required for the Unemployment Insurance Fund?

Hon. Mr. Connolly (Ottawa West): I am sure no one knows this better than the honourable senator—and perhaps I am talking about the obvious—but there are a number of items in various departments, including External Affairs, Citizenship, Fisheries, Forestry and so on; then at the end of these supplementary estimates there are Loans, Investments and Advances—items for various departments. One item which apparently is going to cause some debate tonight is item L27e, dealing with the Unemployment Insurance Fund, under the Department of Labour. I do not think the other house has reached that item yet. As a matter of convenience to the Secretary of State for External Affairs, who is obliged to be away on some business, I believe they agreed to deal with the items under External Affairs at 5 o'clock. The best information I have is that the other house did not finish those items, but I would think they are close to concluding that part of the discussion. Their next item of business is the one to which I have referred under the Department of Labour. Does that answer the question?

Hon. Mr. Denis: Honourable senators, while I was in the other place this afternoon they agreed to sit tonight provided the Unemployment Insurance Fund would be discussed. Of course, one cannot be sure that they will, in fact, deal with it tonight.

Hon. Mr. Connolly (Ottawa West): Honourable senators, I thank the Acting Leader of the Opposition (Hon. Mr. Choquette) for the views he has expressed. In view of what he has said, and in the circumstances, I move, with leave, that when the Senate adjourns today, it stand adjourned until tomorrow afternoon at 4 o'clock.

Motion agreed to.

The Senate adjourned until tomorrow at 4 p.m.

THE SENATE

Thursday, April 2, 1964

The Senate met at 4 p.m., the Speaker in the Chair.

Prayers.

BUSINESS OF THE SENATE

Hon. John J. Connolly: Honourable senators, despite the efforts made yesterday in the other place towards progress—by unanimous consent, to suspend consideration of private members' bills between 5 and 6 o'clock and to sit last evening from 8 to 10 o'clock—I am informed that progress has been very slow.

This afternoon the question period lasted no more than a half hour, and although the appropriation bill has been before that place since about 3 o'clock, I am informed that progress is negligible.

In the circumstances I think it very unlikely that this bill will reach us before 10 o'clock tonight. Should it reach us by that hour, I do not think it would be fair to suggest that the Senate should then begin its discussion of a measure for which we have been waiting about a week.

I think, therefore, our best course of action would be to adjourn until tomorrow afternoon at 3 o'clock, in the hope that by that time the bill will be available.

Hon. Mr. Choquette: Agreed.

Hon. Jean-François Pouliot: Honourable senators, as I had some time to spare I enjoyed myself by reading the text of the debates of yesterday and the day before in this chamber on this same subject matter. I have to take objection to some statements that have been made because I have given to no one power of attorney to speak on my behalf.

Referring to the eloquent speech of my honourable friend, Senator O'Leary, I must say that I was so enthused by the music of his voice that I became absent-minded with respect to the expressions he used in his oration. I agree fully with the first four lines of what he said:

> —let me say that I do not intend to place any blame upon the Leader of the Government in this house. I am sure he is doing his best under the circumstances.

That is what I would have said. Those words were appropriate to the occasion. Then he went on:

> But I wonder if the members of both houses have any real awareness of what is being said outside by the public as to what is taking place in the other house at the present time.

Honourable senators, for the first time in my life, every time I left the building the constables at the door remarked to me, "You senators are working hard these times." I had a taxi to go home and the taxi driver said to me, "How much work you do? When will you take any vacation?"

I went down to my apartment, where the desk clerk said the same thing, "You are coming home late tonight; you must be working very hard." That was the impression of the people.

My honourable friend Senator O'Leary spoke of the reaction amongst the people. I must tell you what it is. I went to buy a tie, and the clerk at the store repeated the same story, "You are very busy these times at the Senate; it is extraordinary how much you work." It went on like that, and for a very good reason.

The reason is that the Canadian people are no longer informed by the press about what is going on in Parliament. In the old days, when we read the paper we knew what had happened every day under this roof, in both houses of Parliament. Now there are some articles on various matters; perhaps one point is reported, but anyone who reads the paper does not get the complete information. I make a few exceptions. I make exceptions in the case of the Ottawa *Journal,* the Ottawa *Citizen, Le Droit* of Ottawa; and for my favourite paper, the Halifax *Chronicle Herald;* for the *Gazette, La Presse,* and some other papers.

The press is not as good now as it was, and therefore it must assume a certain degree of responsibility for the fact that the people are not as well informed about public business in Parliament as they were some years ago. In fact, when I am at home, if I am late in receiving the official publications, I have to telephone to Ottawa to find out what will happen on the next day.

Senator O'Leary continued:

> But surely it was possible for grown men to sit down together in the other place and agree among themselves to pass this supply bill, send it on to the Senate—

This was said by him on March 31. I was unavoidably absent the day before. What is interesting is that third reading of the interim supply bill did take place in both houses on March 26.

What is more interesting is that the day before Senator O'Leary spoke, namely, March 30, royal assent had been given in this chamber to the interim supply bill. My honourable

friend Senator O'Leary was present, according to the record, and he witnessed the ceremony; therefore, what he suggested should be done on March 31, in fact had been done the day before. My honourable colleague continued:

> —and then proceed with the examination of the items in the supplementary estimates, and if their study was not concluded by Thursday, then to adjourn over Friday.

That would have been impossible, according to the rules of the house, because unanimous consent was not given to such procedure. My colleague continued:

> Surely it cannot be true that the Government of this country would stop if all these supplementary estimates were not passed. The members of the Commons are not getting through to the public the various sides of the controversy that are being taken over there, and I am not myself concerned with that—

It is unfortunate. My honourable friend should be concerned with that, and should use his newspaper to convey that information. It is not for members of Parliament, who are busy dealing with legislation, to do that. It is for the press to inform their readers about these matters.

My friend went on to say:

> —but I am concerned with the spectacle that is being made of this branch of Parliament. I believe this business of calling us back here as messenger boys is not only an affront to the Senate but, because the Senate is an integral part of Parliament, I think it is an insult to Parliament itself.

Of course, there are ups and downs in life, and we may take the elevator to come down as we have to take the elevator to go up. It has been always like that. We are waiting to receive the legislation from the House of Commons.

What I am going to say now may be unpopular for some or all of you, but I believe in it sincerely. According to the rules of fundamental freedoms and human rights, the members of the other house have the unquestionable right to discuss every matter that comes before them, inasmuch as they comply with the standing orders of their chamber. It is unfortunate that there was a miscalculation in the preparation of the agenda of the Orders of the Day of the other house, but that is not a reason for saying we are messenger boys. We are not messenger boys; we do our duty, which is to study in turn the matters now being debated in the House of Commons. I am sure that every one will agree with that.

My honourable friend continued as follows:

> I was brought up to reverence Parliament in a home to which Parliament was very dear, because it was something for which my ancestors had struggled for centuries. We thought of Parliament as being very precious. But what have we seen here in the last few days?
>
> When I accepted membership in this house I believed I was being done a great honour. During the past few days I have been made to wonder about it—

That is probably a clerical error. He may have said, "to wander around it," but I will take it as "wonder." In any event, the record says:

> —wonder about it when I have been treated, as I said a moment ago, as a messenger boy. I am serving notice now that if in the future there is a recurrence of this, with bills being sent over here and this house being asked to approve them as if it were a mere gramophone of the House of Commons, I am going to resist.

That is what I have always done with all my power, when I felt it to be necessary. We have the right to explain our position and to express our views. The word "resist" might be strong; that is the language my honourable friend used, but it is not so bad as that. I was sorry to read those words from the honourable gentleman, because I sympathize with him and I like him. He continued:

> Nevertheless, as a member of this house, I feel I have been humiliated in the last few days—

I am sorry that my honourable friend has been humiliated in the last few days. I have not been.

> —and I am sure that there is not a member in this chamber who does not feel that his position in the Senate has been degraded to some extent by what has occurred.

This is why I have risen to protest. I do not consider that I have been degraded, because we have done our very best to accommodate the House of Commons. If the suggestion which was made to adjourn until Monday next had been accepted, and if the estimates should be passed tomorrow, then we would be blamed for delaying the promulgation of those estimates.

What I regret particularly is the arraignment of the house Leader of the Conservative party, the Honourable Gordon Churchill, by my honourable colleague Senator O'Leary. I never thought he could be so violent towards one of the head men of his party in

the House of Commons. It is an arraignment that neither Senator Lougheed, nor Senator Arthur Meighen of the Conservatives, nor Senator Dandurand of the Liberals, would have made.

Senator O'Leary continued:

> There was no need whatever for this house to be called into session on Good Friday.

We came here to adjourn. We had to abide by the rules of both Houses of Parliament, and we sat only for prayers and to adjourn. It was to show our respect for the Holy Day.

> There was no reason in the world why sensible men in the other place could not have sat down, as good Canadians, and agreed on a course of procedure.

This was in fact suggested; and the Minister of Justice came with an olive branch in his hand. He asked for understanding and agreement, and it was flatly refused by the house Leader of the Conservative party.

> Had they done so, they would not have appeared foolish to people outside.

To call somebody in his own party "foolish," I find pretty hard to understand. I know Mr. Gordon Churchill, and he is not the most amenable of all those I know, but to conclude he is "foolish," is it not too strong?

> During the past few days people outside Parliament have been saying almost unanimously that the conduct of Parliament in the past few weeks has been a disgrace to our democratic institutions. I believe this is true.

I regret that language very much, and I am sure my honourable friend had not written his speech before delivering it to us, because his editorial writings in the newspaper are much more moderate than this speech. That is all for Senator O'Leary.

Our new colleague, the honourable Senator Lang, said that he fully endorsed the remarks of Senator O'Leary.

> This reaction by one so recently ensconced—

That is a rare word, and I had to put my glasses on and use a magnifying glass.

Hon. Mr. O'Leary (Carleton): Honourable senators, now that my friend has finished with Senator O'Leary, I would like to ask him under what rule he is speaking at the present time, and to ascertain if he is really in order.

Hon. Mr. Pouliot: The same rule that my honourable friend took advantage of when he spoke.

Hon. Mr. White: I rise on a point of order. I point out to Your Honour that at the present time there is no business before the house. The Leader of the Government made a short statement upon which, I understand, in the usual way any member is entitled to comment if he so desires. Apart from that, there is nothing before the house, and I do not believe that a debate like this is in order.

Hon. Mr. Pouliot: If I am permitted to say a word in explanation—

The Hon. the Speaker: Is it on the point of order?

Hon. Mr. Pouliot: I have a question of privilege. I want to explain my position.

The Hon. the Speaker: Does the honourable senator now wish to speak to the question of privilege?

Hon. Mr. Pouliot: I want to speak on the question of privilege.

Hon. Mr. White: I would ask that the remarks on the point of privilege be to the point and brief, for once.

Hon. Mr. Hollett: I understood there was a motion by the Leader of the Government to adjourn the house, and therefore I fail to see how there could be any debate on such a motion. I never heard of such a thing.

The Hon. the Speaker: Honourable senators, I interrupt the discussion to point out that a motion to adjourn has not yet been made. As we all know, for the past two or three days there has been no business before the house except the question as to when we should adjourn. This afternoon I thought Senator Pouliot was going to make some point in regard to that matter. I now feel that he was out of order because he has been indulging too much in a discussion of personalities. One can disagree with another honourable senator, but I think the honourable Senator Pouliot has been indulging too much in personalities. I would ask Senator Pouliot to deal only with the question of the adjournment of the house, and not to criticize the attitude taken by another honourable senator.

Hon. Mr. Pouliot: Mr. Speaker, in this case the honourable gentleman, Senator O'Leary (Carleton), has spoken on behalf of all of us. He said, and I was here when he spoke:

> —and I am sure that there is not a member in this chamber who does not feel that his position in the Senate has been degraded to some extent by what has occurred.

My point is, he had no authority from me to use that language. I do not consider that I have been degraded by what is happening in the House of Commons, nor by what has been done in the Senate. I can paddle my own canoe. I gave no power of attorney to anyone to impute those sentiments to me.

There are other things too, but I would point out to you, Mr. Speaker, that I have not used a single unparliamentary word; the strongest words I read were from the speech of the honourable senator, and they are much stronger than any language I have ever used in Parliament. Perhaps there is a little confusion over the fact that I was reading what had been said by another senator, but the expressions I have read were not those that I normally use in the Senate.

The reason I mention Senator Lang is that he said he fully endorsed the remarks made by Senator O'Leary. He said, "This reaction by one so recently ensconced in this chamber—" I looked up the word "ensconced" in the dictionary, and I found that it means to cover or shelter; to place or hide securely; to conceal; to establish or settle comfortably or snugly. I then looked up the word "snugly," and it means serenely comfortable or peacefully secure.

I am not peacefully secure when my honourable friends impute their sentiments to me. I regret to have to say that because I have a personal liking for Senator O'Leary, and the other new senator seems to be a nice fellow; but, in future, I hope they will mind their own business and speak on my behalf only when they have personal power of attorney from me.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Friday, April 3, 1964

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

Prayers.

DOCUMENTS TABLED

Hon. John J. Connolly tabled:

Report of the Canadian National (West Indies) Steamships, Limited, for the year ended December 31, 1963, pursuant to section 85(3) of the Financial Administration Act, Chapter 116, R.S.C., 1952. (English and French texts).

FEDERAL-PROVINCIAL CONFERENCE—COMMUNIQUÉ PRINTED AS APPENDIX

Hon. Mr. Connolly (Ottawa West): Honourable senators, I desire also to table the communiqué in English and French, of the Federal-Provincial Conference at Quebec City, dated April 2, 1964, and the opening statement of the Prime Minister of Canada to that conference on conditional grants and shared-cost programs, also in English and French.

Hon. Mr. Hollett: Honourable senators, may I ask if the communiqué will appear in *Hansard*?

Hon. Mr. Connolly (Ottawa West): It will not appear except by order of this house. If honourable senators so desire I would be very happy to move that it be printed as an appendix to today's *Hansard*.

The Hon. the Speaker: Is it agreed?

Hon. Senators: Agreed.

For text of communiqué see appendix, page 284.

TRANSLATIONS BUREAU

TERMINOLOGICAL BULLETINS—NOTICE OF MOTION STANDS

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

That copies of all the terminological bulletins issued in French and in English, and in both languages by the Terminology Service of the Translation Bureau during the years 1959, 1960, 1961, 1962 and 1963 be tabled in the Senate.

Hon. Jean-François Pouliot: Mr. Speaker and honourable colleagues, this motion has been on the Order Paper since March 13, and it would be very easy to answer it. The Department of Secretary of State has only to table the bulletins mentioned therein. There is no excuse for the delay. I hope that when we meet again the department will have sent that information to the honourable Leader of the Government. I do not insist further now. I ask that the notice of motion stand until the twentieth of this month, please.

The Hon. the Speaker: The notice stands.

BUSINESS OF THE SENATE

Hon. John J. Connolly: Honourable senators, before the Orders of the Day are called, may I say I am informed that very considerable progress has been made in the other place on the bill for which we have been waiting. I understand there is a real prospect—and I believe many honourable senators share this understanding—that this measure will reach us some time late this afternoon, perhaps shortly after 4 o'clock.

I would move, after we have heard from the Acting Leader of the Opposition (Hon. Mr. Choquette), that with the approval of all honourable senators the Senate do stand adjourned until the call of the bell at approximately 4 o'clock this afternoon.

Hon. Mr. Choquette: May we expect to receive the entire bill, or certain parts of it incorporated in a new bill?

Hon. Mr. Connolly (Ottawa West): My understanding is that we shall have the entire bill.

Hon. Mr. Flynn: If the bill should not reach us this afternoon, what would be the alternative?

Hon. Mr. Connolly (Ottawa West): Honourable senators, we have been faced with so many alternatives that I think we have run out of imaginative answers. However, I think we are at the point now where we can expect something definite. I cannot say more than that.

Hon. Mr. Fournier (De Lanaudière): If the bill does not reach us before 6 o'clock what will happen then?

Hon. Mr. Connolly (Ottawa West): I would prefer to wait until about 4.30 o'clock to see what might happen. I hope my friend will continue to show the patience which honourable senators have shown all week.

Hon. Mr. O'Leary (Carleton): May I ask the honourable leader if, whenever the bill does come here, we shall be given some time to discuss it?

Hon. Mr. Connolly (Ottawa West): Oh, certainly.

The Senate adjourned during pleasure.

At 4.40 p.m. the sitting was resumed.

APPROPRIATION BILL NO. 2, 1964

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-86, for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1964.

Bill read first time.

SECOND READING

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

Hon. John J. Connolly, with leave of the Senate, moved the second reading of the bill.

He said: Honourable senators, I am sure that after the long wait we have of more than a week, there is some gratification at seeing this measure before us at last. However, this is not the full measure we expected to receive when we began our vigil. This is a bill to provide for a portion of the final supplementary estimates for the fiscal year ended March 31, 1964. The amount proposed to be granted by this measure is to be found in the margin opposite clause 2 of the bill, and that amount is $130,793,985.

Perhaps I should just take a moment to give the background of the measure we now have before us. In the last fiscal year there were five appropriation bills. The first of these granted interim supply for the first four months of the last fiscal year; that is, the months of April, May, June and July of 1963. The amount of that first bill was $1,430-odd million. Bill No. 2 granted interim supply for the months of August and September, in the amount of $724 million. I think it would be more convenient if I used round figures in this portion of the discussion. Bill No. 3 granted interim supply for the months of October and November in the amount of $747 million. Bill No. 4 granted interim supply for the month of December, 1963, in the amount of $377 million. Bill No. 5 granted the balance of the main and supplementary estimates, in the amount of $990 million. The total amount voted by Parliament for the last fiscal year, up to and including the approval of Bill No. 5, was $4,270 million—in round figures.

As honourable senators are aware, at or after the conclusion of a fiscal year there are always items representing unpaid bills, new expenditures—items that have to be provided for in connection with the service that has been conducted for the public by the various departments of Government. Earlier in the week I expected that I would be presenting for your approval a bill containing the final supplementary estimates for the fiscal year 1963-64, which ended on March 31 of this year. However, that entire bill which we had been expecting has not yet been finally approved by the House of Commons, and what we have before us today is a portion of the amounts intended to be approved by Parliament at this time.

I think I should say by way of introduction that, according to my understanding, the House of Commons is now busily working on the other items in the supplementary estimates (E) which were tabled in this house on March 10, and perhaps there is some prospect it will finish that portion of that measure later today.

It might serve the convenience of honourable senators if, before I direct their attention to the schedule, I first deal with the sections of the bill. I may say that the form of this bill is that in which bills of this character are usually presented to Parliament at this time.

The first section simply gives the title of the bill, Appropriation Act No. 2, 1964. The second section simply authorizes the expenditure of the money to be provided if the bill is passed by Parliament and, as I have said earlier, the amount authorized to be spent under the authority of this bill is $130,793,985.

Section 3 provides that the amount authorized to be paid out under the authority of the bill must be paid out and applied only for the purposes specified in the items in the schedule appended to the bill. And subsection 2 of this section provides that the provisions of each item in the schedule shall be deemed to be enacted by Parliament on the first day of April 1963, which is the date of the opening of the fiscal year to which these items relate.

Section 4 of the bill confers authority to enter into commitments up to the amounts stated in the various items, and provides that no commitments can be made beyond the amount stated in the items, and, in any event, only after the approval of the Comptroller of the Treasury has been given. This is a normal provision, and later in the discussion I shall have occasion to give an example from the schedule of just what this provision means.

I do not think I need spend any time upon section 5. My honourable friend, the acting Leader of the Opposition (Hon. Mr. Choquette), will be glad to see this provision in the bill. He drew the attention of the Senate to this a few days ago when, it will be remembered, I gave an undertaking that I would bring this matter to the attention of the authorities. It is now in the bill. The explanation I have been given is that before the end of the fiscal year the section which

is here as section 5 is not required, but after the end of the fiscal year it is required. It meets the purposes to which the acting Leader of the Opposition referred in his discussion in this chamber a few days ago.

Honourable senators, perhaps it would be helpful if I referred directly to the schedules. It will be seen that they are broken down by departments. The first is the Department of Agriculture, at page 4, for which the total amount hereby voted is $127,343,681.

The second department for which funds are provided in the schedule of this bill is the Department of Citizenship and Immigration, also on page 4, and the total amount provided is $631,600.

On page 5 of the schedule provision is made for certain expenditures of the Department of External Affairs. The total amount is $2,502,600.

Next is the Department of Labour, and the total amount to be voted for this department is $312,503. This sum appears on page 6 at the end of Vote 49e.

In addition to the amounts granted and authorized to be spent by these various departments there are certain loans, investments and advances provided for in the supplementary estimates. These will be found on page 25 of supplementary estimates (E), two of which are in this schedule, namely, an amount of $3,600 for the Department of External Affairs, and an item of $1 under the Department of Labour for the Unemployment Insurance Commission.

A few moments ago I referred to section 4 of the bill, which deals with the question of commitments. If honourable senators look at page 6 of the schedule under "Loans, Investments and Advances" and then under "External Affairs" they will see extended in the column the amount of $3,600. This is Vote L17e—the letter "L" before an item indicates that it is a loan item—and reads as follows:

> Additional advance to the Working Capital Fund of the Food and Agriculture Organization of the United Nations, in an amount of $3,268 U.S., notwithstanding that payment may exceed or fall short of the equivalent in Canadian dollars, estimated as of February, 1964, which is $3,600.

What Parliament is doing in passing this item is authorizing the payment of $3,268 U.S. to the F.A.O., for the purposes specified in this item. Of course, with the fluctuation in the exchange rate, the exact amount of this appropriation is not known until the time arrives for the payment to be made.

What is extended—and this is the normal practice—is the amount of Canadian dollars which represents the contribution in question. The Comptroller of the Treasury, seeing the authorization to pay the $3,268 U.S., would be able to issue a cheque for an amount required to meet the payment of $3,268 U.S. on the day that the payment is made.

I come now to the last item, "Labour B—Unemployment Insurance Commission." This also is a loan item, L27e, and reads as follows:

> To authorize the Minister of Finance, notwithstanding the Unemployment Insurance Act, to credit, on such terms and conditions as the Governor in Council may determine, to the Unemployment Insurance Fund such sums as may from time to time be required by the said Fund; the aggregate of the sums outstanding at any one time not to exceed $55,000,000—To extend the purposes of Vote L27a of the Estimates for 1963-64 to cover requirements in the fiscal year 1964-65.

This is a $1 item and can be described as the most important of the urgent items contained in the schedule to this bill.

I am informed by what has been said in the other place—and indeed this is the fact—that the Unemployment Insurance Fund may very well be in a deficit position by this weekend. An honourable senators know, payments out of the Unemployment Insurance Fund are being made constantly and real concern is felt that the payments required to be made at this time will not be made unless this authority is granted.

I am informed, too, that many members of the public, recipients of unemployment insurance payments, will be seriously inconvenienced and disturbed if these payments are not made.

I should add that early notice was given of the prospect of this condition for the end of the financial year. It was given in the Budget Papers a number of weeks ago. At that time these supplementary estimates were before Parliament. The Unemployment Insurance Fund item was not segregated in a separate bill, but was included in the normal final appropriation bill which it was expected would approve the final supplementary estimates for the fiscal year ending March 31, 1964.

In these circumstances, and particularly now that we have reached the third day of April, this item becomes an urgent one. I think all honourable senators will agree that this item particularly should engage our serious consideration, and because of the urgency involved I would hope that, with unanimous consent, we would pass it today.

Honourable senators, in so far as I can do so, I shall be pleased to give such further explanations as may be required. Of course,

I have never before been called upon to carry out a role like the one I am carrying out now. All I hope is that I shall be able to answer, in a way that is satisfactory to all honourable senators, questions directed to me.

Hon. Lionel Choquette: Honourable senators, less than six weeks ago the honourable Senator Connolly assumed the duties of Leader of the Government. Until a few days ago his duties were not too onerous, but I must say that this week he has been put through a baptism by fire. I think he should be commended for the way he has discharged his duties and for his success in keeping the Senate in session, notwithstanding the sentiment that prevailed, not only on this side of the house, but also on his side.

I am not given to issuing ultimatums. That would be rather repugnant, especially when one is taking the place of an absent leader. However, I wish to go on record, and I think I speak for all honourable senators on the Conservative side of this house, that there should be no repetition of the situation which existed this week, and that if there should be, there will not be unanimous consent such as we might very well have this evening.

Having said that, honourable senators, I shall now deal with the matter under consideration. The bill now before us, for which we have been waiting all week, covers just over one-third of the total final supplementary estimates, which amount to almost $300 million. The amount of the bill now before us is $130,793,985, and covers certain items of the final supplementary estimates which were passed by the other place. We were given to understand that we would be getting a bill this afternoon covering the full amount of the estimates. However, we realize this is a situation over which the Leader of the Government has no control, for in actual fact in bills of this kind, dealing with public funds, we are at the mercy of the other place. We can only deal with what comes before us.

The honourable Leader of the Government was good enough to explain the bill in his usual lucid manner. We notice that section 4 of the bill is a departure from the usual form, and the language of this particular section does not convey very clearly just what is intended. I hope the Leader of the Government will explain that rather nebulous section, which I for one am unable to understand very clearly.

Section 5 of the bill has the same provision that appeared in the appropriation bill which was passed by the Senate on April 18, 1962, to which I drew the attention of the Leader of the Government some time this week, covering the fiscal year which ended on March 31 of that year. Honourable senators will recall that I pointed out the similarity of that measure to the situation in which we now find ourselves, with the exception that we are now discussing a bill which covers only a part of the final supplementary estimates.

On April 1 the Minister of Labour, in replying to a question in the other place, said that unless the item authorizing the Minister of Finance to make a loan to the Unemployment Insurance Fund was approved this week, the Unemployment Insurance Commission would, and I quote, "be in difficulty to make benefit payments by the end of the week."

I would refer honourable senators to page 1679 of the House of Commons *Hansard*. Here we have the real urgency for the speedy passage of this bill. The bill authorizes the expenditure of $130,793,985. Apart from the authorization of the amount under the heading "Loans, Investments and Advances," this money has already been spent. One gets some idea of the importance of this amount when it is realized that the total deficit for the last fiscal year, according to the Minister of Finance in his budget address, was $685 million.

Honourable senators, it is not my intention to go into individual items at this time, but there are one or two comments I would like to make. We should have been told last week that it was necessary to pass this bill before March 31 in order to replenish the Unemployment Insurance Fund. We are now told that the Government had no statutory authorization to make a loan to the fund after midnight, March 31. At that time, according to the Minister of Labour, the fund showed a debit balance of $4,500,000. The item in question can be found in the schedule of the bill, under "Labour," in the section dealing with loans, investments and advances. It is in the usual form of the nominal statutory $1, authorizing the Minister of Finance to credit to the Unemployment Insurance Fund such sums as may be from time to time required by the fund, the aggregate at any one time not to exceed $55 million, and designed to cover requirements in the fiscal year 1964-65.

The same provision was made last year to cover the fiscal year just ended. I would like to read from page 15 of the schedule, Vote No. L27e:

> Unemployment Insurance Commission—
> To authorize the Minister of Finance, notwithstanding the Unemployment Insurance Act, to credit, on such terms and conditions as the Governor in Council may determine, to the Unemployment Insurance Fund such sums as may from time to time be required by the said

Fund; the aggregate of the sums outstanding at any one time not to exceed $55,000,000—To extend the purposes of Vote L27a of the Estimates for 1963-64 to cover requirements in the fiscal year 1964-65.

Now we are informed that at the end of the fiscal year the Government had used up $35 million of this amount, and this did not cover any contingencies for the new fiscal year. A new statutory authority was required. The item is for $1, as we all know, but it is provided that it should not exceed $55 million in the fiscal year 1964-65.

For the reasons known only to itself, the Government, notwithstanding the urgency it knew existed respecting the precarious state of the fund, elected to proceed with the perfunctory budget debate in the other place right up to two days before Parliament was due to recess for Easter. This left both houses of Parliament with less than two full sitting days to debate the largest set of final supplementary estimates in history, totalling, as I have said, almost $300 million.

Even then, the Government, under strong criticism for pursuing this course of action, still refused to divulge the true nature of the urgency for the passing of these estimates.

The Montreal *Gazette* in its editorial section on April 2 said, and I quote in part, and while I do not like to do so, I make these words my own—

> Consider, then, the position in which the Government had placed the Opposition. If the Opposition insisted on examining the supplementary estimates, even if this meant delaying the Easter holidays (and consuming them in part) it could be accused of obstruction—that ancient accusation against any Opposition.
>
> But if the Opposition agreed to snap up the carrot dangled before it in the form of enticing holiday, and let the estimates fly through with barely a passing glance, then it could well be accused of not doing its duty—of thinking more of its holidays than of what happens to the taxpayers' money.
>
> The Opposition had to make its choice. It is a choice with which it ought not to have been confronted. But since the choice has been forced upon it, the Opposition has made the right decision. And perhaps not the least of the benefits of its action may be a better order, on the Government's part, in the way it manages the business of the house.

I am sure there are many honourable senators like myself who will agree with the sentiments expressed in this editorial.

Honourable senators, we do not object to having to meet daily; this is our duty. This is why we are here. But we do object to being placed in the position where we are made to look ridiculous. In this regard I have only to refer honourable senators to the remarks of Senator Power and Senator O'Leary (Carleton). We are not blaming the Leader of the Government (Hon. Mr. Connolly, Ottawa West), but we do say that the Government should have taken Parliament into its confidence. Now, having attended to our duty all week, we find ourselves once again in the position of having to pass in a few hours a measure which has been the subject matter of debate in the other place for the past ten days. We have no alternative; we must consent to the passage of this bill in order that half a million unemployed Canadians will be able to receive the benefits of unemployment insurance next week. And so, honourable senators, we are placed in a position where we are obliged to waive our rules in order to facilitate the passage of this bill authorizing as it does the expenditure of substantial public funds.

We hope that in the future the Government will arrange its business so as to enable this branch of Parliament to perform properly the duties entrusted to it under the Constitution.

Hon. George S. White: Honourable senators, I wish to make a few remarks, and at the outset I wish to make it very clear that I am speaking for myself alone. The bill now before the house covers part of the supplementary estimates for the last fiscal year, and no doubt, as has been indicated, we are going to be called upon in the space of minutes to give it first, second and third readings. I would point out to honourable senators that it is only on second and third reading that we can discuss the various items contained in this bill. Once the bill is passed it is final and complete, but that does not apply to an interim supply bill, such as the bill that was passed and given royal assent on Monday and which granted supply for two months. The honourable Leader of the Government (Hon. Mr. Connolly, Ottawa West), in introducing that bill, gave the usual undertaking—to be found at page 239 of *Hansard*—that the rights and privileges of all senators to question and debate any of the items contained in that bill were preserved.

On that occasion Senator McCutcheon made some reference to the practice that has grown up over the years in the Senate, and followed by all parties, of introducing interim supply bills, and other money bills, at the last minute and expecting the Senate to rubber stamp them within a very short period of time. I suggest to all honourable senators that in

future the Senate should follow the rules of the Senate. These rules were drawn up, approved and adopted by honourable senators. They were prepared and approved by most capable and experienced senators, and these rules are for very definite purposes. They are for the guidance of honourable senators, and they outline the procedure to be followed in the daily proceedings of the Senate. If the rules are unfair, inadequate, or if they do not cover some particular situation or point, the remedy is very simple. Honourable senators are masters in their own chamber, and they can amend their own rules at any time.

Perhaps it would be as well to look back over the situation that has developed, and that has placed us in the very awkward position which has existed during this week. It has been the custom for many years that Parliament adjourn at Easter, and the adjournment has been from the Wednesday before Good Friday to one week from Easter Monday. This year was no exception. The House of Commons *Hansard* of March 11, at page 778, contains remarks made by the Prime Minister who stated that the dates of the Easter adjournment would be from Thursday, March 26, to Monday, April 6.

Later, on March 23, as recorded at page 1358 of *Hansard* of the other place, a question was asked with respect to the adjournment, and the Prime Minister again replied clearly, setting forth the dates of the adjournment as being from Thursday, March 26 to Monday, April 6, but on that occasion he added the following reservation:

> There is one reservation to that, of course, and that is on the understanding that interim supply is passed by the house.

As far as I am concerned there is nothing complicated, vague or uncertain in any way in what the Prime Minister said as to the dates of the adjournment, or the condition upon which the adjournment would be granted.

What followed in the other place I am not going to review, but acting on the words of the Prime Minister, as recorded in *Hansard*, as to the dates of the adjournment and the reservation regarding interim supply, this house approved and passed the interim supply bill last week. As I said before, it was passed subject to the reservation of the rights of all honourable senators to further question and debate the various items in the bill.

What has happened in this chamber during this week is no credit to anyone. I do not blame the honourable Leader of the Government in any way. I am certain he has felt as embarrassed as any other senator, and I wish to commend him for the dignified and restrained manner in which he handled a very unpleasant situation.

We have waited in the Senate for over a week for this bill which has been before the other place for well over that time. The responsibility and blame for what has happened rests clearly on the shoulders of the Government, for it is the Government which plans the business of the house. It is the Government which decides the day on which an interim supply bill, or any other bill, is introduced. Everyone knew from the day that the session opened in February that interim supply would be required to be passed before April 1, and the same thing can be said with respect to the passing of final supplementary estimates. One can only ask the Government to explain why it did not proceed at the proper time to give both houses time to debate and pass both bills.

One has only to recall that when the present Government was in opposition, on at least one occasion it took several days to pass an ordinary interim supply bill. As far as the supplementary estimates are concerned, there have been claims of urgency, with which Senator Choquette has very capably dealt. It has been stated that certain items had to be passed before the end of the fiscal year. Honourable Senator Choquette disposed of this theory when he placed on *Hansard* of April 1, at page 257, the record of the proceedings in 1962 when the final supplementary estimates were not approved until April 18. As the honourable Leader of the Government has pointed out, practically the same clause which appeared in that bill is in the bill now before us.

Much was made of the immediate urgency in the Unemployment Insurance Fund, when it was disclosed by the minister at the very last minute that the fund was nearly exhausted. I, for one, am not convinced in the slightest degree that any emergency existed regarding this fund.

I have here a clipping from the Toronto *Globe and Mail* of April 1, and if I am permitted I would like to read briefly from it. It says:

> Even before yesterday's squeeze play attempt, the Unemployment Insurance Fund was in no real trouble because the Unemployment Insurance Commission had the power to borrow up to $55,000,000 from the Government.

It goes on to state that that authority would expire at midnight on March 31. It continues:

> In the event that the Commons did not extend the borrowing powers beyond midnight, Government officials had drawn up the necessary order-in-council ready

> to be signed at an emergency cabinet meeting before midnight authorizing a loan.
>
> Officials declined to disclose the amount of the loan before it became necessary to pass the order-in-council.

True, it is only a newspaper report, but certainly the enterprising fellow who wrote it did not get that information from an office boy.

I am sure that every honourable senator hopes that the spectacle of this week in the Senate will never be repeated.

Honourable senators, today we are in the position that interim supply has been granted for the months of April and May. In the usual course, a second interim supply bill will have to be presented to this house and passed before the end of May. If the usual procedure is followed, the bill will be presented at the last minute on the last day, and the Senate once again, as today, will be asked to give first, second and third readings in a matter of a few short hours.

As every honourable senator knows, the rules of this chamber provide for two days' notice between first and second reading of any bill, and at least one day between second and third readings.

As I said in opening, speaking for myself, I wish to serve notice on the Government right now that, when the next interim supply bill is presented to this house, the passage of that bill through this house will be in accordance with the rules of the Senate.

As far as I am concerned, if the usual cry is made—this bill must be passed today, otherwise there will be no funds to pay the Civil Service employees; or if the excuse is used, as it was on one occasion I well remember, that unless the bill is passed immediately there will be no funds to pay members of the armed forces; or the excuse that certain outstanding accounts have to be paid; or even that the Unemployment Insurance Fund is exhausted; or any other excuse, except an emergency—that will not be sufficient for any interim supply bill to get three readings in this chamber in one day.

Honourable senators, the Government must take the responsibility of planning the business of Parliament so that never again will we see a repeat performance of this past week. If in the future such a situation develops and a plea is made to waive the rules of the Senate, I will simply refer honourable members to the remarks that I am making now.

Honourable senators, I wish to make it clear beyond any doubt that I am not making any threat; I am only asking that in the future the rules of this chamber be followed. I say with all modesty that I consider myself a reasonable person and one easy to get along with. I am more than willing to meet any emergency, or co-operate when the occasion demands it. I admit that I am old-fashioned, and in many ways even mid-Victorian, but I have great respect for tradition, constituted authority, the dignity of Parliament, and proper respect for parliamentary procedure, law and order, for these constitute the very backbone of our democratic parliamentary system.

In the future I shall refuse to be a rubber stamp for the Government or the other place. In speaking again for myself, I am ashamed of the mockery made of our rules, and the affront to the dignity of this chamber during this week, and for my part I am going to try to prevent it happening in the future.

Hon. Allister Grosart: Honourable senators, I rise, of course, to support the general remarks made by the acting leader on this side (Hon. Mr. Choquette) and by Senator White. So far, I have refrained from entering into the discussions of the many adjournments resulting from what might be called the "Comedy of Errors" displayed in the Parliament of Canada this week, over what was to be a short recess and which now has apparently gone with the winds of change in the minds of men in the other place. However, I do not think it is proper for us to pat ourselves too much on the back for having been here throughout this period. True enough, it has been irritating and frustrating to meet here, with little or no business before us; but we cannot say that we have done less than our duty, even if our duty has not been entirely commensurate with the time and talent of honourable senators who have found it possible to remain here. Our duty has been of the kind immortalized by the great John Milton in a line from his famous sonnet:

> They also serve who only stand and wait.

If that has been our duty, we have done it. However, I think a word is due in explanation of the absence of so many of our colleagues at this important time when this bill is before us, and also during the previous days of this week. This is especially unfortunate, honourable senators, because the public gallery has been unusually filled, particularly by young Canadians. I regret that these people have seen this chamber occupied by only 25 or 30 senators, because earlier in the session, and during last session, the Senate has had a distinguished record of attendance.

Hon. Mr. Connolly (Ottawa West): About one-third of the members of the Senate have been present during this week.

Hon. Mr. Grosart: One-third this week. However, I estimate that our average attendance is about two-thirds.

Hon. Mr. Connolly (Ottawa West): Quite right.

Hon. Mr. Grosart: We have had an average attendance of about 75 senators out of a membership of fewer than 100 senators. That is a creditable record, regrettably spoiled by the events of the past week.

Hon. Mr. Connolly (Ottawa West): Will the honourable gentleman allow me to intervene for a moment, because I think we both feel the same way on this point. I think that our attendance, even during this week, compares favourably with the attendance in the other place.

Hon. Mr. Grosart: I was not going to make a comparison, although it is difficult in discussing this whole problem not to make comparisons; but it is my intention to avoid doing so. However, I think it is fair to suggest why these honourable senators were not present. I believe it can be said without partisanship that they relied on the undertaking of the Prime Minister, referred to by Senator White. The original undertaking was made on March 11 last, and was supplemented by a further statement on, I believe, March 23, when it was emphatically stated that Parliament would recess on the Thursday prior to Good Friday until April 6, with one reservation—if the supplementary estimates were passed.

The honourable Leader of the Government has told us today that a matter of urgency has arisen. Well, it obviously must have arisen since the time the Prime Minister made that commitment, and I think there is good reason to believe that the emergency may not be as real as we have been led to believe. I say that because we have also the statement of the Prime Minister—and I admire him for making it—that he very much regretted he was not at the place of decision on that fateful Thursday before Holy Friday. The inference is clear, that had he been there this impasse would not have been allowed to arise. We can therefore infer, I think, it was the muddled counsels of his lieutenants that brought this about. I think we can go further and say that the implication follows that this alleged urgency in respect of the Unemployment Insurance Fund was discovered— if "invented" is too strong a word—to justify the action of the "temporary management" in the other place which was responsible for the clear undertaking of the Prime Minister not being implemented. I say that was an undertaking affecting the business of this chamber every bit as much as it was an undertaking affecting the business of the other chamber.

It is not my purpose to attempt to assess praise or blame, or to go beyond what I have said, except that I feel it my duty to make an emphatic protest against what I took to be the suggestion yesterday by the honourable Senator Pouliot that Senator O'Leary (Carleton) in his speech had imputed blame in this matter to the distinguished house Leader of the official Opposition in the other place, the Honourable Gordon Churchill. I will go no further at this time than to say that I would also protest the attack on Senator O'Leary, as well as what I regard as the unwarranted suggestion that he had laid the blame for this imbroglio on the Honourable Gordon Churchill. I was here when Senator O'Leary made his speech; I have read it in *Hansard*. I can find no justification whatsoever for any suggestion that Senator O'Leary singled out the Honourable Gordon Churchill for blame in this matter.

We all know what happened. There was a series of misadventures which brought about this situation. Having in mind the assurance of the Prime Minister, we passed the supplementary estimates. Then we had another example of what Shakespeare called a long time ago, "the insolence of office." I think it is fair to describe it as such, because we had these sudden machinations, this sudden rush to find an excuse to justify the ultimatum that not only were the supplementary estimates to be passed but all of the interim supply and, as Senator White has said, the largest total of final interim supply in 14 years.

It is true that there was resistance in the other place, not only on the part of one party but on the part of several. It is well to remember that this is the whole history of resistance to arrogance, arbitrariness and insolence in office. Men faced with this become stubborn, intractable and sometimes impatient. It is also a fact that that kind of resistance is never actually quite as pretty as it is made to appear in the history books.

I say none of this could have been anticipated by our colleagues who are not here, for they were entitled to make arrangements covering the Easter vacation. I am sure many of them would have been here had it been possible for them to cancel those arrangements without great inconvenience to many others besides themselves.

Secondly, I think we should perhaps take a look at ourselves. As Senator White has suggested, we cannot lay all the blame on the managers of the business of Parliament in the other place. We cannot lay it all on the

Commons. Perhaps we should consider very carefully the wise suggestion of Senator White that perhaps all of this could have been prevented had we in this matter, and in our own routine business, given more consideration to the rules to which he referred. They are Rules 23 and 24 of the Senate which, in my short time here—and I regret to say this—have been waived over and over again under circumstances that to me suggested no reasonable argument for this action.

I remember one occasion on which they were waived in a matter that merely involved the authorization of a French translation of the name of a company previously used only in English, and to that I believe we gave three readings in a single day. If we treat our own rules in such a fashion in the ordinary course of our business, perhaps others cannot be blamed if they assume that any time they wish to bring forward a bill at the last minute before a recess or prorogation, the Senate will rush it through in an hour or so. Perhaps we cannot blame them for this, if they think we do not pay any attention to our own rules.

I am going to suggest what has been on my mind for some time. Perhaps now is the time to let bygones be bygones in this particular matter, but could we not in the immediate future do something more than listen to and admire the kind of eloquent speeches which have been made over the years on this particular subject? I believe the stage is set for some action that would be to the benefit of the functioning of the Parliament of Canada. I believe we have set up a committee of the Senate to revise our own rules. The same process is taking place in the other place, and I would suggest to the Leader of the Government that perhaps it would be possible for those two committees to get together, and while they are revising the rules that apply to the conduct of business, each in its own individual house, they might also give consideration to the relationship of the two houses. I am quite sure that if such a discussion took place, and out of it an undertaking that in future the Senate of Canada would abide by its own rules in these matters, as Senator White has suggested, there would result an agreement or the drafting of a set of rules to provide a new procedure which would prevent this comedy of errors that I know is regretted equally by the majority, at least, on both sides.

Hon. M. Grattan O'Leary: Honourable senators, I am going to be very brief indeed. In speaking in this house on March 31 I used these words:

> I am serving notice now that if in the future there is a recurrence of this, with bills being sent over here and this house being asked to approve them as if it were a mere gramophone of the House of Commons I am going to resist.

Well, I am going to resist. I am serving notice now—and here again, like Senator White, I am speaking for myself alone—that I shall not give my consent to the passage of this bill tonight on third reading.

Hon. Malcolm Hollett: Honourable senators, may I ask a question of the honourable Leader of the Government? It has to do with the Unemployment Insurance Commission. I wonder if the honourable Leader could give me some information with regard to the amounts paid to fishermen in the Province of Newfoundland during the last fiscal year. I realize that this question entails some search of the records, and I would be satisfied to accept the information at a later date.

Hon. Mr. Connolly (Ottawa West): I will certainly have that information gathered and sent to the honourable senator just as soon as it is available. Because this is a bill with respect to supplementary estimates, the information for which he asks, and to which he is entitled, is not normally provided in the material made available to me. I will obtain the information he requires.

Hon. Mr. Hollett: I have one other question. Vote 172e, with respect to the Department of Agriculture, reads:

> Estimated amount required to recoup the Agricultural Commodities Stabilization Account—

and the amount is $122 million-odd. I would like some explanation as to why that amount is necessary, particularly in view of the large sales of agricultural products that have been made to various countries of the world. In this case I am prepared also to wait until the honourable Leader of the Government has an opportunity to gather the information.

Hon. Austin C. Taylor: Honourable senators, I would like to ask a question concerning the same item. It has to do with the latter part, which reads:

> —including loss resulting from revaluation of inventory, as at March 31, 1964.

I do not recall ever seeing this in a similar item before. Does this provide for the revaluation of the inventory as from the beginning of the operation of the board until now, or is it for the fiscal year, and is the revaluation on the resale value of the commodities—I am thinking particularly of the butter that

has been in storage for quite a long time—or is it calculated on the basis of what the product costs the board rather than on the resale value of the product at the moment?

Hon. Mr. Connolly (Ottawa West): Honourable senators, because the questions of both honourable senators involve a considerable amount of information, it might be more satisfactory if I am allowed to have that information collected and sent to them.

I may say to Senator Taylor that this item as it is now written is a new proposal, and I think it is an attempt to be as realistic as possible with respect to the values of these commodities. I cannot tell Senator Taylor now whether or not this amount is restricted to supplies which were available only during the last fiscal year, or whether it goes back to the beginning of the program. I know that an attempt has been made, in accordance with better bookkeeping practices which have been used in respect of this matter heretofore, to be as realistic as possible and to see what the loss position really is.

I will get this information at the earliest possible moment.

Hon. Mr. Taylor (Westmorland): In addition to that, in Vote 175e there is an amount of $1,940,000 required to recoup the Prairie Farm Emergency Fund. I am not familiar with that particular fund and I wonder just what it covers. I am not pressing for an answer now, but I would like to get the answer.

Hon. Jean-François Pouliot: Honourable senators, I intend to mention an article which has been written by a highly respected journalist, a member of the Press Gallery who is well and favourably known throughout the country, Mr. James Nelson of the Canadian Press. The article appeared in the Halifax *Chronicle Herald* last Monday. It reads:

> Commons: 28 Days Of Talk But Wasn't Waste of Time.
>
> Ottawa (CP)—The 28 pre-Easter sitting days of the parliamentary session filled more than 1,500 pages of *Hansard* with talk but contributed nothing to the statute books. It was, in fact, just a prelude to the hard-working legislative days to come.
>
> The only bill passed by the Commons was a private one sponsored by Liberal backbencher Jean Chretien of St. Maurice-Lafleche to change the name of Trans-Canada Air Lines to Air Canada.
>
> While the legislative accomplishments were nil, the Commons saw the introduction of major government legislation and set up some of its committees. It also cleared away the eight-day general debate on the legislative program outlined in the throne speech, and most of the six-day budget debate.
>
> In the course of doing so, the government survived six opposition confidence challenges by votes ranging from a narrow 128 to 120 to a powerful 222 to 25.
>
> Hears Program.
>
> In financial matters, the government presented a $6,812,410,507 spending and investment program, not including $882,-000,000 to go out in the existing old age pension program, for the new fiscal year opening Wednesday, April 1.
>
> To cover it, Finance Minister Gordon presented a budget designed to raise $6,700,000,000 without increasing taxes. He said actual expenditures in the new year probably would run to $7,155,000,000, leaving a deficit of $455,000,000—a one-third cut from the estimated deficit for the expiring fiscal year.
>
> High on the post-Easter parliamentary agenda will be three major investigations: The Canada Pension Plan, the Columbia River treaty and defence policy.
>
> Before Committee.
>
> The pension plan, regarded by Prime Minister Pearson's government as the single most important piece of legislation to be introduced in the life of the current Parliament, is to be examined by a joint Commons-Senate committee.
>
> The Columbia River treaty, providing for U.S.-British Columbia development of power and flood control resources of the Columbia River, has been referred to the Commons external affairs committee which has mapped a busy schedule of hearings.
>
> The defence committee which began work last session is to be reconstituted and will have before it Defence Minister Hellyer's new white paper outlining plans for integrating the armed forces from the top down.

Honourable senators, I have a few short remarks to make about citizenship, and it is an opportunity to bring to your attention some facts which are of general concern. If we examine the Citizenship Act, we shall see something about the status of Canadian citizens and the condition of British subjects. Part IV of chapter 33, section 21 says, "A Canadian citizen is a British subject."

Section 23(2) says:

> . . . the expression "British subject" and the expression "Commonwealth citizen" have the same meaning.

The matter has been brought before this house before. We are really not Canadian citizens, but we are indeed the Canadian subjects of Her Majesty the Queen of Canada. Accordingly, we should be described now as Canadian citizens, but as the Canadian subjects of Her Majesty.

The word "citizen" applies mostly to those of a republic, and is not a proper description for a subject of a sovereign. We are subjects in a monarchy. We are the subjects of Her Majesty the Queen—the Canadian subjects of Her Majesty the Queen of Canada. That seems to be clear. But we are at the same time described by the Citizenship Act as Canadian citizens, British subjects, and citizens of the Commonwealth. Nearly all of us were born British subjects. What strikes me is that a mask has been put before "British subject" to call us Canadian citizens, with a turban over our heads to give us an opportunity to call ourselves citizens of the Commonwealth. The mask of Canadian citizenship is worn in Canada, and if we go to India or Pakistan we will be considered as citizens of those countries, if we wear the turban of a citizen of the Commonwealth.

In 1960 I asked a question about the high commissioners to Canada for the various countries of the Commonwealth. I asked if they were Canadian citizens as well as British subjects, by virtue of their residence in Canada, and if so, for how long. The brightest intelligence of the Department of Citizenship and Immigration answered:

> None of the high commisisoners is a Canadian citizen by virtue of residence in Canada.

I did not ask who in particular had written that answer, but it was the answer of the Government of the day.

Then I asked:

> Are the High Commissioners to Canada for India and Pakistan Canadian Citizens and British subjects as well as Citizens of the Commonwealth, by virtue of their residence in Canada and, if so, for how long?

The answer was "No." This appears in Senate *Hansard* of May 27, 1960, at page 712.

On March 13 I put a question about the same matter on the Order Paper, which I have dropped and will not insist upon. I dropped it because it had not been answered, and on March 31 I substituted the item which is Inquiry No. 3 today, for April 20th. To simplify matters, I will read the questions and I will answer them myself. It is the easiest way to deal with it. I obtained some information from the office of the High Commissioner for Great Britain here in Ottawa, and I am very thankful to the office for that.

Question No. 1:

> Is the High Commissioner to Canada for the United Kingdom of Great Britain and Northern Ireland qualified as an elector in virtue of the *Canada Elections Act*, (Revised Statutes of Canada, chapter 23, as amended) inasmuch as he complies with the provisions of Section 14 of the said Act?

The answer is: Yes. The answer applies not only to the High Commissioner for Great Britain, but also to all British born who live in Canada.

No 2:

> Are the British subjects born in the Commonwealth but outside Canada entitled to enjoy in Canada the same public rights as Canadian citizens do in Canada, upon the same conditions?

The answer is: Yes.

Question No. 3:

> Are the Canadian citizens entitled to enjoy in the United Kingdom of Great Britain and Ireland the same public rights as the British subjects, upon the same conditions?

The answer: Yes.

Question No. 4:

> Is the political status of a British subject the same in Canada as in any other part of the Commonwealth?

The answer is: Yes.

Naturally, now that South Africa and Eire are outside the Commonwealth there is no difficulty about it.

Question No. 5:

> If not, are there any (a) degrees or (b) differences in the British nationality and what are they in each country?

The answer is: None—referring to the answer to No. 4, and this is rather interesting, because if a Canadian citizen is, in fact, in virtue of the law, a British subject, therefore a British subject is also a Canadian citizen. It is reversible, and it is important. But now no Canadian-born can be legally deprived of his Canadian citizenship for he has it by virtue of the Canadian Citizenship Act because he is a British subject. Such is the Citizenship Act, you cannot deprive any British-born of the exercise of the public rights to which he is entitled in Canada as well as in the other parts of the Commonwealth.

I want therefore to take the example of Lord Thomson who has been recently invited by Her Majesty to sit in the House of Lords. One may suppose that he has been deprived of his Canadian citizenship, but it is not true. He can at any time run as mayor in any Canadian municipality, be elected there legally in virtue of the municipal law of each of the provinces, and he can run in any other elections in Canada, and therefore he should not worry about the supposed loss of his Canadian citizenship, because it is meaningless.

I have brought this to your attention, and I will express a regret; I regret very much that so little importance is attached to the Canadian nationality. We should be proud of it; we should be proud of being the Canadian subjects of Her Majesty, and we should not encourage the disturbers of peace by using the expression "Canadian citizenship," because Canada is not a republic.

Hon. Mr. Connolly (Ottawa West): Honourable senators—

The Hon. the Speaker: I must inform honourable senators that if the honourable Senator Connolly speaks now it will have the effect of closing the debate.

Hon. Mr. Connolly (Ottawa West): Honourable senators, perhaps I could now answer the last question Senator Taylor (Westmorland) asked me, and I assure Senator Hollett that the only reason I am able to do so is that I happen to be provided with the information on this specific point. I hope to obtain a little later the other information for which they both asked.

This explanation has to do with the amount of $1,940,000 under Vote 175E in the schedule of the bill which we are now considering. The Prairie Farm Assistance Act, as all honourable senators know, was passed in 1939 to provide assistance for farmers experiencing crop failure. The act applies to the defined spring wheat areas in Manitoba, Saskatchewan and Alberta, and in the Peace River district of British Columbia. The act was designed to supplant the previous methods of assistance which were not entirely satisfactory. Under the provisions of the act farmers contribute one per cent of the amount of grain sales made through licensed grain dealers to the fund. Advances are made to the fund, when required to pay awards under the Prairie Farm Assistance Act, by the Minister of Finance out of the unappropriated moneys in the Consolidated Revenue Fund with the approval of the Governor in Council. In the month of January 1964 it was necessary to request an advance of $2,200,000 from the Consolidated Revenue Fund, as a review of the fund indicated that payments and awards to farmers during the fiscal year 1963-64 would exceed the estimated receipts from the one per cent levy during the same period by approximately $2,174,000. A further review of the program indicates that an amount of $1,940,000, which is the amount of this item, will be required to supplement the Prairie Farm Emergency Fund.

Honourable senators, I do not wish to be repetitious. Perhaps I could refer in the first place to the remarks made by the Acting Leader of the Opposition (Hon. Mr. Choquette), honourable Senator White and honourable Senator Grosart, to the effect that they hope no repetition will be made of the events of this week. They will, of course, recognize that the position in which we find ourselves here today after sitting for a week is not of our making.

The plain fact of the matter is that it is the rules of the other place which have made for these delays, and, of course, the rights in the other place which make it possible for protracted debates to occur. I would hope that by agreement of all parties in the other place it might be possible to provide for rules there which would allow the supply bills, about which there is this controversy, to come to us by a given date, such as a week before an adjournment or a week before a prorogation. In this way, honourable senators would not constantly be making the kind of speeches that have been made not only today but on every such occasion since the beginning of the Senate.

I think the point has been well made here. Honourable members opposite have been making it, but members on this side of the chamber have also been making it. When we were on the other side of the chamber we made the same plea, and when our honourable friends opposite were on this side, they had the same difficulties we are experiencing now. I think we all recognize this as a factual statement of the position.

For what my undertaking is worth, I will urge my colleagues in the Government to see if some rules could be devised in the other place whereby these measures could come to us by a certain date prior to a lengthy adjournment or a prorogation, so that these speeches will be unnecessary. I refer to interim supply bills and I refer to appropriation bills. With the changes that are occurring in our nation and in our Parliament, perhaps the time has come when all parties in the other place will see the wisdom and the appropriateness of making a change of this kind.

It has been suggested that the whole responsibility for what has been done here rests with the Government. I do not want to engage in any political debate, and I think

honourable senators will agree that I have tried to avoid taking positions on political grounds. But I am bound to make this comment, because reference has been made to the fact that a commitment was given by the Prime Minister in the other place that once the interim supply bill was passed the Easter adjournment would occur. I would direct honourable senators who raised this point to the fact that at the time that statement was made the interim supply bill was on the Order Paper of the other place below the supplementary estimates we are now considering. As I understand it, what the Prime Minister was saying at that time was this: "I assume that the supplementary estimates will be passed and then the interim supply bill will be passed, and then the adjournment will take place." If honourable senators look at the Order Paper of the other place for the date upon which that statement was made they will find that my explanation is borne out.

I think there is another point I should make. I make it not for the purpose of attempting to controvert a position that was taken by any honourable senator. First of all, I say that these supplementary estimates, with the particulars in the items, were tabled in the other place on March 6, and they were tabled here on March 10. That in itself was notice of what these items contained.

In addition to that, in the budget papers which were tabled in the other place on March 6, 1964, on page 117, the following appears under the heading, "Unemployment Insurance Fund":

> The estimated balance in the fund as at March 31, 1964 is $13 million. However, there is a liability of $18 million for unredeemed warrants and deposits from employers.

At that time it was evident—if these estimates were correct, and of course they could only be estimates on March 6 for what the situation might be on March 31—that there was an estimated deficit then of some $5 million in the fund.

The fact of the matter is—and the minister said this in the other place—that there is a deficit. There is very grave concern that these payments will not be made, as they are required to be made under the rules which govern the fund.

The other place has had at least seven days of debate. I do not think there was any intention to conceal the situation with respect to this deficit in the fund. It was pointed up in the budget papers. The reference to the need for the loan was included in the supplementary estimates, which were filed on the same day, namely March 6. I think it was clear to anybody who wanted to look into it, that the situation did require a remedy. The normal practice for the Government in such a situation, I submit respectfully to all honourable senators, is to bring in the supply bill—which they did.

The fact that it was debated at such length, and perhaps without too much regard to the rules of relevancy at times, is responsible, I think, for the position in which we find ourselves today.

Now, I wonder whether I have said enough in my opening remarks to deal with the explanation which Senator Choquette required with respect to section 4. If I have not done so, I may add this simple statement. Most of the items in this bill, as may be seen, provide authority for the payment of a specific amount. Perhaps a reference to any of the schedules will indicate that. Let me take one at random: Vote 147e, Contribution to the Gift Program for the United Nations Building in Santiago, Chile, $10,800. No more than that can be paid under the provisions of this bill. That is a specific amount which the departmental authorities are authorized to expend, and no more than that.

I turn now to vote L17e, the amount provided in accordance with the bookkeeping rules which the Government has used for a long time. In this item the provision is $3,600. But the amount which will actually be expended, the amount that can be committed, will depend on how much Canadian money will be required in order to make a payment in United States funds of $3,268.

Section 4 simply provides that the Department of External Affairs must restrict its commitment under this item to pay no more than $3,268 in U.S. I hope that that explanation is satisfactory.

Hon. Mr. Choquette: Yes, it is.

Hon. Mr. Connolly (Ottawa West): Honourable senators, Senator O'Leary has said that he does not propose to give his consent. I assume, and I hope, that he is talking now about the third reading of this bill. I understand that message has been received from the other house, and will shortly be read, dealing with certain other urgent items which they have approved. They are items which were in the schedule to the original bill. We are getting them piecemeal. However, in view of what we have said, and in view of the explanations that have been given about the urgency in respect of the payments out of the Unemployment Insurance Fund, I would appeal to him to reconsider his decision. I think we all admire the stand that he proposes to take on behalf of the Senate. I think also that he has a great sense of the importance of public business being conducted as expeditiously and as quickly as it can be. I know he has not been given too good an

example of this by Parliament in the last week, but I would hope that when third reading is called, he might reconsider what he suggested he felt he should do.

Motion agreed to and bill read second time.

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

Hon. Mr. Connolly (Ottawa West): Honourable senators, with leave, I move third reading now.

Hon. Mr. O'Leary (Carleton): No. I oppose third reading now.

Hon. Mr. Connolly (Ottawa West): Honourable senators, in that event, we are bound by our own rules. Rule 63 reads as follows:

> No bill shall be read twice the same day; no Committee of the Whole House shall proceed on any Bill the same day the bill is read a second time; and no bill shall be read the third time the same day that the bill is reported from the committee.

I will also read rule 4. (e):

> "Leave of the Senate"—Leave granted without a dissentient voice.

In the circumstances, if unanimous consent is withheld, then I think all I can do is ask, with leave, that I be allowed to move that the bill be read a third time at the next sitting.

Hon. Mr. Connolly (Ottawa West) moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

APPROPRIATION BILL NO. 3, 1964

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-87, for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1964.

Bill read first time.

SECOND READING

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

Hon. John J. Connolly, with leave of the Senate, moved the second reading of the bill.

He said: Honourable senators, the bill now before us is called Appropriation Bill No. 3, 1964, and the words of the bill are identical with those which we have just been discussing. I am speaking of the bill itself, apart from the schedule. The wording of the bill is identical with that of Bill C-86 which we have been discussing so far this afternoon. There are certain exceptions to that statement. In this case, in clause 2 the amount provided to be paid out of the Consolidated Revenue Fund is $23,368,648.

If honourable senators will look at Bill C-86 and the schedule thereto, you will see that at the opening of the schedule the amount inserted was $130 million. The bill we now have before us shows an amount of $23,368,648, being the total of the amounts of certain of the items in the said estimates as contained in the schedule.

Honourable senators realize that the Department of Agriculture estimates have already been dealt with in Bill C-86, so they are struck out of the items of Bill C-87 now before us. Likewise, the items of Citizenship and Immigration have been struck out of this bill. An item of $131,000 for Civil Service Commission salaries and contingencies of the commission is included in the schedule of this bill.

Hon. Mr. Hollett: How much? I am sorry.

Hon. Mr. Connolly (Ottawa West): Honourable senators will be able to follow the items I am mentioning if they use the schedule to Bill C-86 which we have just been debating. This is at the bottom of page 4 of the bill.

CIVIL SERVICE COMMISSION

> Item 1e: Salaries and Contingencies of the Commission, $131,000.

That is one of the items covered by this bill. On page 5—

Hon. Mr. Blois: From what bill are you reading? We do not seem to have the same bill.

Hon. Mr. Connolly (Ottawa West): I am sorry; I was reading from the schedule to the supplementary estimates which were tabled in this house on March 10. Perhaps it would be better if I simply explained to the house the items of the supplementary estimates without making reference to the supplementary estimates, giving the total of each of the items making up the $23,368,648.

These are the items:

1. Civil Service Commission, $131,000
2. Department of Defence Production, $5,523,100 for the department
   $501,100 for Crown companies
3. Department of Finance, $15,774,448
4. Department of Fisheries, $429,000
5. Department of Forestry, $91,000
6. Governor General and Lieutenant Governors, $6,000
7. Unemployment Insurance Commission, $738,000

8. Department of Veterans Affairs, $50,000 for departmental administration $125,000 for War Veterans Allowances and other benefits.

This makes a grand total of $23,368,648.

I have here some explanations that honourable senators may request in respect of these items.

Hon. Mr. Hollett: May I ask the Leader of the Government what the amount of $429,000 in respect to fisheries refers to?

Hon. Mr. Connolly (Ottawa West): It is made up of three items: conservation and development services, construction or acquisition of buildings, works, land and equipment, $32,000. Then there are two special items. The first is assistance in accordance with terms and conditions approved by the Governor in Council, for the construction of fishing vessels in respect of which capital subsidies authorized by Vote 222 of the Canadian Maritime Commission of these estimates may not be paid, amounting to $200,000. Then there is Vote 77e, the estimated amount required to recoup the Fishing Vessel Indemnity Account and the Lobster Trap Indemnity Account established under Vote 540 of Appropriation Act No. 5, 1955, and Vote 527 of Appropriation Act No. 6, 1956, to cover the net operating losses of $197,000 in the said accounts as at March 31, 1964. These three items make up the amount of $429,000.

Hon. Mr. Grosart: Are these items of selected urgency?

Hon. Mr. Connolly (Ottawa West): I am informed all of the items are of urgency, as much as those contained in Bill C-86. These are extracts from the original appropriation bill providing for the passing of the final supplementaries.

Hon. Mr. White: Does the honourable Leader mean that in addition to the two bills there are still further supplementary estimates?

Hon. Mr. Connolly (Ottawa West): Yes, I believe so.

Hon. Mr. White: The honourable Leader recognizes of course that we do not have such a bill before us. We are speaking on a bill which we do not have.

Hon. Mr. Grosart: Are these presented in degrees of relevant urgency? If we pass $130 million, would there still be the same urgency over the weekend?

Hon. Mr. Connolly (Ottawa West): All I would say is that the bill we have now put over until next week contains an item of very great urgency, namely, the item with respect to payments for the Unemployment Insurance Fund. I cannot tell the honourable gentleman how urgent it is to provide for these War Veterans Allowances and other items amounting to $175,000, but I would think this is quite urgent.

Hon. Mr. Grosart: Is the honourable Leader suggesting that not only with respect to the Unemployment Insurance Fund but with respect to the Civil Service Commission, the Department of Defence Production, the Departments of Fisheries, Finance and Forestry, the Governor General and Lieutenant Governors, and Veterans Affairs—the Government has allowed itself to get into the position where all these matters are of great urgency on this day, a Friday before a weekend?

Hon. Mr. Connolly (Ottawa West): The question is loaded. In any event I will say this: here is a measure, as I have said earlier this afternoon, which is now part of the original measure covering the final supplementary estimates that come before Parliament at this time of the year every time Parliament is sitting. Of course they are all urgent matters. Every piece of business that comes before Parliament is a matter of urgency and importance. I think nobody denies that. The fact that we cannot get them all in one bill means only that they have not been passed by the other place that quickly.

Hon. George S. White: Honourable senators, I just wish to refer to the statement made by the honourable Leader of the Government when he was referring to the item with respect to Veterans Affairs. I want to make it clear that I do not think there has ever been anybody in either house, even including my good friend from Gulf (Hon. Mr. Power), who has been more interested in the welfare of veterans than myself, and if it is correct, as the minister said, that there is urgency about payments by the Department of Veterans Affairs, or any other payment, I want to say that so far as I am concerned the responsibility is on the Government of Canada, and the Senate should not assume any responsibility for any delay.

What the honourable Leader of the Government has just said is another example of what I said before, that the responsibility is on the Government to plan the presentation of these bills in order that they come before us in sufficient time to be given proper consideration, and to be passed in due course. Here we are at the last minute talking about a bill of which I do not think more than half a dozen honourable senators have a copy.

Hon. Mr. O'Leary (Carleton): Nobody has.

Hon. Mr. White: Surely we are all reasonable. I suggest to the honourable Leader

of the Government that if we are going to discuss the bill further then we should at least have a copy before us while we are talking about it.

Hon. Mr. Connolly (Ottawa West): I agree with what Senator White has just said. There is nothing more inconvenient than trying to deal with a bill when one has not a copy of it. Unfortunately the practice for many years with respect to interim supply bills, and indeed with respect to supplementary estimates, has been to print too few copies for Parliament. The reason for it is very simple. It arises again out of the rules of the other place. A bill is not presented in the other place until the resolution stage is passed. Supplementary estimates are there for all to see. But the bill itself does not come before the house until the resolution stage has been passed. It is only after the resolution has been approved that the bill is presented. Such bills are in traditional form, and there is seldom, if ever, any dispute about the provisions of the bill itself.

I still say, however, that what Senator White has suggested is true. It is almost impossible to deal with a bill of this kind unless each honourable senator has studied the supplementary estimates. He must be in a position to follow from the supplementary estimates that have been tabled—in this case they were tabled several weeks ago—the items that appear in the schedule to the bill.

Perhaps we can do something about this practice. I would certainly like to see it done, and we might be doing a service to the members of the other place if we are successful.

Motion agreed to and bill read second time.

THIRD READING

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

Hon. Mr. Connolly (Ottawa West): Honourable senators, with leave of the Senate, I move the third reading of the bill now.

Motion agreed to and bill read third time and passed.

ROYAL ASSENT

NOTICE

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

Government House
Ottawa

April 3, 1964

Sir,

I have the honour to inform you that the Hon. Robert Taschereau, P.C., Chief Justice of Canada, acting as Deputy to His Excellency the Governor General, will proceed to the Senate Chamber today, the 3rd April, at 6.45 p.m. for the purpose of giving Royal Assent to certain Bills.

I have the honour to be,
Sir,
Your obedient servant,
A. G. Cherrier
Assistant Secretary to
the Governor General.

The Honourable
The Speaker of the Senate.

Hon. Mr. Hollett: Honourable senators, with respect to the situation at the moment, do I understand correctly that royal assent is to be given to Bill C-87, which we have not seen at all yet, which has just passed third reading, and that Bill C-86, which has passed second reading, has been held up?

Is it the intention to try to get the third reading on Bill C-86? What is to be done?

The Hon. the Speaker: As the honourable senator remembers, Bill C-86 passed second reading but there was not unanimous consent for its third reading. Therefore, it is put on the Orders of the Day for third reading at the next sitting of the Senate.

As far as Bill C-87 is concerned, third reading has been given and unanimous consent has been given to pass the bill. That is the reason we are about to have royal assent for Bill C-87, but not for Bill C-86.

The Senate adjourned during pleasure.

ROYAL ASSENT

The Honourable Robert Taschereau, P.C., Chief Justice of Canada, Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned, and being come with their Speaker:

The Honourable Alan A. Macnaughton, Speaker of the House of Commons, then addressed the Honourable the Deputy of His Excellency the Governor General as follows:

May it please Your Honour:

The Commons of Canada have voted certain supplies required to enable the Government to defray the expenses of the public service.

In the name of the Commons, I present to Your Honour the following bill:

An Act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1964.

To which bill I humbly request Your Honour's assent.

The Honourable the Deputy of the Governor General was pleased to give the royal assent to the said bill.

The House of Commons withdrew.

The Honourable the Deputy of His Excellency the Governor General was pleased to retire.

The sitting of the Senate was resumed.

ADJOURNMENT

Hon. Norman P. Lambert: Honourable senators, with leave of the Senate, I move that when the Senate adjourns today it do stand adjourned until Monday next, April 6, at 8 o'clock in the evening.

Motion agreed to.

The Senate adjourned until Monday, April 6, at 8 o'clock in the evening.

APPENDIX

(*See p. 267*)

FEDERAL-PROVINCIAL CONFERENCE—COMMUNIQUE

The governments of Canada and of the ten provinces of Canada met in Quebec City from March 31st to April 2nd, 1964. In the spirit of co-operation which had marked their last meeting in November 1963, they continued the discussion of problems of common interest.

The subjects examined included shared-cost programs and conditional grants, and the relation of these to fiscal arrangements. There was also an exchange of views on other aspects of fiscal relations.

The federal Government outlined its proposals for loans to university students, which were examined at some length. There was also discussion of the effects of the extension of the federal program of family allowances to cover children aged 16 and 17 who are students. Before taking action on the federal proposals, the views expressed by provincial governments will be considered.

The federal proposals for the Canada Pension Plan were further discussed. The Government of Quebec indicated that its proposed plan would be one which could provide portability of benefits with the Canada Pension Plan, and there was general agreement to ensure the widest possible coverage for Canadians.

Future liaison arrangements were discussed, together with a calendar for federal-provincial meetings of various kinds during 1964. Other subjects were: the possibility of extending the hospital insurance program to cover mental health and tuberculosis; the Canadian 1967 World Exhibition, in which all provinces indicated their intention to participate; reciprocal arrangements regarding the taxation of government departments and agencies; submarine mineral rights; the proposals of some provinces for further federal assistance to highway construction; and the problem of the distribution of "hate" literature.

It was agreed that the federal Government should immediately enter into detailed discussions with provincial governments concerning contracting-out arrangements for shared-cost programs. Such negotiations would apply to programs which are of a permanent nature and which involve fairly regular annual expenditures.

The federal Government suggested, and provincial governments agreed, that there should be a joint review of the nature and extent of federal and provincial taxes in relation to the financial responsibilities which nowadays have to be carried by federal and provincial governments. This should be a review in depth, but it ought to be undertaken promptly. In furtherance of this agreement, the conference gave consideration to a proposal to establish at once a "Tax Structure Committee", which would work under the auspices of the federal-provincial conference.

This committee would consist of one minister from each provincial government and three ministers from the Government of Canada. It would have expert assistance, and would be charged to deliver an interim report before the end of the current year. This interim report would be reviewed at a further federal-provincial conference. The committee would be expected to produce a definitive report by a fairly early date in 1965.

It was agreed that an important purpose of this review would be to increase the range of tax resources available to the provinces, in order to meet their increasing responsibilities for education and other services.

A joint review of the tax structure is not to prejudice the early solution of the urgent financial problems confronting the provincial and federal governments. This will require mutual accommodation to reconcile their expenditure and revenue requirements.

All participants in the conference agreed that their efforts must be directed to finding mutually satisfactory fiscal arrangements to ensure the continued strength of both federal and provincial governments, working together in the interests of a prosperous and united Canada.

THE SENATE

Monday, April 6, 1964

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

Prayers.

DOCUMENT TABLED

Hon. John J. Connolly tabled:

Report of the Master of the Royal Canadian Mint for the year ended December 31, 1963, pursuant to section 21 of the Currency, Mint and Exchange Fund Act, chapter 315, R.S.C., 1952. (English and French texts).

APPROPRIATION BILLS NOS. 1 AND 2, 1964

ANSWERS TO QUESTIONS

Hon. John J. Connolly: Honourable senators, I am now able to supply answers to questions asked by the honourable Senator Hollett and the honourable Senator Taylor (Westmorland) during the debates on Appropriation Bills Nos. 1 and 2, 1964.

I ask that these answers be incorporated in *Hansard* for this day.

Hon. Senators: Agreed.

Hon. Mr. Connolly: The answer to the question asked by honourable Senator Hollett on Appropriation Bill No. 1 is as follows:

The amount referred to is the total for 1964-65 of Fisheries Vote 15 and is the same as in 1963-64. Included in this Vote are:

(a) payments to various universities for educational work among fishermen,

(b) payment of assistance to producers of salted fish,

(c) assistance for the construction of fishing vessels,

(d) assistance in the construction of bait freezing and storage facilities.

No increased provision has been made on account of the new fishery program.

The answers to the questions asked by honourable Senator Hollett on Appropriation Bill No. 2 are as follows:

Agriculture—Vote 172e

The purposes of this item are:

(a) to restore the purchasing power of the Stabilization Account and

(b) to report the net operating loss in the Account to Parliament as contemplated in the Agricultural Stabilization Act.

This item provides for the net loss in operations including loss resulting from revaluation of inventory of the Agricultural Stabilization Board, the details being as follows:

(1) Purchase programs	
Dairy Products	21,719,038
Pork	64
Lamb	6,105,880
	27,824,982
(2) Deficiency programs	
Dairy Products	40,356,110
Wool	700,000
Other	116,917
	41,353,027
(3) Subsidy programs	
Dairy Products	4,598,251
(4) Write-off in respect of inventory as estimated at March 31, 1964	
—accumulated operating charges on products in storage	9,880,609
—loss re-evalution of inventory	38,578,377*
	122,235,246
	—246
	122,235,000

* based on estimated market value of stocks as at January 31/64.

Labour—Unemployment Insurance Commission

Up to the end of February the payments from the Unemployment Insurance Fund to fishermen in Newfoundland totalled $2,667,585 for the fiscal year 1963-64. The figure for March, 1964, to complete the fiscal year, will not be available for some two weeks.

The answer to the question asked by the honourable Senator Taylor (Westmorland) on Appropriation Bill No. 2 is as follows:

The provision in Agriculture Vote 172e of the loss resulting from a revaluation of inventory is new this year.

The portion of the item representing the revaluation, some $38 million, provides for the revaluation of the inventory on hand and is based on an estimate of the January 31, 1964 market value of the stock. In future years, therefore, the amount of the loss consequent upon the

revaluation of inventory, if any, is expected to be much smaller since such amounts will cover one year only.

UNEMPLOYMENT INSURANCE COMMISSION

NOTICE OF INQUIRY

Hon. Allister Grosart: Honourable senators, I beg leave to give notice, under Rule 21 of the Senate of Canada, that I will inquire of the Government at the next sitting, the following information:

1. Had the Government obtained from the Unemployment Insurance Commission on or before April 3, 1964, by request or otherwise, the financial position of the Commission in relation to funds available to meet the anticipated claims on each of the ten days, more or less, preceding and including Monday, April 6, 1964?

2. Regardless of whether the answer to paragraph 1 is in the affirmative or negative, did the Government know on April 3, 1964 whether funds were available to meet all claims on the Unemployment Insurance Commission at any time on Monday, April 6, 1964, whether or not Bill C-86 was given royal assent before the latter date?

3. Was the information referred to in paragraphs 1 and 2 presented to the Senate in substance, summary or detail on or before the adjournment of the Senate on April 3, 1964?

4. What was the actual state of the Unemployment Insurance Fund in respect to funds available to meet anticipated claims on April 6, 1964 during the hours when offices of the Commission were open to receive such claims or when payments under the governing legislation should have been made?

5. Was the information referred to in paragraph 4 available to the Government at 6 p.m. on April 3, 1964?

6. If the necessary information with respect to any part of this inquiry is not immediately available to the Government, may the Senate be so informed?

Hon. John J. Connolly: Honourable senators, the honourable gentleman was good enough to send me a copy of these questions this afternoon, and I think I may be able to supply the answers now to most of the points he has raised. I believe that by so doing I shall be informing the Senate more fully of the actual situation.

I may say that the situation in which the Unemployment Insurance Fund finds itself at this time is a rather unusual one. I have here a statement I received from the Commission showing the balances that have been in the fund as at the 31st day of March each year from 1956 to 1963. Of course, this date is the end of the fiscal year in each case. I will just give round figures. In 1956 the balance was $854 million; in 1957, $874 million; in 1958, $744 million; in 1959, $499 million; in 1960, $365 million; in 1961, $184 million; in 1962, $66 million, and in 1963, $9 million.

Honourable senators, Appropriation Bill No. 2 of 1962 came to this house in March of that year, and I have just said that the balance in the fund as of March 31, 1962 was $66 million. Approval was given to authorize a loan to the fund, if required, in the amount of $25 million. That section of the Appropriation Bill is practically identical with one in the bill which came before us on Friday last. That loan was not required: the fund did not become depleted, and the commissioners did not have to resort to borrowings to keep going.

Honourable senators will recall that at the end of the 1963 fiscal year Parliament was not in session, and on the first day of April 1963 a Governor General's warrant was issued authorizing a loan to the fund of $25 million. The actual amount in the fund as at March 31, 1963, as I said just a few moments ago, was some $9 million. This $25 million authorized to be loaned to the fund by way of warrant was, in fact, used. On the second day of May 1963, by virtue of a further Governor General's warrant, an additional $30 million was authorized to be loaned to the fund in the event of emergency. The emergency continued and of this $30 million authorized by the second warrant on May 2, $10 million was used. I may add that my information is that these advances, the $25 million under the first warrant and the $10 million under the second warrant authorizing up to $30 million, were both repaid by the fund by the end of August.

Now the honourable gentleman's question asks what knowledge the Government had with respect to prospective shortages in the fund at the end of the fiscal year, March 31, 1964. Well, as I pointed out a few days ago, on page 117 of the budget papers there was a reference to the prospective debit position of the fund in the sum of $4 million to $5 million. In addition, there was in the supplementary estimates the item in the bill which we will consider later this evening, and which pointed up the desirability of a loan being authorized in the amount of approximately $55 million.

On Friday last when I was asked about the question of urgency, in addition to citing these two items to which I have just referred, I said on page 269 of *Hansard* that the situation was considered to be of a serious character,

and that as soon as possible money should be made available to the fund because demands were going to be made, and concern was felt that the money would not be there to meet those demands. That, in fact, is what happened.

On Saturday morning last the Unemployment Insurance Commission met. They estimated that after the close of business on Friday last, April 3, and looking at the requirements which could be anticipated for Monday, April 6, that is today, the requirements would be $3.3 million for the benefits which were to be paid today. The cash available or that could be foreseen as being available to meet these claims was $1.6 million. Now the benefits expected to be required to be met today were as follows: cash benefits—over-the-counter benefits—paid in accordance with the practice of the Unemployment Insurance Commission were expected to amount to $1.4 million. In addition to that there were benefits to be paid in the form of cheques or warrants in the amount of $1.9 million.

The decision taken was that the cash benefits of $1.4 million would be paid out of the cash available today in the amount of $1.6 million, leaving approximately $200,000 surplus available to the fund as at the close of business today. There is no money to honour cheques totalling $1.9 million. The reason $1.6 million became available is that instead of waiting until tomorrow, Tuesday—the usual day for the Commission to apply to the Post Office Department for advances of cash received by that department—the Commission made arrangements with the Post Office Department to get those advances today.

The honourable gentleman asks: What about the ten-day period before April 6, 1964? I inquired of the Commission about that this afternoon, and I was told that there is really no ten-day requirement. They operate pretty well from day to day and from week to week. However, they do say that tomorrow the money required for payments in cash and by cheque will be the same as it is today, $3.3 million.

Honourable senators, what I am able to do tonight, and what I could not do Friday, is to report the cash position. This was ascertained after the close of business on Friday. The position became crystal clear at the meeting on Saturday. As a result of that meeting I understand the Minister of Labour made a statement to the press so as to inform the public of the position.

If this explanation does not answer Senator Grosart's inquiry as fully as he wishes, then perhaps he can speak to me and I will endeavour to get the further information he requires. I think in general, I have given an explanation of the circumstances which he tried to explore in his very searching questions. I hope that by giving it here in the house, I have been able to contribute a little to the information which honourable senators feel they need on this particular point.

Hon. Mr. Grosart: Honourable senators, I am sure we are all grateful to the honourable Leader of the Government (Hon. Mr. Connolly, Ottawa West) for making this information available before the date on which the inquiry is to be made. I do not criticize that, of course, because it is in the public interest that this information be made available as soon as possible. This is not the time to enter into a debate on that information, but I am sure it is appropriate to remark that most honourable senators will agree it was very unfortunate that what the honourable Leader of the Government has said was crystal clear on Saturday morning was not crystal clear on Friday afternoon.

Hon. Mr. Connolly (Ottawa West): How could it have been? The books were not closed until Friday night, and the cash position could not be determined until after the close of business on Friday.

NORTH ATLANTIC TREATY ORGANIZATION

FIFTEENTH ANNIVERSARY

On the Orders of the Day:

Hon. Allister Grosart: Honourable senators, before the Orders of the Day are proceeded with, I ask leave of the Senate to draw attention to the fact that since we last met there has occurred the very significant Fifteenth Anniversary of the North Atlantic Treaty Organization, of which Canada is a member.

Honourable senators will recall that the North Atlantic Treaty Organization has a duration of 20 years. Saturday last, April 4, was the Fifteenth Anniversary, and therefore the Organization has reached the three-quarters mark in what I hope will be only chapter one in the history of this epoch-making alliance of 15 western nations designed to insure their mutual protection from aggression.

Under Article II NATO is, of course, more than a mere military alliance, but we need not be surprised if the defence aspect of its activities to date necessarily have predominated over the others.

Before the coming into force of the NATO alliance 15 years ago, there was, as we all remember, a succession of countries dragged into the Soviet colonial bloc by armed force or by other direct methods of aggression and interference in their private affairs. However, since that significant date, April 4, 15 years

ago, not a single square foot of western Europe has gone behind the Iron Curtain. That fact, above all else, is justification of the NATO alliance and all that it was intended to do.

Recently, Marshal of the Royal Air Force, Sir Thomas F. Pike, Deputy Supreme Commander for NATO in Europe, underlined the continuing validity of NATO, in these words:

> NATO defensive strength has done more than succeed in deterring aggression. It has, in fact, demonstrated unmistakably that the NATO countries cannot be blackmailed by threats of force. So long as the NATO nations maintain the capability to meet any attack successfully, aggression is not a feasible means for communist expansion to take place in this part of the world.

Honourable senators, at the moment NATO is having its troubles, largely because the former threat of imminent aggression appears to have lessened. I say "appears" because I do not think that threat actually has lessened. Indeed, knowing as we do the implacability of the communist designs on the democratic countries of western Europe and on other democratic countries on this continent, we are entitled to assume that the present *détente* or "cooling off", or whatever it may be called, is no more than part of the deliberate long-term strategy of the Soviet Union to lull us into that same kind of complacency which history records was not only the preamble but indeed the necessary precondition of the aggressions of 1914 and 1939 against the truly democratic countries of Europe.

Again today, because this threat appears to have lessened, some of our allies appear to believe that once again they can "go it alone" in the matter of protection of their national sovereignty and the integrity of their lands. The fallacy of that thinking should be obvious to all, yet it may not be as apparent to some as we should like it to be.

There are grave doubts in some quarters about the wisdom of the course being pursued by President de Gaulle. We must have serious misgivings about the military confrontation of two of our allies, Greece and Turkey, over Cyprus.

Nevertheless, I was personally very heartened to receive a letter from one of our senior Canadian officials accredited to NATO in which he said that, while the superstructure of NATO may from time to time require extensive repairs, he could assure me that the foundations laid 15 years ago are as sound and as solid as ever.

That may be an optimistic view but, having in mind the way of life and the liberties that we all hold dear for ourselves and our allies, I am sure it is not too much to hope it is not over-optimistic.

Honourable senators, on this important occasion, I think it is proper that, in the hope you will be in full agreement, I should commend our Canadian Government for its frequent and continuing re-assertion of its faith in NATO and its principles.

Not long ago, in the month of January, on the occasion of his first visit to NATO headquarters since becoming Prime Minister, the Right Honourable Lester Pearson, who is unquestionably one of the renowned men in the history of NATO, said this:

> Canada is faithful to the ideals and purposes of NATO. While we are North Americans, traditionally and emotionally our ties have been with Europe. History has placed us in Europe but geography has placed us in the Western hemisphere, and therefore for us any new relationship, any new development in NATO or any other European development must emphasize the transatlantic character of our association. We see no salvation, no hope for progress in continentalism, whether it be European continentalism or North American continentalism.

Honourable senators, there will be general agreement that those are wise words.

As one who, with Senator Isnor, had the privilege, as a representative of the Senate, to visit NATO headquarters and many of its sub-commands, I know that the staunch and unswerving support of Canada has been one of the heartening rewards for that group of men of the 15 nations who have dedicated their talents to the maintenance of this unique, effective and exciting alliance for the defence of Canada, western civilization, and democracy.

Hon. John J. Connolly: Honourable senators, I am sure we are all most indebted to honourable Senator Grosart for drawing our attention to this important anniversary.

It is important for a number of reasons, not the least of which is the fact that about 25 per cent of Canada's public spending every year is for the purposes to which he alluded, and it is largely for the work of NATO that this heavy financial burden is assumed by our taxpayers.

As the honourable senator rightly pointed out, NATO has been the shield of the West and particularly of northwest Europe, though indeed of the whole of the West as we know it. If NATO had not been set up 15 years ago, heaven only knows what might have happened to the countries of northwest Europe and to the civilization to which we belong.

Honourable senators who have attended conferences of NATO Parliamentarians will remember having been told time and time again that it is not enough simply to defend the integrity of our western boundaries. It is not enough to live under a balance of terror, no matter how much or how little the balance may be in our favour. We have been told that if the West is to survive, something more than a military alliance is necessary.

A military alliance involves a watering down of national sovereignty. What these countries in the western alliance do feel—and my friend has referred to article II of the Treaty—is that if the western countries would appreciate this ideal, their overwhelming economic strength would assure the survival of the West for itself and, indeed, they would be able to do much for the underprivileged and underdeveloped countries which are neither of the East nor of the West but which can be influenced in the proper direction.

While it is extremely important to do all we can to support the ideals of NATO on the military side, the importance of developing economic strength for all the West is something all NATO countries must fully appreciate. To achieve this they must work in a practical way. A very fine start was made in the establishment of the European Economic Community. That idea must be extended, and I hope it will be extended as a result of the Kennedy round of GATT negotiations, which are to open in Geneva next week.

It is just as important that the West be strong economically as militarily, perhaps more important.

More than this, the West should not forget that neither arms nor money alone are good enough for the survival of the West. The ideals of the civilization of the West, to which we subscribe, are ideals towards the realization of which all nations of the West must also work.

APPROPRIATION BILL NO. 2, 1964

THIRD READING

Hon. John J. Connolly moved the third reading of Bill C-86, for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1964.

Hon. M. Grattan O'Leary: Honourable senators, I suppose that having read some of the editorials in the press I should feel tonight as a sort of pale shadow of Warren Hastings; but I am consoled by the fact that I do not see a Mr. Burke or a Mr. Sheridan across the way, although I expect Senator Connolly is not far behind.

Let me say at once and as firmly as I can—and may I add that I really do not intend to delay the house with a long speech—that I am speaking for myself alone. I have not approached any of the leaders of my party on this side of the house, nor have they approached me. Nevertheless, I ask the indulgence of the house for a brief statement on my own behalf, which I do think will be relevant at this stage to the third reading of Bill C-86.

May I add one thing more? I do not rise to apologize for, to recant, or to retreat one inch from the course which I took last Friday with respect to this bill. To quote from one who was long my hero in public life, the course that I took on Friday last stands "unrevised and unrepented."

Honourable senators, I have no wish at all to fight over again in this house the ground that was fought over in the other place last week. I have been in politics too long, and in fighting journalism too long, to believe that all the angels are in one party and all the devils in the other. It may be that last week there was some fault on both sides or on all sides but, honourable senators, the question here is: who was mainly at fault? For the answer to that question I invite honourable senators, and all others who may have the opportunity, to read the clear, able, moderate speech by Senator White delivered in this house last Friday, a speech that went to the record, that cited the main relevant facts, and which I think showed that the responsibility for the mess which occurred in Parliament last week rests upon the shoulders of the Government, and upon the shoulders of the Government alone.

Let us glance for a moment at that record. Here was a Government which during last year saw the Unemployment Insurance Fund going bankrupt, and this is confirmed by the figures which Senator Connolly gave to the house a moment ago. This fund was broke, it was insolvent, it was unable to continue further without loans from the Government, and yet while this was going on, while the Government saw that this fund was going broke, was going to disaster—during all that time this Government had in its possession the report of a commission of inquiry which aimed to make, and did in fact make, recommendations to avoid that bankruptcy.

I have before me a copy of that report. The chairman was a Mr. Gill, the president of perhaps the largest life insurance company in Canada. With him on the commission was Professor John Deutsch, a man known very well to this Senate, and perhaps the most distinguished economist we have in this nation. This commission, which was set up specifically to inquire into means to save the solvency of this fund, actually carried on an intensive investigation extending over a period of 17

months, and it brought in a report on November 2, 1962. That report has been in the hands of this Government, as well as the hands of the previous Government, for more than two years. The report contained 42 specific recommendations. I shall not cite them all here, but one of the recommendations was that there should be tougher supervision of claims. And why? Let me quote just a paragraph from the report at page 41:

> According to figures provided by the Unemployment Insurance Commission for the year ended March 31, 1961, demonstrably fraudulent claims amounted to $2,268,464. In relation to total claim payments of $514 million, this figure may not appear too startling but it is not a total figure—it is fraud detected and takes no account of undiscovered fraud or payments in circumstances that could not be classed as fraudulent and yet where the payment is contrary to the spirit of the act.

That was one recommendation. Another recommendation was that the maximum duration of benefits should be 26 weeks instead of 52 weeks. Still another recommendation was that fishermen should be taken out from under this act and dealt with in a special category.

These three or four recommendations are typical of what the commissioners found and recommended in order to save the fund; and I repeat, while this fund was going bankrupt for a year, while the Government sat there and saw this fund sinking under their feet—and they had this report in their possession—they never moved a hand to deal with the problem at all. Oh, yes, they had time for budget tinkering; they had time for a half-baked withholding tax; they had time for rash amateurish advances, to be followed by humiliating retreats; they had time to set up a Royal Commission on Biculturalism, as if culture can be bisected; and they had time, finally, for a so-called plan, a national pension plan, which now threatens to Balkanize the nation. What the Government had no time for was the Unemployment Insurance Fund. It watched that fund sink into disaster, and it watched it with hopeless impotence. Either that, or the men at action stations—and you remember the men at action stations promised by Mr. Pearson in his famous speech—apparently had all gone to sleep.

Here is this report. I am sure most honourable senators have read it. What in the name of common sense was the reason for spending over a million dollars on a report like this and then pigeonholing it while the problem it was trying to solve grew more and more acute?

So we came to March of this year, and now it is perfectly clear to everybody that the fund in fact is bankrupt. It would have been bankrupt sooner had it not received loans from the Government. During the whole of March, right up to the end of the fiscal year, the Government had authority to make this loan of $50 million, the loan they sought to gain in this bill. I repeat, they had authority to make this loan; and I ask you, why did they not make it? Would any businessman in this house—and there are many—conduct his business in such a manner? Would you have seen some area of your business going to ruin or disaster when you had the means of averting that disaster? Would you have done nothing about it until the final minute of the eleventh hour, and then sought to override the rules of this house with a cry of "emergency" to do something you could have done ten days before?

Honourable senators, I would not wish, and I hope I would never wish, to charge any of my fellow Canadians with indifference towards the underprivileged or the poor. What I do charge, what I do accuse this Government of—and it can be documented to the hilt—is that in this whole pitiful business they were guilty of incompetence and fantastic disregard for a matter that should have had the attention of the whole Cabinet.

What has happened during the past ten days? You have all read the verse about the King of France who marched his soldiers up the hill and marched them down again. Well, honourable senators, for nearly ten days we marched up Parliament Hill only to hear the Leader of the Government tell us that he had no information, and to hear Your Honour himself intone the words, "This Senate does now adjourn." So irrational did this become, so fantastic did it become, that the honourable Senator Power, that valiant sentinel of parliamentary rights, rose in his seat on April 1 and, as reported at page 258 of Senate *Hansard*, said this—and I am going to put it back on *Hansard*:

> . . . Whether it is due to the intellectual political amateurism of one party, or the stupid obstinacy of another, or the blatant opportunism of another, the fact is that in the public mind Parliament has suffered a reverse more serious than any I have known for many years.
>
> I believe that Parliament as such no longer holds the high and dignified position which it should have in the public esteem. That being to my mind the fact, . . .

Now listen to this:

> . . . That being to my mind the fact, there is no reason why this branch of Parliament, the Senate, should be treated

> to the kind of procedure which we have had to follow in these hour-to-hour adjournments . . .
>
> I suggest, therefore, that today—allowing one more chance, by sitting this afternoon or this evening—our Leader be instructed to tell those with whom he has to deal, that the Senate is sick and tired of this kind of procedure, that we will adjourn until Monday, April 6.

—until today, the very day to which we did adjourn.

There is another gentleman sitting opposite me, another steeped deeply in parliamentary traditions, not only in this land but in the land of his ancestors, in the mother of parliaments, who rose in the Senate that same day. This is what he said:

> I agree with the Acting Leader of the Opposition that we ought to adjourn now until April 20. . . . I see no reason why we should not adjourn right now, go home, and come back when there is work to be done.

I am, of course, referring to the honourable Senator Roebuck.

Well, honourable senators, the Government was made aware of these protests. Day after day, the Leader of the Government (Hon. Mr. Connolly, Ottawa West) rose in his place. He shared our spirit of revolt, and he said he was reporting back to the Cabinet. Well, gentlemen, if that is so, the Cabinet does not seem to pay much attention to his reports.

So what happened? Last Friday at 5 o'clock in the afternoon we were told that a bill would be coming from the other house seeking, among other things, this loan for the Unemployment Insurance Fund. Not one of us had a copy of that bill; we had never as much as seen it. At about 5.30 p.m. this bill came over here, a bill asking for $135 million-odd—that is more than half the total of the national debt of Canada when I was in the press gallery in 1914—and for leave to make a loan of some $50 million to the Unemployment Insurance Fund. As I have said, not one of us had even seen the bill. Did they listen to our protests, or did they treat them with contempt?

Honourable senators, as evidence of the complete contempt they had for the Senate, immediately we met in this chamber his Honour the Speaker read a message informing us that the Deputy of His Excellency the Governor General was ready to give this bill royal assent—no consultation with us; not a word with a single member of the Senate; no regard whatever for our rights. They sent over this bill at the last moment, and sent the Deputy to His Excellency the Governor General to give it royal assent. If that is not treating this body with contempt, then I do not know what contempt is. I say the very fact of sending this bill to us at that time, in that way, was in itself a travesty of the legislative process.

Honourable senators, this Senate is an integral part of Parliament, with well defined rights, powers, duties and privileges. If we here in this house forget or ignore those rights, if we permit others to trample on those rights or to despise them, then we condemn this house to a place of inconsequence, a place for only ceremony and ritual, a place with no meaningful legislative existence in this land; and doing that we declare that we ourselves have no right to sit here at all. If this place has no meaningful legislative function to perform, if in fact we are not a second chamber at all—and that is what the events of Friday last demonstrated, that we are not regarded as a second chamber with a worthwhile power of any kind; we were treated with contempt—and if the members of this house go along with that concept, then I say that Mr. Stanley Knowles is right and that this Senate should be abolished.

I repeat that I speak here only for myself. However, I wish to say, and to say without any room for mistake, that never again will I be a party to that sort of thing. As long as I hold a seat in this Senate, any legislation coming here, unless it be based upon what Mr. Justice Holmes called "real and present peril," unless it be a real emergency, and not the sort of thing we were subjected to last week, I will see that it does not get my consent.

Honourable senators, I was brought up to believe in a second chamber; I was brought up to believe in and reverence Parliament, and an attack upon this Senate, contempt for this Senate, is not contempt for the Senate alone. It is contempt for the Senate and Parliament, and when this legislation came to us the other day it did not come from the House of Commons, it came on the orders of the executive, it came on the orders of Her Majesty's ministerial representatives in this country, and they are the people who are overriding this branch of Parliament, who are in fact insulting and deriding this branch of Parliament.

All through my life, through more than half a century of politics and journalism, I have spoken and written for the parliamentary way. I propose going on in that way. Never again, and I repeat this, never again while I have a seat in this house will any bill such as the one which came to us the other day, under the circumstances in which it came, get my approval in this house.

Now, honourable senators, before I sit down I would like to say just a word, if I may,

to my critics. They have described me as petulant, peevish, rash and irresponsible. Well, I do not think that the senators who sit with me in this house would really regard me as petulant, peevish, rash or irresponsible, and I may say here that I was very sorry that some of my colleagues in this house were inconvenienced by this return here tonight; I was sorry because of the kindness and courtesy and consideration shown to me from both sides of the house since I came here.

There is another friend of mine who spoke in the other place the other day. I hope I am within the rules, but I am not mentioning his name. This gentleman came out and said that because of what I had done this house should be abolished. Gentlemen, I was astonished at that. Here is a man who a few years ago in a very famous debate won acclaim throughout this country for being a great defender of the rights of Parliament, but apparently if you stand up for the rights of this house, which are also the rights of Parliament, then he says "Let us go and abolish the place." Well, I leave this gentleman to his own logic.

There is another person, and I use the word "person" here, who has used what I would consider rather insulting language about me, but I ignore him because I think he has revealed the character of his mind far better than I could ever reveal it.

Then there is that newspaper, the Toronto *Globe and Mail*. This newspaper suggests that because I have said a word here on behalf of the independence of this branch of Parliament, Mr. Pearson should now revise his plan to reform the Senate and simply provide that any person born on February 19, 1889, which happens to be my birthday, should be expelled from the Senate, and added that this would be an appropriate celebration of my birthday.

Honourable senators, I care little about these remarks because I have been long enough in political warfare to appreciate Mr. Truman's saying that "If you don't like the heat, then don't go in the kitchen." But there is something else I would say. Through my years in journalism and politics there are two things I have noticed: first, the crudity of speech that is the penalty of democracy, and secondly the journalistic illiteracy which is the penalty of fair, decent journalism.

Honourable senators, there is one other group or party to which I would like to say a word. I was represented the other night as sitting in what was called the "posh Rideau Club" in apparent unconcern of the harm I had visited on those people in this country covered by unemployment insurance. Honourable senators, let me say this to you, and I hope you do not mind a personal reference, and I also want to say it to those outside the house who may feel rightly or wrongly that I have visited injury upon them. I was myself a child of poverty, a child of hard circumstances who was compelled to leave school before the age of twelve to gain a livelihood for himself, and help gain a livelihood for his family. Because of that, all my sympathies have been with the sort of people who began my days. I have been first, last and all the time with the underdog, and there is not a social security measure in the statute books of Canada which did not have my undivided support. If I felt I had created hardship or sorrow or suffering in any home in this country I would indeed be sorry, but I would have this consolation, the consolation of believing that perhaps a single day or even two days of a person's being deprived of social security or an unemployment insurance cheque is a very small price to pay for the assertion here of the rights of this Senate and of the rights of Parliament, that Parliament, which in the words of the immortal Churchill, is the very pillar stone of all our liberties.

Motion agreed to and bill read third time and passed.

ROYAL ASSENT

NOTICE

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

Government House
Ottawa

April 6, 1964

Sir,

I have the honour to inform you that the Hon. Robert Taschereau, P.C., Chief Justice of Canada, acting as Deputy to His Excellency the Governor General, will proceed to the Senate Chamber today, the 6th April, at 9.45 p.m., for the purpose of giving Royal Assent to certain Bills.

I have the honour to be,
Sir,
Your obedient servant,
A. G. Cherrier
Assistant Secretary to
the Governor General.

The Honourable
The Speaker of the Senate.

The Senate adjourned during pleasure.

ROYAL ASSENT

The Honourable Robert Taschereau, P.C., Chief Justice of Canada, Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned, and being come with their Speaker:

The Honourable Alan A. Macnaughton, Speaker of the House of Commons, then addressed the Honourable the Deputy of His Excellency the Governor General as follows:

May it please Your Honour:

The Commons of Canada have voted certain supplies required to enable the Government to defray the expenses of the public service.

In the name of the Commons, I present to Your Honour the following bill:

An Act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1964.

To which bill I humbly request Your Honour's assent.

The Honourable the Deputy of His Excellency the Governor General was pleased to give the royal assent to the said bill.

The House of Commons withdrew.

The Honourable the Deputy of His Excellency the Governor General was pleased to retire.

The sitting of the Senate was resumed.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Tuesday, April 7, 1964

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

Prayers.

DOCUMENTS TABLED

Hon. John J. Connolly tabled:

Report of the Canadian National Railways for the year ended December 31, 1963, pursuant to section 40 of the Canadian National Railways Act, chapter 29, Statutes of Canada, 1955. (English and French texts).

Report to Parliament of the Auditor on the Accounts of the Canadian National Railway System for the year ended December 31, 1963, pursuant to section 40 of the Canadian National Railways Act, chapter 29, Statutes of Canada, 1955. (English and French texts).

Report of the Canadian National Railways Securities Trust for the year ended December 31, 1963, pursuant to section 17 of the Canadian National Railways Capital Revision Act, chapter 311, R.S.C., 1952. (English and French texts).

BUSINESS OF THE SENATE

On the motion for adjournment:

Hon. Mr. Connolly (Ottawa West): Honourable senators, perhaps I should now discuss the immediate prospects for further legislation from the other place. So far as I can tell there will be one more supply bill, but when it will come to this house I cannot tell.

Today the other place met at 2.30 p.m. At 5 o'clock this afternoon private members' bills will be discussed, and the consideration of public bills will be resumed at 8 p.m., until 10 p.m. As honourable senators know, tomorrow is a short day; the other place will adjourn at 6 p.m. Speculation varies as to when consideration of the supply bill will be concluded in the House of Commons. Of course, we are again in the position we were in so often last week. There are some who think that the bill can be disposed of before the Commons concludes its business today. If this does not happen, then we are into a short day tomorrow.

Honourable senators were extremely patient throughout last week, and I believe everyone was particularly gratified to see that well over one-third of the members of the Senate were here for the sitting last night, the same being true today. I hesitate to suggest that we should adjourn for a couple of days. This course may be very convenient for those who live nearby, but it may be very inconvenient for those who live at a distance. If there is a prospect of the bill reaching us tonight, perhaps it would save another sitting day if we wait for it. However, I point out that we shall not know any more at 8 p.m. than at 5 p.m., because private members' bills will be heard at 5 o'clock this evening. Following the practice we adopted on a number of occasions last week, I thought it might be desirable to hear the views of honourable senators on the position in which we again find ourselves.

Hon. Jacques Flynn: Honourable senators, if I understand the Leader of the Government (Hon. Mr. Connolly, Ottawa West), we are in exactly the same situation as we were about ten days ago, before Easter, and there is the same problem of the Senate waiting for the House of Commons. It could also be the other way round, that the Commons might have to wait for the Senate. Up to now I think there has been no serious difficulty resulting from this problem, but it seems to me that we are now faced with a situation which requires a solution.

There is nothing wrong in the Senate waiting for the House of Commons, and in fact the Senate should not wait for the House of Commons in such a way as to intimate to the other place that it should proceed more speedily. I think each house should mind its own business, and I would not like in other circumstances, especially when a session is about to end, the Commons pushing the Senate to adopt speedily bills which would require more time than the circumstances I have just mentioned usually afford the Senate.

I would ask the Leader of the Government what would his intentions have been if we had received the last supply bill pertaining to the supplementary estimates which we are now awaiting. To what date would he have suggested that we adjourn our proceedings? It seems to me that the solution would be to adjourn the Senate to that date which the Leader may have had in mind, with the understanding, however, that the Chair would call us back immediately after the Commons had passed that last supply bill. This would mean that we could be here the next day.

If the remainder of the supplementary estimates pass the House of Commons tonight, then we could be called back for tomorrow night. I am sure that at that time we would be able to muster a quorum.

On the other hand, if the bill does not pass the other place today it may do so on Thursday, Friday, or Monday. There is certainly no requirement that the Senate should look into legislation five minutes after it has passed the House of Commons. In the circumstances I do not think that a delay of

24 hours is too much. If the other place should take ten days to consider supplementary estimates, then it would be normal for us to take two days to pass the legislation here.

Nobody could be critical of the Senate if it acted in this manner. As I said before, there is nothing wrong with the Senate waiting for the House of Commons. It all depends on the way in which we are waiting. But, the way we were waiting last week was against the dignity of the Senate. That is why I suggest in all earnestness to the Leader of the Government (Hon. Mr. Connolly, Ottawa West) that the solution to our present problem is to adjourn the Senate for two or three weeks, subject to its being called back by the Chair on a day's notice as soon as this appropriation bill passes the other place.

Hon. Allister Grosart: Honourable senators, I wonder if the honourable Leader of the Government can inform us if he anticipates there will be any items of urgency in this third section of the estimates. My reason for asking that question follows Senator Flynn's argument, because if there is no urgency in any of the items, it might be possible to actually set a date which would meet the convenience of all members of this house, and also meet the requirements of the Government in respect to the passage of the final items of supply.

Hon. Lionel Choquette: Honourable senators, before the honourable Leader of the Government answers the question put to him by Senator Grosart, may I make just one comment? From what I can see we are beginning to play the same game of on again, off again—

Hon. Mr. McCutcheon: Gone again Finnigin.

Hon. Mr. Choquette: —as we played last week. I notice there are twice as many senators present this week as there were last week, which means there will be twice as many malcontents this week as there were last week. That is the only difference I can see.

I have already pointed out—and in this I was supported by the words of a great senator, Senator Power—that after March 31, which has been called the magic date, there was no urgency to the passing of these estimates, but we might have been mistaken there because there was at least one urgent item which was discussed at considerable length, namely, the loan to the Unemployment Insurance Commission. That has now been taken care of, and I am inclined to agree with the suggestion made by Senator Flynn today.

Hon. C. G. Power: Honourable senators, I agree with most of what has been said, and I go one step further to say that since I do not believe there is any great urgency in these remaining supplementary estimates, we should adjourn until April 21.

Hon. Mr. McCutcheon: The 27th.

Hon. Mr. Power: The 21st or the 27th. I suggest that we adjourn until the 21st, at any rate, because returning on that date would at least give us time to pass the bill before the end of April. Judging from such precedents as I can recall, we have always endeavoured to pass the supplementary estimates before the end of April. If we return on the 27th it might be a little late in view of the fact that under our rules there have to be two days between first and second readings, and one day between second and third readings. That would get us into the month of May.

Hon. Mr. McCutcheon: If we had a holiday, we might give consent.

Hon. Mr. Power: Therefore, I suggest that when we adjourn today we adjourn until April 21.

Hon. Mr. White: I would like to ask the Leader of the Government a question. If he had in mind that we adjourn until Thursday or Friday of this week, or even until Monday of next week, what would the position be if the bill were not before us by then? We would have to adjourn again. If that is correct, then I think the suggestion made by Senator Flynn and Senator Power has considerable merit. It seems to me that we might adjourn today until April 21, or whatever date is in mind, subject to the right of His Honour the Speaker to call us back if necessary.

Hon. Mr. Choquette: Agreed.

Hon. Mr. Roebuck: Honourable senators, there is one thing I wish to comment on. I do not like the word "malcontents". I know it was said in joke but sometimes when these things appear in cold print they are not humorous at all. I am not a malcontent. My feeling is that while our experience has been frustrating I do not think I have been hurt very much by being here. That was our duty as we saw it and we have fulfilled it.

If there is any real reason for staying on, I suppose I am about as ready to do so as anyone else; but I do not see any reason for staying here, that is why I think we ought to go.

I like the suggestion that we adjourn until the period we planned for a recess shall have elapsed, with the provision already made that we may be called back if there is any urgency.

I would leave that to the good sense of His Honour the Speaker and the honourable Leader of the Government, no doubt in consultation with the honourable Leader of the

Opposition. If they think there is something really urgent which demands or justifies our being called together, they could inform us by cable.

If I hear of it any time before 3 o'clock in the afternoon, I can be here the next day. Many other senators are in much the same position. There are some who come from a greater distance and I believe they could be excused. For those of us who are within easier reach of this chamber, a telegram would bring us here. We would know then that there is some matter of urgency. I think there is no one on either side of the house who would feel aggrieved by that. I am thoroughly in sympathy with what Senator Flynn has said.

Hon. Mr. Connolly (Ottawa West): Honourable senators, I would like to point out one thing. Regardless of what our rules say, I believe that if we adjourn today to April 21 or some later day in the month of April, certainly in the House of Commons it will be said that we have adjourned regardless of the fact that this supply bill has not yet been approved, and we will be severely criticized there. Perhaps honourable senators do not care about that part, but it is a factor which I think should be drawn to the attention of the Senate.

In the second place, even though we may adjourn subject to recall, I think the public will say that we have adjourned until that date. That is something which honourable senators individually and collectively should take into account.

I do not like to talk in this way but the question of our own public image here, as a body in Parliament, can be called into question and will be called into question if this should happen. Perhaps the risk is worth it. Perhaps the situation calls for it. But I think I would be lacking in the duty which I owe to the Senate if I did not point this out.

Honourable senators, there is another item that I should mention. There are many senators here who can return by air within a matter of hours; but there are other senators who have come from far distances, some of whom came last night, because they realized the question of a quorum was important. Supposing we do adjourn now, subject to recall, and these senators return to their homes in Nova Scotia, Manitoba or New Brunswick, would they be expected to return if the bill should become available here on Thursday?

We have a problem, and I think we want to approach it in the most reasonable way we can. If senators from a distance are going to remain here, it might be more desirable to adjourn until Thursday or Friday. Certainly there is this to be said, that if we fix a day later, if necessary, we could be recalled for tomorrow, Wednesday, but if we should adjourn until tomorrow we cannot postpone it.

I wonder if any other senators would care to express their views on this point?

Hon. Harold Connolly: Honourable senators, I do not wish to embarrass the honourable Leader of the Government, but is the only alternative to remain here for another five, six, seven or eight days, meet in this chamber at three o'clock every day for a brief prayer, and then be dismissed until the following day? If that is the alternative, I suggest that we shall be engaging in a gross waste of time. I appreciate the difficulties about the money bill, and the relations between the two chambers.

With regard to the public image of the Senate, there is already an image of the Senate which can hardly be more defaced or defamed, if we determine now to go into a recess for a period of a couple of weeks. While on that topic, may I say that if there is an unfavourable image of the Senate in the minds of the Canadian people, it is in large part the responsibility of this chamber. If there is not enough work for us to do, that is not of course the fault of the Senate, but is actually and realistically the responsibility of the House of Commons. It is a simple thing to say that the solution is that we should go on *ad infinitum* until Parliament winds up the session, but I suggest that is neither realistic nor practical. Why should we not take a breather for 24 or even 48 hours, and see what is going to happen in the other place? We could then perhaps determine with some accuracy when we can recess, and for how long.

Hon. G. Percival Burchill: Honourable senators, I would just like to say that I appreciate very much the difficult position of the Leader of the Government (Hon. Mr. Connolly, Ottawa West). However, I agree that if we adjourn until a certain date, whatever date may be in mind, the contingency so far as public business is concerned, and the House of Commons is concerned, is covered by the suggestion that we be called back whenever necessary. I think that is the solution.

Hon. Mr. Connolly (Ottawa West): Honourable senators, I am most grateful to all honourable senators for the views they have expressed. I am in the hands of the house, and may I say that I feel confident when I am in that position.

Honourable senators, in the circumstances, I will move that when the Senate adjourns today, it do stand adjourned until Monday, April 20, subject to the call of the Speaker. In making a motion of this kind I think it

is perfectly obvious to all that the bill which we await from the other place will be available here before April 20, and word will be sent to all honourable senators whether they are here or not. I hope that the press of this country, and also the other place, will realize that this is not a definitive adjournment to April 20. We are adjourning subject to the call of His Honour the Speaker, and will reassemble whenever the presence of the Senate is required here for the business of the country and of Parliament.

Honourable senators, I now move the motion, seconded by the honourable Senator Vaillancourt; and it is, of course, a debatable motion.

The Hon. the Speaker: Will the adjournment be until 3 o'clock in the afternoon, or 8 o'clock in the evening?

Hon. Mr. McCutcheon: Eight o'clock.

The Hon. the Speaker: Honourable senators, with leave, it has been moved by the honourable Senator Connolly, P.C., seconded by the honourable Senator Vaillancourt, that when the Senate adjourns today it do stand adjourned until Monday, April 20, 1964, at 8 o'clock in the evening. Is it your pleasure, honourable senators, to adopt the motion?

Hon. Austin C. Taylor: Honourable senators, I should like to ask one question before the motion is put. In the event that the final phase of the supplementary estimates is approved by tomorrow or Thursday, what would be our position then about being recalled?

Hon. Mr. Connolly (Ottawa West): I think that in the event that the bill for which we have been waiting is finally disposed of by the House of Commons tonight or tomorrow, His Honour the Speaker would probably consult with the Leader of the Opposition and myself, and we would immediately recall the Senate.

Hon. Mr. Choquette: If it is urgent.

Hon. Mr. Connolly (Ottawa West): Certainly.

Hon. Mr. Choquette: But, with respect, I suggest it would not be by reason of the fact that the estimates come to us or are ready to come to us that we should be recalled. My submission is that, having looked into the matter and consulted with the powers that be, if we found there was real urgency then we should be recalled. If not, I see no reason for recalling the Senate.

Hon. Mr. Power: I entirely agree with the acting Leader of the Opposition (Hon. Mr. Choquette). If it is a sort of conditional *sine qua non* that we return here immediately the bill passes the other place, I do not think the adjournment would be of any use to us, for in all common sense I think the bill will pass at some time during this week. I do not agree with the premise that these estimates are so urgent we would have to be called back within 24 hours. I would be quite satisfied to come back in sufficient time for us to debate the estimates fully and pass them before May 1. That is the position I take. I do not take the position that we should return immediately the estimates are passed in the House of Commons.

Hon. Norman McL. Paterson: Honourable senators, I was wondering if it might not be more appropriate if the honourable Leader of the Government were to add to his motion to adjourn words to the effect, "in the event of being called earlier," or, "subject to being called earlier?"

Hon. Mr. Connolly (Ottawa West): That is a simple thing to do, because the motion is made subject to the motion that was passed on March 13 last, namely, to recall the Senate as required.

Motion agreed to.

The Senate adjourned until Monday, April 20, 1964, at 8 o'clock in the evening.

THE SENATE

Monday, April 13, 1964

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

Prayers.

LIBRARY OF PARLIAMENT

JOINT COMMITTEE—COMMONS MEMBERS

The Hon. the Speaker informed the Senate that the following message had been received from the House of Commons:

> Ordered—That a message be sent to the Senate to acquaint Their Honours that this house has appointed Messrs. Baldwin, Boutin, Brown, Cadieux (Terrebonne), Casselman (Mrs.), Chapdelaine, Chatterton, Choquette, Côté (Longueuil), Crossman, Enns, Fairweather, Fisher, Fleming (Okanagan-Revelstoke), Honey, Konantz (Mrs.), Laniel, Macquarrie, Martineau, Mullally, and Wahn a Committee to assist His Honour the Speaker in the direction of the Library of Parliament so far as the interests of the Commons are concerned, and to act, on behalf of this house, as members of a Joint Committee of both Houses on the Library.

Ordered, that the message do lie on the Table.

PRINTING OF PARLIAMENT

JOINT COMMITTEE—COMMONS MEMBERS

The Hon. the Speaker informed the Senate that the following message had been received from the House of Commons:

> Ordered—That a message be sent to the Senate to acquaint Their Honours that this house will unite with them in the formation of a Joint Committee of both houses on the subject of the Printing of Parliament and that the following Members: Messrs. Boutin, Cadieux (Terrebonne), Cardiff, Choquette, Clancy, Cooper, Côté (Longueuil), Cowan, Drouin, Ethier, Kennedy, Lamb, Laverdière, Leblanc, Loiselle, Ormiston, Ouellet, Pascoe, Prittie, Richard, Rochon, Scott, Simpson, and Mr. Speaker will act as members on the part of this house on the said Joint Committee on the Printing of Parliament.

Ordered, that the message do lie on the Table.

RESTAURANT OF PARLIAMENT

JOINT COMMITTEE—COMMONS MEMBERS

The Hon. the Speaker informed the Senate that the following message had been received from the House of Commons:

> Ordered—That a message be sent to the Senate to acquaint Their Honours that this house has appointed Messrs. Boulanger, Cardiff, Cowan, Cyr, Doucett, Ethier, Fairweather, Fane, Forgie, Gauthier, Gelber, Gundlock, Hales, Horner (The Battlefords), Irvine, Konantz (Mrs.), Lessard (Lac-Saint-Jean), Martin (Timmins), Matheson, McNulty, Peters, Rinfret, Slogan, Tucker, and Whelan a committee to assist His Honour the Speaker in the direction of the Parliamentary Restaurant so far as the interests of the Commons are concerned, and to act, on behalf of this house, as members of a Joint Committee of both houses on the Restaurant.

Ordered, that the message do lie on the Table.

APPROPRIATION BILL NO. 4, 1964

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-89, for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1964.

Bill read first time.

SECOND READING

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

Hon. John J. Connolly, with leave of the Senate, moved the second reading of the bill.

He said: Honourable senators, this bill could be described as the final bill of the final supplementary estimates. These estimates cover the Government's fiscal year ended March 31, 1964. The bill we have before us now is identical in form, except in one or two minor respects, with that of Appropriation Bills Nos. 2 and 3 which we considered last week. Indeed, with the exception of section 5, the bill now before us is the same and contains the same wording as those which have come to us from the other place over a great number of years. So the form of the bill is one with which all honourable senators are quite familiar.

Section 5 of the bill is based upon a precedent established in 1962 when the final supplementary estimates came to this house in

a bill on April 16 of that year. Those final supplementary estimates covered the previous fiscal year which had ended on March 31 of that year. Similarly, it is because the items which are contained in the final supplementary estimates now before us are being approved by Parliament after the end of the fiscal year that section 5 is required.

I might say that the difference between this bill and the bills we had before us last week is in the amount that is being granted. That amount, which you will see in section 2, is $143,702,715.

The schedule to a bill, of course, varies with every bill of this kind which reaches the Senate; however, I would point out to honourable senators that the schedule to the bill now before us contains items which appear in Supplementary Estimates (E) for the fiscal year ending March 31, 1964. These supplementary estimates, as we have reminded ourselves on earlier occasions, were tabled in this house on March 10. Today is April 13, and I am sure all honourable senators have spent as much time studying the supplementary estimates as I have, particularly over the past weekend.

Honourable senators will see by Supplementary Estimates (E) the items on the Table of Contents page, beginning with the item with respect to the Department of Justice and continuing to the end of the page, are, in fact, the items contained in the schedule to this bill, with two exceptions. The first exception is as to the items dealing with the Department of Labour, which were included in a bill we considered last week. The other exception is as to the items with respect to the Department of Veterans Affairs. Those items also were in a bill which received royal assent previously. In effect, what we are doing now is completing the consideration of matters arising out of the supplementary estimates which have been before us since March 10, and which were dealt with in part by two supply bills the Senate has already approved.

I should say, too, that the practice in the House of Commons has been that when bills of this kind reach the committee of supply stage they receive all three readings on the same day in that house. That practice was followed in respect to the other bills arising out of these supplementary estimates. Therefore, the practice of giving three readings to a bill on the same day is not unusual in the House of Commons. Certainly it is not something that is necessarily peculiar to the Senate.

Having said that, honourable senators, I think we should remind ourselves of the nature of these bills which are called supply bills. Because they are money bills, they are indeed the peculiar prerogative of the House of Commons. That house is responsible to the people. The Government is also answerable for these bills, not only to the House of Commons, but to the country. In order to get these appropriations through, the Government must have the confidence of the House of Commons; without that confidence, it cannot continue to function. This applies particularly to money bills. The House of Commons, under our constitutional usage, has always jealously guarded the power of the purse.

We should also remind ourselves that these bills when passed become acts of Parliament, and because they are acts of Parliament they require the normal three readings in the House of Commons, the three readings in this chamber, and as well royal assent.

These are, as I say, money bills, and there is a special emphasis placed upon matters of this kind in respect to the prerogatives, privileges and rights of the House of Commons. Some of these prerogatives are reflected in the formularies which our Parliament through usage and custom have prescribed for our course of conduct. I ask honourable senators, for example, to think about a special direction that is to be found in the Speech from the Throne delivered at each opening of Parliament. Towards the end of the Speech, the Queen's representative, addressing himself directly to the members of the House of Commons, says:

> Members of the House of Commons: You will be asked to appropriate the funds required for the services and payments authorized by Parliament.

I ask honourable senators to think back to the many royal assents they have witnessed in this chamber. Under normal circumstances, when a number of bills are to be assented to, the Clerk of the Parliaments sits at the Table and he has before him the bundle of bills which have been passed by Parliament and which he presents to the Queen's representative for assent. Never in that bundle of bills presented by the Clerk of the Parliaments at that time is there a money bill. The House of Commons comes here, led by its Speaker who, personally and on behalf of the Commons, presents the money bill by itself. The Clerk Assistant then goes to the Bar of the Senate and receives the money bill from the Speaker of the House of Commons. It is brought to the Table and there again the Clerk of the Parliaments, acting as he does with respect to other bills, submits to the Queen's representative this very special kind of bill known as the Appropriation Bill. The wording used in that formulary points

up the particular point I desire to make this afternoon. I read from Senate *Hansard* of this year, at page 282:

> The Honourable Alan A. Macnaughton, Speaker of the House of Commons, then addressed the Honourable the Deputy of His Excellency the Governor General as follows:
>
> "May it please Your Honour:
>
> The Commons of Canada have voted certain supplies required to enable the Government to defray the expenses of the public service.
>
> In the name of the Commons, I present to Your Honour the following bill:
>
> An Act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1964.
>
> To which bill I humbly request Your Honour's assent."

When the bill is brought to the Clerk of the Parliaments he stands before the Queen's representative and pronounces the formulary:

> In Her Majesty's name, the Honourable the Deputy of His Excellency the Governor General thanks her loyal subjects, accepts their benevolence, and assents to this bill.

Hon. Mr. Vien: Will my honourable Leader allow me a question? Does he think that this parliamentary practice is logical and consonant with the fact that such a bill cannot become law unless the Senate has passed it?

Hon. Mr. Connolly (Ottawa West): I thank the honourable senator for mentioning the point, because I think it serves to emphasize what I said earlier. Any bill which comes to Parliament for enactment has to be read three times in both houses. Any money bill having received three readings in the other place, then comes here and again must receive three readings. But unlike other bills which go through the ordinary course of passage by the House of Commons and then by the Senate, a money bill, after it has been given third reading in this place, is then sent back to the House of Commons and is brought here especially in the hands of its Speaker for royal assent. The formularies I have just read are followed on such occasions.

Hon. Mr. Vien: It is the practice, but it is not a constitutional requirement.

Hon. Mr. Connolly (Ottawa West): That is what I have said. What I am talking about is the constitutional practice which has the sanction of years of usage, not only in this country but indeed in any of the countries where the British parliamentary system has been adopted.

I think the record should also reflect that this house, again by constitutional usage, is not empowered to increase the tax, to increase the levy. Our own rules so direct. The Rules of the Senate provide as follows:

> 70. The Senate will not proceed upon a Bill appropriating public money, that shall not, within the knowledge of the Senate, have been recommended by the Queen's representative.
>
> 71. To annex any clause to a Bill of Aid or Supply, the matter of which is foreign to, and different from the matter of the Bill, is unparliamentary.

As honourable senators know, money bills are initiated by the Crown by a message introduced in the other place by the Governor General. Such bills originate in the House of Commons. They come here for consideration, but the Senate has never asserted a right to increase the amount of the tax or the levy which the bill imposes.

In the course of the history of this institution there have been debates as to the capacity of the Senate to reduce the amount of the impost, the levy or the tax. That too has been resisted, on the ground that it would interfere with ways and means. This argument has been raised many times during the short period of some 10 years I have been a member of this body. It was raised many years ago when Senator Ross was in this house, and as a result of a debate at that time an opinion was obtained from three of the eminent legal luminaries of Canada, Mr. Lafleur, Mr. Geoffrion and Mr. Ewart. I believe this is not the time to debate the merits of the opinions given at that time. I speak as I do so that we can all remind ourselves of what has been our practice through the years with respect to supply bills.

I think it fair to say that in all of its history the Senate has never attempted to set itself up in opposition to the House of Commons. Its work is supplementary to that of the House of Commons. It is here to give sober second thought to legislation and to policy. But I would rather doubt, in view of the precedents which are quotable, that the sober second thought extends to supply bills in the effective sense. I believe the great men of the Senate of the past—men like Dandurand, Meighen and Lougheed—recognized and always guided themselves on the basis of this principle. I hope that it is of some value to the Senate to have these observations placed upon our records today.

Honourable senators, so much for the bill and the general principles which must actuate us as we approach the consideration of a bill of this kind.

The important aspect of the measure before us arises out of the schedules. As I have said,

these supplementary estimates have been wholly before us since March 10. The items on the contents page from Justice to the end, with the two exceptions to which I have alluded, are the items we are considering today. The amount of the vote is more than $143 million, which includes loans of some $56 million, the details of which are set out in the schedule. There are some 15 different headings.

I conclude my explanation by saying that if honourable senators have any questions I shall do my utmost to give satisfactory answers this afternoon. If there are matters arising out of the schedule upon which I cannot give complete answers, I would ask your indulgence to enable me to get whatever additional information may be required.

Hon. Lionel Choquette: Honourable senators, this bill now before us authorizes the expenditure of $143,702,715. It is the third and final bill arising out of the final supplementary estimates for the fiscal year 1963-64 which ended on March 31.

As honourable senators know, the total amount of these estimates, known as Supplementary Estimates (E), is almost $300 million in budgetary expenditures, loans, investments and advances. As I indicated when the first bill arising out of the estimates was before us, these are the largest set of supplementary estimates ever to come before Parliament. What, in effect, is really a housekeeping matter has, because of the ineptitude of the Government, become a *cause célèbre*, for, after all, we are dealing with public money that has in fact already been spent.

The main estimates for the current fiscal year and the Appropriation Bill arising out of those estimates will be considered by Parliament at a date in the session to be designated by the Government. Therefore, there will have to be another interim supply bill next month, since, on the basis of past experience, it is safe to assume that the main estimates will not be approved by Parliament before the end of May. As honourable senators know, we have already passed one interim supply bill for the current fiscal year which granted two-twelfths of the main estimates, or, in other words, granted supply for April and May. So, honourable senators, there will be many other opportunities for debate.

I cannot give an undertaking at this time that when interim supply comes to us before the end of May we will consent to waive our rules, as is usually the case with interim supply bills. The Government knows now that it must get supply for the months of June and July. Therefore, we hope that a bill for that purpose will not be presented to us at the eleventh hour, under the pretext that salaries are dependent upon its passage.

It is not our intention to exercise our prerogative and debate this bill. We feel that these estimates have received more than passing attention by both houses—and I do not mean to pun when I say "passing attention." In so far as the Senate is concerned, we had what was in my opinion a good debate on these estimates when the first of the three bills, Bill C-86, was before us. There is nothing we could do or say at this point which would serve any useful purpose. Therefore, it is not my intention to be repetitious or redundant.

The bill is in the usual form, with the one exception, of the inclusion of section 5. In this regard we are grateful to the Leader of the Government (Hon. Mr. Connolly, Ottawa West) for the explanation he has given us. Section 5 of the bill confirms what I previously said during the course of this debate regarding the matter of urgency. Honourable senators will recall that during my remarks on Bill C-86 on April 3 I said, as appears at page 270 of *Hansard*, that once we passed the end of the fiscal year the Government had 30 days in which to get these estimates through. In other words they had 30 days' grace. I was supported in this submission by honourable Senator Power and by other senators. I am glad to see that the stand I took at that time has been recognized in section 5 of the bill, which reads:

> Notwithstanding the provisions of the Financial Administration Act, the amounts appropriated by this Act may be paid at any time on or before the thirtieth day of April, one thousand nine hundred and sixty-four, and such payment shall be deemed to have been made in and be chargeable to the fiscal year ending the thirty-first day of March, one thousand nine hundred and sixty-four.

That is the very clause I brought to the attention of this house, as I have said, in the course of the debate on April 3 last.

However, we are now getting on into April, today being the thirteenth day of the month, and we believe that we should clean up this matter so that the Government can get on with the business of the country.

Before I resume my seat I would like to ask the honourable Leader of the Government a question or two, the answers to which I am sure will be of interest to all honourable senators. At page 6 of the schedule to the bill, under the Department of the Secretary of State, Vote No. 15e, there is an item for $31,400 for Translation Bureau. It is my understanding that this translation bureau is located in the City of Montreal.

Would the honourable Leader of the Government tell us why this important translation bureau is not located in the national capital since it is intended, as I understand it, to serve the various departments of the federal Government?

Another question I should like to ask is one regarding Vote No. 43e, at page 5 of the schedule, under Privy Council. It contains an item of $275,850, and is shown as expenses of the Royal Commission on Bilingualism and Biculturalism, of which we have heard so much these days. As the commission has been in existence for less than a year, these expenses seem unusually high. Would the Leader of the Government explain in general the nature of these expenses?

Hon. Thomas Vien: Honourable senators, I do not wish to indulge in a discussion of a constitutional question that arises out of the remarks of my honourable Leader, but I believe that, in the consideration of this and other bills coming from the other place, honourable senators should take into account some specific stipulations of the British North America Act. I do not believe that the rules of either house of Parliament, or parliamentary practice or convention, can override the specific dispositions of the British North America Act.

If honourable senators will refer to section 18 of the B.N.A. act they will find therein that the powers and privileges of the Senate and of the House of Commons are the same as were enjoyed by the Commons of the British Parliament at the time of Confederation. This section has been repeated in the Senate and House of Commons Act of Canada. Therefore, the powers of the Senate constitutionally are exactly the same as are the powers of the House of Commons.

When we come to consider money bills, we look to sections 52, 53 and 54 of the British North America Act, but those do not detract in any way from the basic powers section 18 recognizes as being vested in the Senate and in the House of Commons, both being on an equal basis with respect to their parliamentary power.

The British North America Act of 1867 did not say that our House of Commons would have the rights of the House of Commons in England, or that the Senate would have the rights of the House of Lords. The act specifically mentioned that the Senate and the House of Commons would have all the powers, privileges and rights vested in the House of Commons of the United Kingdom at the time it was passed. There is, however, one restriction as to money bills, and I would ask honourable senators to note that it applies not only to the Senate but equally to the House of Commons. With respect to money bills, section 53 of the British North America Act stipulates:

> Bills for appropriating any Part of the Public Revenue, or for imposing any Tax or Impost, shall originate in the House of Commons.

The stipulation that such bills shall originate in the House of Commons does not detract in any way from the powers conferred on both houses by Section 18.

Furthermore, section 54 reads:

> It shall not be lawful for the House of Commons to adopt or pass any Vote, Resolution, Address, or Bill for the Appropriation of any Part of the Public Revenue, or of any Tax or Impost, to any Purpose that has not been first recommended to that House by Message of the Governor General in the Session in which such Vote, Resolution, Address, or Bill is proposed.

That section is applicable to the House of Commons as well as to the Senate, but when my honourable Leader refers to the balance of the budget and its relation to the ways and means measures in connection therewith, that applies to the House of Commons. A number of speakers in both houses have urged that members of the House of Commons cannot reduce or increase appropriations, that any attempt to increase them would be declared out of order. In certain cases the house has been allowed to reduce estimates, but not as a matter of general practice.

This is due to the fact that the British North America Act, section 9, provides that the executive power is vested in Her Majesty The Queen, on the advice of her responsible ministers. The ministers are responsible. Our function is to legislate; the Government is to administer. It has the executive power. It would be embarrassing to the Government in the exercise of its executive powers if members of the House of Commons or of the Senate could disturb the equilibrium of a budget which the Government had carefully studied and introduced.

Therefore, the House of Commons, or any of its members, is just as powerless to modify a money bill as are we in the Senate. But I believe it is nonsensical, illogical and contrary to the basic facts to which I have just referred, to say that a money bill is in the exclusive gift of the House of Commons. How could it be if it has also to be voted by this house? If it is in the exclusive gift of the House of Commons why should our concurrence be required? Therefore, I say it is illogical.

I agree with my honourable friend that Senator Dandurand, Senator Meighen and other eminent leaders of the Government and

of the Opposition in this house were conformists. They conformed to the general usages and decisions of Parliament. But at a time like this, when even the usefulness of the Senate is in question and when the revision of the British North America Act is also under consideration, I think we should divest ourselves of the conformist attitude which may be uppermost in our minds.

My honourable friend went a step further and said that in his opinion he doubted that our sober second thought and power of revision could apply to a money bill. If that be so, why should we needlessly spend our time and energy to consider money bills? Let them dispose of money bills exclusively in the other place and then submit them to the Governor General, who will give the royal assent if he chooses to do so.

Hon. Mr. McCutcheon: Treat them like divorce bills.

Hon. Mr. Vien: They would be treated like divorce bills. But I say the House of Commons cannot do that unless the British North America Act is amended. They cannot do it unless section 18 of that act is repealed.

Therefore, in my humble opinion, the time has come to be a little more logical, and to adopt a manner of thinking, acting and speaking which is in keeping with the facts. The usage which has been allowed to develop in our country has had a tendency towards undue conformity. I would say that parliamentary practice or usage cannot overrule the fundamental disposition of the British North America Act, which is our constitutional act.

Furthermore, we should ponder on these aspects of the question at a time when we are considering revising our Constitution. I would be of the opinion that in so doing we should see to it that in the future the Senate will be used a little less as a rubber stamp. We should assert our powers and discharge our functions within the terms of the constitutional provisions to which I have referred.

I regret having taken up so much of your time, but I thought that we should keep the record straight. I do not want it to be thought that I agree to being governed by usages which are in conflict with the constitutional stipulations of the act.

Hon. M. Grattan O'Leary: Honourable senators, I listened with the greatest of interest to, shall I say, the lecture given the Senate by the Leader of the Government (Hon. Mr. Connolly, Ottawa West). Some of it was very cogent, some of it able and some of it very elementary.

It was no news to a layman such as myself to be told that the Senate cannot increase money bills. I would put this question to the honourable Leader of the Government: If he admits that we have the right to discuss money bills—and certainly we have the right to discuss some of the items in this particular bill and its general principles—then why does the Government through the House of Commons send us this bill this afternoon and say that it must get first, second and third reading and royal assent today? Is he putting a limit on discussion? Is he introducing a form of closure?

Hon. Mr. Connolly (Ottawa West): May I interrupt my honourable friend?

Hon. Mr. O'Leary (Carleton): Yes.

Hon. Mr. Connolly (Ottawa West): I think in fairness to myself I should say that as yet I have said nothing about that. All I asked of the Senate was that it consent to having this bill read a second time today, to which unanimous consent was given. I have said nothing about closure. I am sure honourable senators are quite well aware that the idea of closure has never once been introduced in this house by me, nor do I expect that it ever will be.

Hon. Mr. O'Leary (Carleton): Surely that could be the effect. Surely that was the burden of the leader's argument all the way through, that we should give full and final assent here today.

The acting leader on this side, the honourable Senator Choquette, mentioned that the items in this bill have been pretty fully discussed, and he saw no point in further discussion here today. Who is to determine when discussion has been exhausted on any bill in this house? Is there some one in this chamber, either on this side or on the other side, who is to tell me that discussion and debate have been exhausted on a particular bill, and that it must now pass and receive assent? I do not go along with that at all. The actual fact, as I understand it, is that the Senate today is being asked again to suspend its rules in order to bail out the House of Commons from the consequences of its own incapacity. What is the existing urgency for this bill? If there is no urgency for it, and I am unaware of any, why then the advice to His Excellency to come here this afternoon or to send his deputy, to give this bill royal assent?

Like the distinguished Senator Vien, I am sick and tired of hearing people say in this chamber, and of reading in the press, that the rules of the Senate and of the House of Commons are in fact the rules or the usages of the Lords and the Commons in Britain. This surely is nonsense, as Senator Vien has shown. The position of this house in respect to the House of Commons is that it is

an integral part of Parliament, as determined by the British North America Act, and by nothing else. Any layman would know that.

I came here today with the firm intention, I must say, of not giving my consent to third reading of this bill today. The distinguished Senator McCutcheon, speaking on the interim supply bill, served notice that not again this session would he give assent to third reading of a bill brought in that way. The honourable Senator White, only last week, served notice to the same effect. I raised my humble voice to the same effect. Despite that, and despite the fact that there is no great urgency for the passage of this bill today, the Leader of the Government comes in here and says in effect—he does not actually say it, but in fact this is what we were told before coming to this house—that we are called here to give first, second and third reading to this bill, and that it receive royal assent as well. I say this is a piece of insolence. Incidentally, during the course of his talk to us a few moments ago, the Leader of the Government said that over the years it had not been the practice of this house to put itself in opposition to the will of the House of Commons with respect to money bills or bills of that kind. Has he forgotten the naval bill of 1912-13? Was that not a money bill? Not only was it thwarted, it was rejected. As a matter of fact, from my own memory I can cite a number of bills during 35 or 40 years where the Senate did take action against the House of Commons and, what is more, took action successfully and without challenge by the House of Commons later on.

Honourable senators, if this bill does come before us for third reading today I am not going to withhold my consent. One reason is that this is in fact a package deal: this is one of three bills, and so does not interfere too much with the principle I laid down the other day. However, I repeat, and I call upon my friends in this house to stand up here this afternoon and to give me their support in plain language, rather than come to me after a speech and say, "Senator, you did very well." I want to know if my friends are with me or not on this matter. If they are not, let them say so. I cannot abide the pussyfooting which took place in this chamber last week on the part of my own party. As a matter of fact, I am perfectly certain, having heard speeches by the honourable gentlemen again and again in the past few years, that they agreed with the position I took. But I ask myself, why don't they stand up and say so? I am going to give my assent today, but I will not do so again. I hope I will get more backing with this warning that if and when bills come to this house in future, and we are asked to suspend our rules in order to put the bills through to bail out the other place because of its incompetence and failure to manage its own business, I will not again give my consent.

Hon. Donald Cameron: Honourable senators, I have listened to the discussions here this afternoon with much interest, and I have followed the proceedings as reported in the press since I left here on March 25 last. As a student of public affairs for more than 30 years, I say I do not think the reputation of the Parliament of Canada has ever been lower than it is at the present time. That is true, in spite of the fact that this is one of the most critical times in the history of our nation.

I was very glad to hear my colleague Senator Vien say what he did, because I believe that in Canada we have been too conformist, not only as to the matter under discussion but in many other matters as well.

As I listened to my friend the Leader of the Government (Honourable Mr. Connolly, Ottawa West) a little while ago, I cannot think that I heard him aright, and I hope he will correct me if I am wrong. I understood him to say, in effect, that the idea of sober second thought as applied to the Senate did not extend to money bills. I do not want to put words in his mouth, because I realize that he has a difficult task to perform in the position he occupies. However, I simply cannot accept that. I could cite at least one specific instance in which sober second thought should have been given to the bill before us, long before now. To accept the bald statement at its face value, that the Senate should not give sober second thought to money bills would, in my judgment, further undermine the status of the Senate, or such status as it may possess.

I am prepared to agree that the Senate constitutionally cannot increase the amount of a money bill. Some of my legal colleagues have said that we cannot reduce the amount, even though that has been done in the past. I am reluctant to accept as a fact that we cannot reduce the amount of a money bill, and the constitutional experts would have to rule on that. But assuming that we are bound by it, I would agree with the point raised by Senator Vien and Senator O'Leary: why in heaven's name does a money bill come to the Senate? It is a pure farce to bring a bill to the Senate and say, "You can't do anything about it—pass it right away."

I do not know that we are expected to give first, second and third readings to this

bill today. Probably we are. I have just returned to Ottawa and have not had an opportunity to learn what the position is. However, let me say that since 1955, when I first came to the Senate, this situation has recurred time and time again. Money bills have come over at the last minute with the request that the rules of the Senate be suspended and that we pass them at one sitting. Regardless of the party which happened to be in power—whether Liberal or Conservative —members have grumbled a bit but we have fallen into line. I believe it is high time this procedure was stopped. I will certainly join with those members who say that they will not again give assent to that practice if a similar situation arises in this house, unless reasons can be given to demonstrate there is an emergency. I see no emergency here today.

I read the other day that Senator Power—who is one of ablest and most experienced parliamentarians in this house—said there was no reason why this bill had to be passed on the day it was presented. I was hoping the Leader of the Government would give some explanation as to why this bill should be passed today, but he has not done so. Maybe he will yet.

Frankly, I do not feel happy about the situation that exists, and I am going to give you one illustration as to why I think this house should take a good look at some of these bills. I refer you to page 4 of the schedule, item 106e:

> Yukon Territory—Payments in accordance with terms and conditions approved by the Governor in Council during the 1963-64 and 1964-65 fiscal years in respect of expenditures incurred for the Dawson City Festival.

To the best of my knowledge—and this is just from memory—this particular piece of imagination has cost the federal Government something like $654,000. I believe it can be demonstrated that the actual cost will be substantially more than that when all the items have been added in. I do not know who dreamed up this particular venture. I am told that in some respects it was one of the eminent gentlemen who have played a role in the development of the very successful venture, the Stratford Festival. But to develop a program such as the Dawson City Festival, 2,000 miles north of Edmonton, over thousands of miles of gravel roads, is something very different from developing a festival within a few miles of large centres of population in Canada. The official who accepted this particular responsibility should have had his head examined. It is no wonder we have lost money on the scale we have on this particular venture, and we will probably lose more.

I would like to put this question to the Leader of the Government, for him to answer when he can. I understand that in addition to the initial improvidence of establishing this particular, unfortunate venture to which I refer, no provision was made to recapture any money that might accrue from the royalties of the production "Foxy". I understand "Foxy" is having a fairly good run, and if there had been attention given to proper business practices we might have recouped something from the royalties. Specifically, I would like to know whether or not any efforts have been made to establish the right of the Government to share the royalties that may accrue from that successful theatrical production. And if not, will such steps be taken? I mention this as one illustration of the fact there is need for someone to take a look at the expenditures which come over from the other house when they can result in a loss to the taxpayers of some $800,000.

Had time permitted, I would have gone into another area where I have a decided reason for complaint. I refer to page 5, item 10e, on the Post Office. However, I have so many things to say about the operation of the Post Office department that I would like to save those remarks for a suitable occasion.

I believe we should have assurance from someone that there will be a change from the procedures and practices—the usages, if you like—which have grown up over the last few years. We are going through some of the most critical days in the history of Canadian Confederation, and they are going to be more critical before they become better. One of the reasons why we in Canada find ourselves in an unhappy situation today is that we have been too timid, too conformist, too afraid to venture forth and blaze new trails. It is high time the Senate of Canada examined its procedures and took a new look at its responsibilities, to see if it could not discharge them in a way that would give more satisfaction to those distinguished Canadians who sit here, and so reflect greater credit on the Parliament of Canada. Certainly, nothing that has happened in the last two or three weeks reflects much credit on any of us.

Quite frankly, while I was not happy about the fact that my friend Senator O'Leary (Carleton) held up the estimates by not giving his consent the other night, I believe that in the long run it is the very thing that will result in the Senate taking a new look at its procedures and responsibilities and possibly devising some new methods of discharging them.

May I add one further thought? I get thoroughly fed up when I read fatuous statements about the Senate by so-called responsible members of the press, and statements like the one attributed to Mr. Douglas Campbell of Stratford—and please do not misunderstand me, for I think Stratford is a particularly magnificent Canadian achievement—who referred to the Senate as "that house of doddards". I resent these patently foolish statements by newspaper men who constantly undermine and malign the Senate, because there are men in this chamber today who play an active part in community work and run some of Canada's biggest businesses. As I say, I get thoroughly fed up when some ill-equipped or illiterate newspaper man or actor or any other person casts aspersions on the quality of my honourable colleagues. I will defend with all the vigour at my command the calibre, the quality and the contribution of those who sit in this house.

While I am not happy about the way things have been going in the last few weeks, I feel that this whole hiatus will have a good effect if we use this occasion to examine our conscience, to look at our procedures, and to advise those of the other place that from now on we do not want to be put in a position where we are being used as a spineless rubber stamp—that is exactly the position we have been put in.

(Translation):

Hon. Jacques Flynn: Honourable senators, first of all, I wish to say that I agree with Senator Vien about the powers of the Senate with regard to money bills.

Secondly, I wish to accept the invitation of our colleague from Carleton, Senator Grattan O'Leary, and tell him that I support him, but I want to make clear how and why I do so.

I am in agreement with the Leader of the Government when he says that in the House of Commons it is customary to give a money bill three readings the same day. As far as we are concerned, I see no objection to the Senate discarding the general rule and giving three readings to a bill, such as the one which is before us, at one sitting the same day.

Personally, I feel that it is not a matter of keeping strictly to the rules, it is rather a matter of procedure, and I would not worry too much about it, provided the Senate had time to debate and discuss a bill.

Today the Leader of the Government presented a bill. I admit that he did not ask the Senate to give it three readings today. Personally, I feel that we have all the time we need to discuss it and that we must discuss it as long as we deem it necessary. However, it would be childish, in my opinion, to wait until tomorrow to proceed with third reading especially if we have nothing more to say.

But Senator Grattan O'Leary was right on that famous day of April 3. At 4.30 on that Friday afternoon, Bill C-86 was submitted to the Senate which was told: You must give that bill three readings and pass it so that it may receive royal assent before six o'clock; otherwise, next Monday, some people who expect to receive their unemployment insurance benefits will not get them. In that particular situation, the Senate had a knife at its throat in so far as such blackmail, as it were, existed. I am not necessarily talking about blackmail on the part of the government. I am talking about blackmail due to circumstances, which was to place on the Senate or any of its members the blame for not giving this bill third reading so that it might receive royal assent before six o'clock. We had no other alternative. The house, under its rule, adjourned at six o'clock and was not to meet again until the following Monday. Therefore, we had an hour and twenty minutes to proceed with three readings and royal assent. In my opinion, those circumstances were entirely different from those which exist today; it is a different thing altogether. I feel that the House of Commons can be blamed for what happened on April 3, but the Government must be blamed particularly because the urgent item in Bill C-86 was the loan that had to be made to the Unemployment Insurance Commission. Well, the House of Commons had passed that item on Wednesday, that is two days previously. If it were that urgent, the government had only to remove it from its list of supplementary estimates, make it the subject of a separate bill, a special bill, and send it to us on Wednesday or Thursday, and we would have had time to consider it.

I believe that those are circumstances for which the government must bear the blame, although the House of Commons must also be held partly responsible. Those are the particular circumstances which led Senator O'Leary to object: I shall not agree to three readings in one day.

We should not concern ourselves with the point of procedure. I do not think we should always require three days to pass a piece of legislation. Indeed not. However, we must have all the time required to discuss a bill. The same situation might arise when another interim supply bill is before us. This would probably happen at the end of the

session, because the House of Commons always carries last of all a bill allowing Her Majesty certain sums of money for the current fiscal year and this bill reaches us only a few minutes before the time set by the house for adjournment.

That is the very problem I pointed out the other day.

The procedure to be followed when those bills are given royal assent should probably be reviewed, since the House of Commons would have adjourned, if not officially, at least *de facto*, in order to enable the Senate to discuss for a day or two this last bill received from the other place. This is another problem. I feel once again that the situation referred to today shows that it is essential for the Senate to have enough time to consider such pieces of legislation. It is less a matter of the standing orders being strictly applied in the circumstances.

As far as this bill is concerned, I do not object in the least to its receiving third reading today and royal assent this evening. I feel, however, that no one should be deprived of his right to discuss it. Everybody agrees that we should take all the time necessary to say what we think about it.

(Text):

Hon. David A. Croll: Honourable senators, in view of the speeches made here this afternoon, I am going to drop the first part of my speech which would have kept this house here until tomorrow anyway.

The honourable Senator Choquette said in his reasoned speech—and I really do not quarrel with him—that whatever we do or say with respect to this bill will not serve any useful purpose; the money is all spent, and that is that. In spite of that admonition there is one aspect I want to cover this afternoon, and this gives me the opportunity.

For many years I have been sitting around with prepared speeches on various subjects. When estimates and supply bills came before the house I would always prepare a speech. Then someone would say "This has to go through today; there is an urgency about these measures, and we have not the time." So my best speeches have never been made in this house—they are in a filing cabinet. Perhaps that is something for which the Senate ought to be thankful.

However, while we are talking of constitutional responsibilities, I recall that when I came into this house I had certain views, particularly because I had spent a number of years over in the other place. I took the occasion to find out what were the constitutional responsibilities, and I read very carefully what Geoffrion, Lafleur and Ewart had written on the subject. I felt that if I followed their advice I could not go far wrong. I was not going to erect the barricades and start a revolution that day. However, having been here nine years, I am still not in a revolutionary state of mind with regard to that aspect of our Constitution. Nevertheless I do think this house has some special responsibilities.

If I recall correctly, one of the things the constitutional authorities emphasized was that we were the protectors of provincial rights and minority rights. Therefore I take this occasion, when others are giving notice that they will do this only for so long and no longer, to register on my own behalf a caveat of concern on the proposed transfer of administrative control of some 23,000 or more Eskimos from the federal Government to the Government of Quebec.

Hon. Mr. Flynn: Twenty-five hundred.

Hon. Mr. Croll: Yes—2,500 to 2,700. But what matters is the welfare of the Eskimo people and how they will make the greatest progress, whether it be under the administration of the Province of Quebec or the continued guidance of the Department of Northern Affairs.

The Eskimos cannot speak for themselves in Parliament. They live in scattered areas far away from the seat of government. They have no recognized spokesman as such, and the officers of the Department of Northern Affairs and National Resources who might speak on their behalf are prevented from so doing by the regulations.

By a judgment of the Supreme Court of Canada, the Parliament of Canada has exclusive jurisdiction and responsibility for the welfare of the Eskimos. I do not deny that the Government may make agreements or arrangements with provinces which may affect Eskimos in one way or another, but such agreements cannot be made without the consent and approval of Parliament. What needs to be done can be done, but it must be approved by Parliament and there is no shortcut. Here we are concerned with full Canadian citizens. The fundamental rights of Eskimos must be respected, and the one certain way to respect those rights is to consult them.

We as a nation are an outstanding advocate of self-determination. We have sent troops to Cyprus to maintain the peace and allow the people there to determine for themselves what they would like to do. We support that principle. We have advocated and supported self-determination at the United Nations and

elsewhere. We have been spending money to support the principle of self-determination to the Hottentots of the world. We must now ask ourselves: Can we refuse that same treatment to the Eskimos, who are full Canadian citizens? I think not.

The Minister of Northern Affairs and National Resources, as is obvious from what he has had to say on many occasions, is doing his utmost to protect the Eskimos, and it is to his credit, but there are other formidable, stubborn, and sometimes unreasonable forces acting against him. My purpose in rising today is to indicate that my caveat is to give support not only to the Eskimos but to the minister. He has indicated it is the intention of his department to bring about their full and complete emancipation.

It is interesting to note that the Arctic owl, which is called Ookpik, made as a toy by the Co-operative Eskimo Association, is now bringing in money at the rate of $2,000 a week on a 10 per cent royalty. That, of course, cuts down the amount the Government has to spend, but I mention it merely to indicate that these people have as much imagination and creativeness as other Canadians, although we may not know too much about it.

I bring to the attention of Parliament the fact that in this instance we have a role to play. We must see to it that in so far as the treatment of the Eskimos is concerned there is a respect for the Canadian Constitution. We must see to it that the sovereignty of Parliament prevails and that the rights and interests of the Eskimos are protected. The only method of which I know of consulting a free citizen is by referendum or election. The Eskimos had the right to vote in provincial elections before they had the right to vote in federal elections. They know what it is all about. They understand what is involved. They should have the right to be consulted. They must exercise that right before the point of no return is reached. They are not pawns in a political game. We cannot permit political appeasement at their expense.

This problem with respect to the Eskimos, in my opinion, touches the soul of this country, for it involves far more than the welfare of the Eskimos. There is involved here the rights of citizens. The fundamental rights of these people must be respected and protected in order that we may preserve the rights of the rest of us.

Hon. M. Wallace McCutcheon: Honourable senators, this has been an interesting debate. I want first to say that I was unfortunately not able to be present when Senator O'Leary (Carleton) said "No," as I had suggested a few nights before some honourable senator might reasonably do in the near future. Had I been here I would have said "No," not only to the first appropriation bill but to the second one also.

However, the principle having been established, what I see as coming out of this discussion this afternoon is not, as Senator Flynn has said, that we are not prepared to waive our rules—after all, we have the rules, we have the right to waive them, and in appropriate circumstances we are quite prepared to do so—but rather the question of how to obtain the opportunity of discussing, of considering, of examining the financial matters which come before us and which, under the Constitution, we must of necessity approve.

We could sit here and discuss this bill for a long time this afternoon. I have no doubt that Senator Croll has a speech he could make on each item. I do not know what subject he would discuss after the Eskimos, but I am sure he could find some other poor, downtrodden people to tell us about. However, when all is said and done I do not think it would have shed any light on what we are really considering here. I do not think it would have improved our image—although I do not like that expression—in the eyes of the Canadian public, and I do not think it would have contributed to our doing what is really our job.

I am going to suggest—although I have made the suggestion before, and I know it presents certain difficulties—that if the estimates were referred to the Committee on Finance, and if the committee got down to work, we could make a real contribution. I do not suggest that the committee go through every item in the estimates, as is done in the other place. And I might say that going through every item in the estimates in the other place does not necessarily mean an exhaustive and critical review of every item. However, I suggest that we could make a real contribution if we were to study two departments this session, and two departments at the next session, or even three, depending upon the circumstances. For instance, we might take only one of the larger departments this session, and two or three next session. In that way we could really examine them and make a report, the sort of thing the Senate is uniquely capable of doing, such as has been done by many other committees of the Senate which exercised no legislative or executive function, but merely a reviewing, a reporting and a recommending function. If that were done, I sug-

gest that some of these irritations, which I think are quite proper, might be overlooked.

I hope that the Leader of the Government (Hon. Mr. Connolly, Ottawa West) will give this suggestion every consideration; and I hope he will report to his colleagues that the interim supply bill in May might receive quicker and less acrimonious consideration if this suggestion were adopted.

Hon. G. Percival Burchill: Honourable senators, I merely rise for the purpose of adding my voice to what Senator Croll said, and said so well, about the Eskimos.

May I point out that a great many people are very much disturbed about the proposed transfer of jurisdiction of the Eskimo schools in the province of Quebec from the Department of Northern Affairs and National Resources. I speak particularly for the Anglican communion, which has done a marvellous job in that area among the Eskimos. I think one can feel proud of the result of their rewarding efforts on behalf of the Eskimos.

Hon. Mr. Choquette: Is there a question of imposing another religion or corrupting their morals?

Hon. Mr. Burchill: I do not want to see any disturbance in the education of their children. The education of the Eskimo children was conducted ably under the auspices of the Anglican Church formerly, but is now under the full jurisdiction of the Department of Northern Affairs and National Resources. That is quite all right and the work is going on very well, but I would be greatly disturbed if some shift took place. Therefore, although I do not belong to the same church as my friend Senator Croll, I support everything he said in that connection.

I also want to support what Senator McCutcheon said. I have expressed the same view many times when we have debated this subject matter in this chamber. The same situation occurs practically every year, and several times I have made a plea that the Finance Committee of the Senate be organized to study these estimates.

I also agree with Senator Cameron, that giving money bills which come to us merely a superficial examination is an absolute farce. I think it is the responsibility of the Senate to do something about this situation, and therefore I again make a plea that the Finance Committee of our Senate study these estimates in order that we may know more about them.

Hon. L. M. Gouin: Honourable senators, I wish to support the remarks which have been made concerning a study of the estimates by the Finance Committee of the Senate.

I have been a senator since 1940, and I state frankly that I feel very unhappy about the lack of opportunity given to the members of the Senate to discuss the estimates fully. Whatever government is in power at the time, the House of Commons sends over to us interim supply bills and supplementary estimates at the last moment, often at the end of the session and usually late in the day, and we are given only a few minutes to approve grants running into millions of dollars. I feel a personal humiliation about that. The members of the Senate have a responsibility to discharge, we are anxious to do our duty, but we become the victims of circumstances.

I support what has been said by Senator McCutcheon and repeated by other senators. We have a Finance Committee. I am not a member of that committee. However, many years ago, under the able chairmanship of Senator Crerar, the committee discussed the estimates, with the full co-operation of other committees of the Senate.

For a time I was chairman of the committee on External Affairs. That committee heard various witnesses, including the Under Secretary of State for External Affairs, at which time we were able to put our questions to the witnesses and were supplied with full information concerning the items of the estimates we felt were important enough to demand scrutiny. Then we reported to the Committee on Finance, as did other committees, and then the Finance Committee made what I would call a general survey of the estimates.

I believe that could be done again. By referring the subject matter of the estimates to the Finance Committee and, if necessary, with the co-operation of other committees of the Senate, we could make a comprehensive study of the estimates and offer some very useful suggestions, as was done in the past. In those days publicity was given to the various items of the estimates, and information was sought with regard to expenditures by various departments. The reports of the Finance Committee were exceedingly well received by the press and by the public, and this had the practical effect that the Government listened to us and introduced some reforms.

I feel that it is impossible to discuss these supply bills adequately without hearing witnesses. Without their assistance, one is only able to deliver a vague speech on one particular subject or another.

I hope very sincerely that the Leader of the Government will study the suggestion which we have raised so often, of reviving,

so to speak, the work of the Finance Committee in studying the estimates. I am convinced that the Leader of the Opposition would support this suggestion, and I know that we would all have a sense of relief if this were done. It takes time to organize such a study, but this work could be undertaken even during the present session and for the estimates now before us.

Hon. George S. White: Honourable senators, as one who spoke in this house on April 3 last on two appropriation bills, I find it rather pleasant to hear other senators today more or less agree with me that the rules of the Senate should be more closely followed in future. I believe I made it quite plain at that time that in future when an interim supply bill comes before the Senate its passage will have to be in accordance with the rules of the Senate. However, I stated that the rules would be waived in case of emergency, for I quite realize that there are times when rules have to be set aside; certainly, I am not one to object when that is necessary.

The honourable Leader of the Government, when introducing the bill, pointed out that it had been the custom and practice in the other place for a bill of this nature to receive three readings in one day. That is quite correct. If you will look at the *Hansard* of the other place, you will note that the procedure takes little more than half a column. But one should remember that previous to the resolution and the bill being introduced, the estimates, as in this case, or interim supply, are discussed for a day or two days, or a week or two weeks, and there is nothing left to be said when the actual bill comes before the house.

I do not need to point out to honourable senators that the procedure in this chamber is entirely different. I for one hope there will be considerable discussion on the interim supply bill when it comes before the Senate, and I certainly hope it will get here before May 31st.

One of the things I did object to with regard to the procedure of last week, as pointed out by Senator Flynn a few moments ago, was that in the other place these supplementary estimates were considered before Good Friday. But the item concerning the Unemployment Insurance Fund, which was urgent, was not discussed. The House of Commons met on Monday, March 30, and Tuesday, March 31, and spent the full two days on supplementary estimates, and no attempt was made to call those of the Department of Labour to deal with the item on unemployment insurance.

I was in the other place at 10 o'clock on Tuesday night when the house leader, the Minister of Justice, made a request that the house sit for an additional period to consider this item. Mr. Churchill agreed; the New Democratic party refused. The house leader then made a request that the house sit at 10 o'clock on Wednesday morning, and this was again refused by the New Democratic party. At the opening of the sitting on Wednesday, April 1, after the fateful hour of midnight had passed, Mr. Knowles rose and made a plea that the house sit on Wednesday night to discuss this unemployment insurance item, on the condition it be called not later than 8 p.m. Here was this item of the greatest possible importance, the hour of midnight had passed, there were no funds on hand, and it was suggested that the house sit later on Wednesday, provided that the item was not called later than 8 p.m. The item was called, and this particular vote in the estimates was passed.

If the passage of this item was of such tremendous importance, to suggest that it was absolutely impossible for the Government, with its hundreds of expert advisers in every field, to devise a way to lend two or three million dollars, is simply beyond my belief. I have always regarded myself as a country lawyer, and I still do, but I cannot believe there was an emergency of any kind that could not have been dealt with.

However, leaving all that aside, we come to Thursday, April 2. I would have thought we would have had a bill before us dealing with this one item and the other supplementary items that had already been passed; but no. We look at the House of Commons *Hansard* and see that they proceeded to deal with further supplementary estimates. The Senate met and adjourned.

We come to Friday, and what happened? The Commons sat at 11 o'clock in the morning—but no supply bill. They proceeded with the estimates. The Senate met and adjourned, to meet again later in the day.

If you look at *Hansard* of the other place you will find that the supplementary estimates bill came before the other place at around 4 o'clock. True, it only took a few minutes. The bell for the meeting of the Senate rang at 25 minutes to five. His Honour came in at 20 minutes to five, and by a quarter to five the Senate was in session. If you look at *Hansard* of the other place, you will see there was a letter read by the Speaker from the Assistant Secretary to the Governor General advising that the Deputy to His Excellency the Governor General would arrive at 5.45 p.m. to give royal assent to this bill. That is what I objected to. I say that was an affront to Parliament; it was

arrogant, and it was contempt of this chamber. It was a quarter to five when we received this bill and could deal with it, and the Deputy of the Governor was coming here at a quarter to six to give royal assent.

I have been very proud to be a member of this Senate, and I think it is up to us to uphold and maintain the dignity of this chamber. I repeat my closing remarks on that earlier occasion, for I cannot say it better.

> In the future I shall refuse to be a rubber stamp for the Government or the other place. In speaking again for myself, I am ashamed of the mockery made of our rules, and the affront to the dignity of this chamber during this week, and for my part I am going to try to prevent it happening in the future.

I sincerely hope we will never again witness the performance of last week.

Hon. Mr. Connolly (Ottawa West): Honourable senators—

The Hon. the Speaker: I must inform honourable senators that if the honourable Senator Connolly (Ottawa West) speaks now, it will have the effect of closing the debate.

Hon. Mr. Connolly (Ottawa West): Honourable senators, in the first place I would say that the debate has gone from one extreme to another. In the earlier part of it the going was a little rough, but towards the end there were hands across the aisle—an example of an ecumenical movement within the Senate itself!

May I first deal with what Senator McCutcheon said, which was so generally supported, not only by the speeches that were made, but as well by the demeanor of all senators. He said that more extensive use should be made of the Finance Committee of this house, to deal with the estimates after they have been tabled here. It is a suggestion that has been made many times in this chamber, and the practice has actually been carried out very effectively in a number of Parliaments. I am reluctant to quote my own words, but in the speech I delivered on the address in reply to the Speech from the Throne, when talking particularly about committees of this house, I referred especially to the work that was done by the Finance Committee in respect to the estimates under the able chairmanship of Senator Crerar, of Senator Hawkins and of Senator King. They were most effective contributions. They were contributions of which the Senate could be proud. They were contributions which assisted Parliament to a better understanding of the estimates. Some extremely useful changes were made in the form of the estimates, as a result of some of those deliberations.

I hope I do not appear smug in saying this, but after the committees were set up this session I wrote to the chairman of the Finance Committee in this sense and suggested that at the appropriate time—and I must say that the moment did not appear to have arrived before the so-called Easter recess—the committee might be assembled for the purpose described by Senator McCutcheon. I am sure that will be done this session, and I hope it will continue to be done in succeeding sessions. In extenuation of the fact the committee has not sat for a number of years, I should say—and in this respect I am not helping my own party as much as the party opposite—that for the past two years we have had two general elections and much of the work of this committee could not be undertaken for that very reason. However, I think now we are in a position to continue that work.

I am most grateful to all honourable senators for the contribution they have made in this respect. I think it is a constructive idea and, if it does no more, at least the conscience of the Senate will be satisfied when it has to deal with appropriation bills after it has had an opportunity of examining the estimates in committee.

The honourable Senator Choquette asked a number of questions with which I might be permitted to deal at this time. I should point out that he spoke in the beginning about money spent. The fact is, the money to be provided in these estimates is not yet spent; it is, however, committed.

My honourable friend from Carleton (Hon. Mr. O'Leary) said that as yet nothing has been said by me to indicate to this chamber that this bill should be passed quickly. I would have thought that any bills overdue by the Government of Canada as at March 31, the end of the fiscal year, present an element of urgency. I think that was the reason the Senate responded so generously to the summons issued by His Honour the Speaker over the weekend in respect to this bill.

Senator O'Leary asked particularly if there were items which required urgent and early attention. I am informed that there are accounts of suppliers and contractors which cannot be paid until this measure is passed, because funds have not been provided by Parliament to do so.

In the Department of National Defence item No. 35e of this schedule for some $10,700,000 is one such item. In the Department of Mines and Technical Surveys there is an item of $3,900,000 in respect of payments to be made by the Dominion Coal Board. In the Research Council some $420,000 is due and payable, and in the Department of Trade and Commerce $22,000; for the Department of Transport, under four different items

there is an amount of $4,800,000. In the Post Office Department, for transportation involving movement of mail by land, by air and by water, there is some $363,000. In the Research Council there is another half million dollars in connection with construction of certain buildings. In the Department of National Health and Welfare for health services and medical services, there is an item of some $2,300,000.

If I did not mention these items at the beginning, I apologize, but I feel they indicate the element of urgency presented to us by this bill.

My honourable friend, the acting Leader of the Opposition (Hon. Mr. Choquette), asked about item 15e for $31,400 under the Department of the Secretary of State in respect of the translation bureau recently established in Montreal. He asks why this bureau has been established there. I am informed it is not without difficulty that the public service obtains good translators for this work. Apparently a survey indicates that there is more opportunity to get people for this work in a metropolitan area like Montreal than in Ottawa. In addition to that I am informed that the level of pay provided for this translation work is not sufficiently high to attract translators who might be enticed into Ottawa—although that is not the word I should use as between Ottawa and Montreal—

Hon. Mr. Croll: Yes, it is.

Hon. Mr. Connolly (Ottawa West): —to come here for the purpose of engaging in this work. So it was considered to be a more provident operation to establish the bureau in that city.

Senator Choquette also asked for some particular information as to the vote for the Privy Council, No. 43e, in connection with the Royal Commission on Bilingualism and Biculturalism. I can tell him that royal commission was established in July 1963. It has had to provide for staff salaries, professional services, certain travelling expenses, office equipment, and it has done some advertising of hearings. It had a good deal of printing to be done, and there were the usual expenses for postage and telegrams. This is the nature of the item, and the amount is as provided in the item to which the honourable gentleman referred.

My honourable friend from Banff (Hon. Mr. Cameron) asked a number of questions in connection with the Dawson City Festival. I do not think it is desirable to put all of the information on record. I must say I did not expect to have a question about this matter, although I welcome any question. My information is that in 1959 the services of one Thomas Paterson were engaged as a consultant to advise on the development of the tourist possibilities of Dawson City. In 1960 the Dawson City Festival Foundation was incorporated in the Yukon Territory. Mr. Paterson appears to have taken the initiative in this, and he was retained as consultant. At the same time the Government undertook to assist the festival through the reconstruction of the Palace Grand Theatre, and the transportation to Dawson and renovation of a Yukon River steamer then at Whitehorse, the S.S. *Keno*. These undertakings were carried out at a final cost of approximately $465,000. The Government also undertook to provide limited advertising in the United States through the Canadian Government Travel Bureau. There was a fund-raising drive to provide capital for the enterprise, and I am informed this was not a success. Subsequently it became apparent that the costs of staging the Broadway production "Foxy" were much higher than had been anticipated by the festival authorities, while the revenues were far less. The festival first ran into difficulties in May 1962, and in June of that year the cabinet approved a treasury board recommendation that the federal Government include in supplementary estimates an item for a grant of $50,000 to the foundation.

Also in June the Yukon Territory guaranteed a bank loan of $45,000 to the foundation. This guarantee was subsequently increased to $75,000 on the understanding that the gate receipts from "Foxy" would be applied to reduce this purely territorial guarantee. Gate receipts of approximately $40,000 were applied to this purpose and the territorial Government subsequently paid off the balance.

On July 4, 1962, on the recommendation of the Minister of Northern Affairs and National Resources, a guarantee was made to the Government of the Yukon Territory of $75,000 towards the general operating costs of the festival, and on the strength of this undertaking the Council of the Yukon Territory approved the guarantee.

There is considerable information here which may not be of interest to honourable senators. The foundation has defaulted and now has outstanding obligations in the order of $122,000, apart altogether from the guaranteed loans totalling $137,500 plus interest. The obligation of the foundation to the Government of the Yukon Territory is approximately $35,000 on account of the guarantee which was met. Against these liabilities, the foundation is without funds.

The current supplementary estimate, Vote 106e, is designed to meet the commitments undertaken by the previous Government with

respect to the bank loans, and also to meet *ex gratia* the valid claims of creditors, in whole or in part, who may have no legal call on the Government but who would probably not have extended credit to the Festival Foundation had the latter not been represented as having Government backing.

If my honourable friend requires more, I shall try to get it for him. I think these were the only specific questions asked in respect of the items in these estimates.

With respect to the very interesting discussion of Senator Vien, I would say I quite agree, as I am sure all honourable senators do, with the logic of saying that some of the practices in Parliament may very well be called into question. I think it was once said that the same applies to the Constitution of Great Britain. The fact is that it works. This, in some measure applies, I think, to some of the provisions in our own rules with respect to our method of proceeding. I do think that if Senator McCutcheon's suggestion is carried out—and with this many other honourable senators have agreed—and our Standing Committee on Finance is utilized to the fullest extent possible, much of the illogic in what we do may be dissipated.

My honourable friend from Banff (Hon. Mr. Cameron) said he hoped he did not hear me correctly when I said that so far as supply bills are concerned there is probably no sober second thought to be exercised in the Senate. I must tell him that he did hear me correctly. This is precisely so from the point of view of what, in a practical way, the Senate can do by way either of increasing the impost or, by interfering with the ways and means, decreasing it. But in the sense that Senator Flynn has referred to the sober second thought which the Senate can give in respect to these bills, I think my honourable friend from Banff (Hon. Mr. Cameron) should apply his sober second thought to what I said. There was never any challenge issued in the days of the great senators, to whom Senator O'Leary so frequently refers, to the rights of the Senate to debate, to criticize, and to discuss the items of these estimates or indeed the items of any estimates. I hope, too, that Senator O'Leary does not think that I do not recognize the right of the Senate to reject a bill—even a money bill. It certainly can reject a money bill. The Senate has rejected bills, and not only the one to which he referred, namely, the Navy Bill. When the Old Age Pension bill was originally introduced in Parliament it was rejected by this house. There is no question in anybody's mind, and certainly not in mine, about that.

What I do say is that the course of conduct of this house should not be one which is in consistent opposition to the work being done, or to the policies being promoted, in the other branch of Parliament. This is not a chamber for systematic opposition to what is done in the other place.

There have been times when there was a majority in this house which was not of the party which controlled the Government in the other place. On occasions that majority, politically opposed to the Government, passed measures with which it disagreed because it said the Government had a mandate to do the things being proposed in the legislation.

The Senate is primarily an institution to supplement the other place. That is the purpose of a second chamber. I think senators who desire to carry out the best traditions and the highest purposes of this chamber will always keep that in mind. Since I have been here I have not seen an example of this great tradition and high purpose ignored. I say what I do simply for the purpose of the record, because I have such confidence not only in this institution but in the members who make it up.

I hope I will not be charged with insolence if I say that we have had a good debate this afternoon, but the debate has been mainly upon points of procedure and upon the rights of the Senate. What we have not debated is the bill itself. There have been only three questions asked on the items. We ourselves could remedy a great deal of criticism made if we utilize the services available to us through the efficient operation of the Standing Committee on Finance.

Motion agreed to and bill read second time.

THIRD READING

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

Hon. Mr. Connolly (Ottawa West): Honourable senators, with leave of the Senate, I move the third reading of the bill now.

Motion agreed to and bill read third time and passed.

ROYAL ASSENT

NOTICE

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

GOVERNMENT HOUSE
Ottawa

April 13, 1964

Sir,

I have the honour to inform you that the Hon. Wishart F. Spence, Puisne Judge of the Supreme Court of Canada, acting as Deputy to His Excellency the Governor General, will proceed to the Senate

Chamber today, the 13th April, at 5.45 p.m. for the purpose of giving Royal Assent to certain Bills.

I have the honour to be,
Sir,

Your obedient servant,

A. G. Cherrier
Assistant Secretary
to the Governor General.

The Honourable
The Speaker of the Senate.

DOCUMENTS TABLED

Hon. Mr. Connolly (Ottawa West) tabled:

Annual Report of the Department of Northern Affairs and National Resources for the fiscal year ended March 31, 1963, pursuant to section 11 of the Department of Northern Affairs and National Resources Act, chapter 4, Statutes of Canada, 1953-54. (English and French texts).

Order in Council P.C. 1964-455, dated March 26, 1964, authorizing, under section 21 of the Export Credits Insurance Act, a contract of insurance to cover the sale by The de Havilland Aircraft of Canada, Limited, Downsview, Ontario, of DC-9 aircraft parts to the value of $62.8 million to the Douglas Aircraft Company, Inc., Santa Monica, California, pursuant to section 21B of the said act, chapter 105, R.S.C., 1952, as amended 1960-61. (English text).

Order in Council P.C. 1964-456, dated March 26, 1964, authorizing under section 21A of the Export Credits Insurance Act, long-term financing by the Export Credits Insurance Corporation, for the purchase of capital equipment from Parsons & Whittemore Contractors Ltd., Montreal, Quebec, and engineering and erection services from Sandwell and Company Limited, Vancouver, B.C., by Fabricas de Papel Tuxtepec, S.A., Mexico City, Mexico, pursuant to section 21B of the said act, chapter 105, R.S.C., 1952, as amended 1960-61. (English text).

Statutory Orders and Regulations published in the *Canada Gazette*, Part II, of Wednesday, April 8, 1964, pursuant to section 7 of the Regulations Act, chapter 235, R.S.C., 1952. (English and French texts).

ADJOURNMENT

Hon. Mr. Connolly (Ottawa West): Honourable senators, with leave, I move that when the Senate adjourns today, it do stand adjourned until Tuesday evening, April 28, 1964 at 8 o'clock in the evening.

In making this motion, I would draw to the attention of honourable senators and the public the fact that it is made at this stage of the session subject to the Senate being recalled for such purposes as may be required to expedite the public business. At this time, I am not able to say how quickly legislation will be coming to us from the other place, nor at the moment do I know precisely what new measures will be introduced in this house. However, I shall be here during the interval and will watch the progress carefully. I assure honourable senators that in the event they are summoned earlier it will be not only because I feel the matter is urgent, but they will also know that I have been successful in convincing His Honour the Speaker that this is in fact so.

Motion agreed to.

PENAL REFORM

IMPLEMENTATION OF ARCHAMBAULT AND FAUTEUX REPORTS

On the Notice of Inquiries Nos. 1 and 2:

Hon. David A. Croll: Honourable senators, with regard to these two inquiries standing in my name, I wish to ask the Leader of the Government if he will be so good as to indicate to the appropriate department that I am showing symptoms of impatience with respect to these inquiries.

Hon. Mr. Connolly (Ottawa West): I will certainly give the honourable gentleman that assurance.

The Senate adjourned during pleasure.

ROYAL ASSENT

The Honourable Wishart F. Spence, Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned, and being come with their Speaker:

The Honourable Alan A. Macnaughton, Speaker of the House of Commons, then addressed the Honourable the Deputy of His Excellency the Governor General as follows:

May it please Your Honour:

The Commons of Canada have voted certain supplies required to enable the Government to defray the expenses of the public service.

In the name of the Commons, I present to Your Honour the following bill:

An Act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1964.

To which bill I humbly request Your Honour's assent.

The Honourable the Deputy of His Excellency the Governor General was pleased to give the royal assent to the said bill.

The House of Commons withdrew.

The Honourable the Deputy of His Excellency the Governor General was pleased to retire.

The sitting of the Senate was resumed.

The Senate adjourned until Tuesday, April 28, at 8 p.m.

THE SENATE

Tuesday, April 28, 1964

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

Prayers.

HER MAJESTY THE QUEEN

ACKNOWLEDGMENT OF ADDRESS ON BIRTH OF THIRD SON

Hon. John J. Connolly: Honourable senators, I desire to deliver to the Senate a message from Her Majesty the Queen transmitted by His Excellency the Governor General.

> The Address which you have sent to me and which conveys your congratulations to myself and to my husband on the birth of our third son has given me very great pleasure.
>
> On this happy occasion we both deeply appreciate the kind sentiments and good wishes which you have expressed.
>
> Elizabeth R.

7th April, 1964

DOCUMENTS TABLED

Hon. John J. Connolly tabled:

Report of the Seventh Meeting of the Canada-United States Interparliamentary Group held at Washington and Cape Kennedy from January 14 to January 19, 1964. (English and French texts).

Copy of the aide-memoire from the Secretary General of the United Nations concerning some questions relating to the function and operation of the United Nations Peace-Keeping Force in Cyprus, dated April 11, 1964. (English text).

Report on the Activities of the National Energy Board for the year ended December 31, 1963, pursuant to section 91 of the National Energy Board Act, chapter 46, Statutes of Canada, 1959. (English and French texts).

Report of Northern Ontario Pipe Line Crown Corporation, including its Accounts and Financial Statement certified by the Auditor General, for the year ended December 31, 1963, pursuant to sections 85(3) and 87(3) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French texts).

Report of the National Productivity Council to the Ministers of Trade and Commerce and of Labour, including its Financial Statement and the Auditor General's Report thereon, for the year ended March 31, 1963, pursuant to section 19 of the National Productivity Council Act, chapter 4, Statutes of Canada, 1960-61. (English and French texts).

Report of Eldorado Mining and Refining Limited and its subsidiary companies, Eldorado Aviation Limited and Northern Transportation Company Limited, including their Accounts and Financial Statements certified by the Auditor General, for the year ended December 31, 1963, pursuant to sections 85(3) and 87(3) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French texts).

Report of the Canadian Corporation for the 1967 World Exhibition, including its Statements of Accounts and the Report of the Auditor General of Canada and the Quebec Provincial Auditor thereon, for the year ended December 31, 1963, pursuant to section 18 of the Canadian Corporation for the 1967 World Exhibition Act, chapter 12, Statutes of Canada 1962-63, as amended in 1963. (English and French texts).

Report of the St. Lawrence Seaway Authority, including its Accounts and Financial Statements certified by the Auditor General, for the year ended December 31, 1963, pursuant to sections 85(3) and 87(3) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French texts).

Copy of letter sent by the Prime Minister of Canada to all Provincial Premiers, dated April 16, 1964, on the subjects of Tax-Sharing Arrangements, Pensions, Family Allowances and Loans to University Students. (English and French texts).

Report of the Department of Defence Production for the year ended December 31, 1963, pursuant to section 34 of the Defence Production Act, chapter 62, R.S.C., 1952. (English and French texts).

Copy of the Final Report to The International Joint Commission (Under the Reference of 25 June, 1952) by the International Lake Ontario Board of Engineers, dated December, 1958, on the Water Levels of Late Ontario. (English text).

Copy of the Report to The Government of Canada and The Government of the United States (under the reference of June 25, 1952) by The International Joint Commission, dated 5 April, 1961, on the Water Levels of Lake Ontario. (English text).

Report of the Department of National Health and Welfare for the fiscal year ended March 31, 1963, pursuant to section

10 of the Department of National Health and Welfare Act, chapter 74, R.S.C., 1952. (English and French texts).

Report on the Administration of Allowances for Blind Persons in Canada for the fiscal year ended March 31, 1963, pursuant to section 12 of the Blind Persons Act, chapter 17, R.S.C., 1952. (English text).

Report on the Administration of Allowances for Disabled Persons in Canada for the fiscal year ended March 31, 1963, pursuant to section 12 of the Disabled Persons Act, chapter 55, Statutes of Canada, 1953-54. (English text).

Report on the Administration of Old Age Assistance in Canada for the fiscal year ended March 31, 1963, pursuant to section 12 of the Old Age Assistance Act, chapter 199, R.S.C. ,1952. (English text).

Copy of Appendices to the Final Report of the Fraser River Board on Flood Control and Hydro-Electric Power in the Fraser River Basin, tabled March 11th, 1964. (English text).

Report of the Royal Commission on Banking and Finance, dated February 5, 1964. (Chairman: The Honourable Dana Harris Porter, Chief Justice of Ontario). (English and French texts).

PRIVATE BILL

NEW SCOTLAND SAVINGS AND MORTGAGE COMPANY—FIRST READING

Hon. Gordon B. Isnor presented Bill S-15, to incorporate New Scotland Savings and Mortgage Company.

Bill read first time.

Hon. Mr. Isnor moved that the bill be placed on the Orders of the Day for second reading on Thursday next.

Motion agreed to.

DIVORCE

REPORTS OF COMMITTEE PRESENTED

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 220 to 263, inclusive, and moved that the said reports be taken into consideration on Thursday next.

Motion agreed to.

CANADA-UNITED STATES INTERPARLIAMENTARY GROUP

MOTION TO PRINT REPORT AS APPENDIX

Hon. Mr. Connolly (Ottawa West) moved, with leave of the Senate, seconded by the honourable Senator Brooks, that the report of the Seventh Meeting of the Canada-United States Interparliamentary Group, tabled today, be printed as an appendix to the *Debates of the Senate* of this day.

Motion agreed to.

For text of report see Appendix "A", pp. 325-34.

MARRIAGE AND DIVORCE ACT

BILL TO AMEND—FIRST READING

Hon. Jean-François Pouliot presented Bill S-16, to amend the Marriage and Divorce Act.

He said: Honourable senators, during the last session I presented a bill to amend the Marriage and Divorce Act. I present a similar bill now; and in order that there shall be no difficulty about it, in virtue of the Rules of the Senate of Canada, there is in that book of rules, a chapter entitled "Public Bills," under which title Rule 61 reads thus:

> It is the right of every senator to bring in a Bill.

That rule means that it is the right of each one of us to introduce both public and private legislation, and it is not because a bill is sponsored by a senator or a member of the House of Commons that it is necessarily a private bill. What it is important to consider in order to determine whether a bill is public or private, is the nature and the purpose of the bill itself. Last session I introduced a bill for the same purpose, which was to grant definite rights to all the married women of Canada. I was surprised and shocked when I read the report of the memorandum from the Deputy Minister of Justice to his assistant deputy, when the Private Bills Committee studied Bill S-32 which I introduced last session. He stated:

> In the present case, I note that the bill upon which an opinion is sought is a private bill—

I wondered then if there was a copy of the Rules of the Senate in the library of the Department of Justice. I inquired, and the Government answered me on March 25 last, to say that copies of the *Rules of the Senate of Canada* and of the *Standing Orders of the House of Commons of Canada* were in the library of the Department of Justice in 1963. The book was there and, whether it was because that person was too docile or ignorant, he took no knowledge of the book, and made a decision which infringes upon the rights of each honourable senator and of each member of the House of Commons.

It means that none of us has the right to introduce public as well as private legislation. It is an immense absurdity.

What was the more shocking was the increase in the deputy minister's salary from $20,000 in July 1960, to $21,000 in April 1961, and to $25,000 on December 22, being retroactive to December 1 or July 1, I do not know which. However, it was a salary of $25,000 which was paid to a deputy minister who stated that a public bill introduced by a member of the Senate who does not belong to the cabinet is a private bill. The salary of that person should be reduced from $25,000 to $1, as a lesson to others. It meant that we are deprived of our right because of the ignorance of a man who had the knowledge at hand in the departmental library and who had no reason whatever to give an opinion like that in an official document.

This is why in the explanatory notes to the bill I have mentioned that the bill is in virtue of and in accordance with Rule 61 of the *Rules of the Senate of Canada* and also in virtue of subsection 26 of section 91 of the British North America Act. I must state that what I have just mentioned did not occur under the present Minister of Justice; it was done before.

I have taken precautions, and I have checked the law concerning married women in the Northwest Territories. I have checked the statute book of 1875, when there was a consolidation of all legislation concerning the Northwest Territories which was amended in 1877; but the act of 1875 contained provisions concerning the rights of married women in the Northwest Territories, and the amendment of 1877 did not affect those rights. There was a new consolidation in 1880, and all the references are in the explanatory notes. The act was published in the Revised Statutes of Canada of 1886, chapter 50.

It was the law of the land, and it is precisely the provisions contained in the Revised Statutes of Canada of 1886 which form the text of this bill for the following reasons: the same statute was included in the various revisions of the Statutes of Canada in 1906, 1927 and in 1952. And it was chapter 195 of the Revised Statutes of Canada of 1952 which reproduced the act of 1875 as amended in 1877, etc., but it was the same legislation that was enforced from 1875 to 1952. In 1952 a subsequent chapter of the Revised Statutes of Canada, chapter 331, repealed the Northwest Territories Act and replaced it by a new act in which the provisions concerning the rights of married women were not included.

Therefore, the purpose of this bill is to revive legislation which has been in force for 75 years for the married women of the Northwest Territories and to apply it to all married women in Canada. I do not think that there would be any doubt about the propriety of this legislation, its validity and its legality. It was good for Alexander Mackenzie, Sir John A. Macdonald, Sir Wilfrid Laurier, R. B. Bennett, Sir Robert Borden, and Mackenzie King until 1952; and Ministers of Justice like Sir Allen Aylesworth, who was a prominent jurist, and Mr. Ernest Lapointe, who was well known as a great lawyer, left it in the statute book for the benefit of married women in the Northwest Territories.

I shall not speak further for the time being, but I find that this is the kind of legislation which cannot be decided by an incompetent Deputy Minister of Justice but which should be referred to the Supreme Court of Canada in due course. I try to do my best to be lenient, good, and tolerant, but there are times when we have to speak loud in the defence of our parliamentary liberties.

Bill read first time.

Hon. Mr. Pouliot moved that the bill be placed on the Orders of the Day for second reading on Thursday next.

Motion agreed to.

UNITED KINGDOM HIGH COMMISSIONER TO CANADA AND OTHER BRITISH SUBJECTS—VOTING PRIVILEGES

ANSWER TO INQUIRY

Hon. Jean-François Pouliot inquired of the Government, pursuant to notice:

1. Is the High Commissioner to Canada for the United Kingdom of Great Britain and Northern Ireland qualified as an elector in virtue of the Canada Elections Act, (R.S.C. 1952, c. 23, as amended) inasmuch as he complies with the provisions of section 14 of the said act?

2. Are the British subjects born in the Commonwealth but outside Canada entitled to enjoy in Canada the same public rights as Canadian citizens do in Canada, upon the same conditions?

3. Are the Canadian citizens entitled to enjoy in the United Kingdom of Great Britain and Ireland the same public rights as the British subjects, upon the same conditions?

4. Is the political status of a British subject the same in Canada as in any other part of the Commonwealth?

5. If not, are there any (a) degrees or (b) differences in the British nationality and what are they in each country?

Hon. John J. Connolly: The answer to the honourable gentleman's inquiry is a follows:

1. Yes, as a British subject. However, in accordance with international custom,

representatives of governments of other countries do not take part in elections in the host country.

2. Yes, subject to the residence qualification.

3. It is the Government's understanding that no distinction is drawn, as regards the enjoyment of public rights, in the United Kingdom, between British nationals, i.e. citizens of the United Kingdom and Colonies, and citizens of other Commonwealth countries, subject to the residence qualification.

4. In Australia, New Zealand and the United Kingdom, as in Canada, generally all British subjects are entitled to the enjoyment of public rights, and more specifically to the franchise, on the same terms. In other parts of the Commonwealth, the franchise is generally limited to citizens of the country.

5. See answers to 3 and 4.

DIVORCE

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of reports of the Standing Committee on Divorce Nos. 162 to 219, inclusive, which were presented on Thursday, March 26.

On motion of Hon. Mr. Roebuck, Chairman of the Standing Committee on Divorce, reports adopted on division.

RESOLUTIONS PRESENTED

Hon. Arthur W. Roebuck: Honourable senators, those reports having been adopted, I now present the following resolutions based thereon.

Resolution 161, for the relief of Louise Beausoleil Lavigne.

Resolution 162, for the relief of Christine Goguen Rivard.

Resolution 163, for the relief of Andre Gervais.

Resolution 164, for the relief of Dorothy Allen Rivard.

Resolution 165, for the relief of Diane Grier Findlay Odell.

Resolution 166, for the relief of Claudette Jarry Dehan.

Resolution 167, for the relief of Charlotte Baetz Wieling Gutkind.

Resolution 168, for the relief of Pasquale Ficara.

Resolution 169, for the relief of Gordon George Donnelly.

Resolution 170, for the relief of Elmer Stephen Cheverie.

Resolution 171, for the relief of Barbara Ann Murray Heffernan.

Resolution 172, for the relief of Russell Pain.

Resolution 173, for the relief of William Wallace Graham.

Resolution 174, for the relief of Klawda Bass Kawalerski.

Resolution 175, for the relief of Carole Anne Douglas Orr.

Resolution 176, for the relief of Roger Gagnon.

Resolution 177, for the relief of Frances Elizabeth Hodgson Eramian.

Resolution 178, for the relief of Liliana Sarda Boros.

Resolution 179, for the relief of Joan Lillian White Marsh.

Resolution 180, for the relief of Blanche Gagnon Mallette.

Resolution 181, for the relief of Marie Isabelle Therese (Gisele) Rodrigue Francoeur.

Resolution 182, for the relief of Susie Susser Rosenblatt.

Resolution 183, for the relief of Joan Isabel Hannaford MacDonald.

Resolution 184, for the relief of Velera Marion Moore Robb.

Resolution 185, for the relief of Ada Brewer Clement.

Resolution 186, for the relief of Jacqueline Lois Lubben Sawers.

Resolution 187, for the relief of Irene Dolgin Teitlebaum.

Resolution 188, for the relief of Francoise Jeanne Raymond Porteous.

Resolution 189, for the relief of Irene Collier Klinger.

Resolution 190, for the relief of Frances Margaret Shaughnessy Woolgar.

Resolution 191, for the relief of Freda Dick Allen Floyd.

Resolution 192, for the relief of Martha Christine Cook Cooper.

Resolution 193, for the relief of Werner Hermann Pluss.

Resolution 194, for the relief of Ann Marilyn Schlesinger Goldberg.

Resolution 195, for the relief of Eleanor Rose Eadle Vincent.

Resolution 196, for the relief of Bruorton Reginald Moore Fitz-Gerald.

Resolution 197, for the relief of Antoinette Fiore Lamoureux.

Resolution 198, for the relief of Mabel Bessie Hart Harris.

Resolution 199, for the relief of Luba Kopanski Slapak.

Resolution 200, for the relief of Anne Marie Mesudeur Atzel.

Resolution 201, for the relief of Violet Maud Willis Jones.

Resolution 202, for the relief of Isobel Janet Duco Noel.

Resolution 203, for the relief of Eveline Beck Zimmerman.

Resolution 204, for the relief of Rita Boudreau Savard.

Resolution 205, for the relief of Jacqueline Mary Atta Shatilla.

Resolution 206, for the relief of Olive Brown Mulcahy.

Resolution 207, for the relief of Catherine Marie MacDonald Beaton.

Resolution 208, for the relief of Barbara June Ibberson Thompson.

Resolution 209, for the relief of Alan John Clarke.

Resolution 210, for the relief of Horst Wolfgang Vogel.

Resolution 211, for the relief of Gertrude Anna Marie Seeburg Neubauer.

Resolution 212, for the relief of Maureen Sandra Murray Hastie.

Resolution 213, for the relief of Dorothy St. Clair Kane Wilson.

Resolution 214, for the relief of Constance Lacireno Walsh.

Resolution 215, for the relief of Suzanna Prins Garner.

Resolution 216, for the relief of Patricia June Graydon Wiens.

Resolution 217, for the relief of Arthur Paquette.

Resolution 218, for the relief of Linda Rose Low Steeves.

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

Hon. Mr. Roebuck: Honourable senators, I move that these resolutions be considered on Thursday next.

Motion agreed to.

PRIVATE BILLS

ALLSTATE INSURANCE COMPANY OF CANADA —SECOND READING

Hon. Gunnar S. Thorvaldson moved the second reading of Bill S-12, respecting Allstate Insurance Company of Canada.

He said: Honourable senators, this is a simple bill, similar to many others that have been presented in this house during the last few years. It has reference to the Allstate Insurance Company of Canada, and its purpose is to provide a French designation of that name. Consequently, the bill requests that the name to be authorized should be "Allstate du Canada, Compagnie d'Assurance." As I have said, honourable senators, it is similar to many other bills presented in this house in that it simply asks for the designation of a French name.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Thorvaldson, bill referred to the Standing Committee on Banking and Commerce.

LAURENTIDE BANK OF CANADA—SECOND READING—DEBATE ADJOURNED

Hon. Donald Cameron moved the second reading of Bill S-13, to incorporate Laurentide Bank of Canada.

He said: Honourable senators, in moving the second reading of this bill I am conscious first of the fact that I am not a banker, although I have always found bankers to be my friends, and I hope that those who are my friends now will not have any reason to be any less friendly because I am suggesting they might have some competition in the coming years. As a good Canadian, I feel I need my banker friends.

The presentation of this bill comes at a rather opportune time because we have on our desks as of today—at all events, I received my copy tonight upon my return to Ottawa—the very carefully and thoughtfully prepared report of the Royal Commission on Banking and Finance. I think most of us will agree that this report is likely to become a milestone in the history of banking in Canada. I have not had time yet to go through it, but I read with a great deal of interest the comments in the leading newspapers. I may say, having just returned from New York this evening, that I read similar comments in newspapers there. The consensus of opinion seems to be that it is a very good report and will provide much food for thought. It is to be hoped that in the days to come it will have the effect of making the very fine services which have been performed by the banks of Canada over the years even more effective in covering a wider range of services.

This is the second bill to incorporate a bank that has been presented in this session. This in itself is a unique circumstance, because the last application for a bank charter was, as Senator Leonard told us, one for the establishment of the Mercantile Bank of

Canada, a subsidiary of the Netherlands Bank, in 1953. That bank was, of course, incorporated.

This bill follows substantially the form of the model bill set out in schedule B of the Bank Act inasmuch as the first and second clauses describe the petitioners and the provisional directors. The third clause provides for an authorized capital of one million shares of the value of $10 each, as required by the Bank Act.

The fourth clause provides that the head office of the bank shall be in the City of Vancouver, in the Province of British Columbia. As a westerner, I think this is an excellent idea.

May I interject that I am one of those who grew up in the west during the depression of the thirties. I grew up in the farm movement of western Canada when there was a feeling on the part of the people there that the services they were receiving from the established banks were not quite as comprehensive as they might be. However, I would be the first to say that the banks have given excellent service. As has been said by so many in the past, we have one of the finest banking systems in the world.

The bankers of Canada are the prime promoters of free enterprise, and they give complete support to the idea that competition is a good thing. Under these circumstances I think they would welcome the establishment of another banking institution, and particularly one which will have its headquarters in the west but which would be nevertheless national in its scope and operations.

In clauses 5 and 6 the bill departs from the form set forth in the Bank Act and follows precisely the terms contained in the bill to incorporate the Bank of Western Canada. These clauses, as honourable senators know, require the directors to be Canadian citizens and residents of Canada, which is a more stringent requirement than that contained in the Bank Act. They also provide limitations upon shareholdings by non-residents in excess of 10 per cent of the issued stock. This provision, as in the case of the bill to incorporate the Bank of Western Canada, is stated to cease to have effect after July 1, 1965, when it is anticipated the Bank Act will have been revised. The proposed new bank would then become subject to such restrictions with respect to non-resident shareholders as may be contained in the revised statute.

The bank is intended to be a subsidiary of Laurentide Financial Corporation Limited, a Canadian financial institution having its head office in the Province of British Columbia, and which carries on a general finance business in Canada, in certain states of the United States, the United Kingdom, France, the Bahamas and the British West Indies. The qualifying shares of the directors will, of course, be owned beneficially by them in accordance with the requirements of the Bank Act.

Honourable senators will be interested in knowing the general background of Laurentide Financial Corporation Limited, which has a rather unusual history. This is a British Columbia company incorporated in 1950, the founders being Peter Paul Saunders, its president, and Andrew Elliott Saxton, its executive vice-president and general manager. These gentlemen, at the time of the formation of the company, had recently completed their studies in the Faculty of Commerce at the University of British Columbia, where they received, I may say, excellent training. Commencing with a very modest capitalization subscribed by the founders and some university companions and friends, the company has grown to be the third ranking finance company in Canada, having total assets as at June 30 of last year, which was the end of its last fiscal year, in excess of $272 million. Its capital and surplus are approximately $34 million.

The head office of the company since its incorporation has been, as I have stated, in Vancouver, and from that location its services are offered through 190 branch offices of the company and its subsidiaries located across Canada and in the States of California, Oregon and Nevada. Additionally, two branches are operated by a banking subsidiary in the Bahamas, five branches by a subsidiary in France, and three by a banking subsidiary in the United Kingdom. Another branch office was recently opened in Jamaica.

Incidentally, the banking operation in the Bahamas commenced upon the invitation of the government and business leaders who felt the company's engagement in business there would not only prove a satisfactory venture for the company but would benefit the local community through the provision of services not previously generally available. As a matter of fact, I visited this institution in the Bahamas during the last three weeks, and I can confirm from personal inquiries and experience that it has been a welcome addition to the financial resources there, and is performing a valuable service.

The parent company is Canadian in ownership in spite of the geographic diversification of its interest. The various classes of stock are held by more than ten thousand shareholders. Over 90 per cent of the shares are registered in the names of residents of Canada, and over 90 per cent of the shareholders themselves appear to be Canadian residents. In other words, less than 10 per cent of the shares are owned by non-residents, and less

than 10 per cent of the registered shareholders are non-residents of this country.

The parent company is closely associated with Power Corporation of Canada, Limited, which is no doubt well known to honourable senators as a substantial Canadian investment company. Power Corporation acquired its interest in 1956 through the purchase of a class of shares carrying voting rights. The parent-subsidiary relationship was severed last April when a reorganization of Laurentide's share capital conferred voting rights upon the common shares. However, by reason of its continuing substantial share holdings and an agreement, Power Corporation continues to be in a position to cause to be elected a majority of the company's directors.

A further word in connection with the petitioners and the proposed provisional directors may be in order.

As I indicated earlier, Messrs. Saunders and Saxton were the original founders of the Laurentide Company. This is one of those unusual developments whereby Canada has been enriched by some of her immigrants. In recent years I have been intrigued to notice the contribution which has been made to Canada, particularly in the cultural field, by people who have come to us from Hungary. It is not as well known that some of them have also made a distinguished contribution in the business world—and I include Peter Paul Saunders and his partner Andrew Elliott Saxton.

These young men came from good families in Hungary. One came from a family with a banking and legal background and the other from a rural economy. They came to Canada as children. They were educated in Canadian schools and both of them went through the University of British Columbia, the Faculty of Commerce, where they had distinguished records.

To me as a western Canadian, to me as a person who has great faith and belief in the fact that we need more youth and vitality in the business world of this country and in the Government of this country, these two men have achieved an enviable record in a period of 10 or 12 years.

I am sure some of you are familiar with an organization in this country known as the Young Presidents Association. This is a group of bright young men who are exercising an amazing role in Canadian business today. The criteria to become a member of the Young Presidents Association are three in number: first, you must be under 40 years of age; secondly, you must be the president of your company, and, thirdly, you must have done more than a million dollars worth of business in the previous year.

I happened to work with a number of these young men, such as John Scrymgoer, President of Commonwealth Petroleum of Calgary; Ron Southern, the man who built up a small trailer company into one that is exporting trailers all over the world, setting up complete units of offices, dining rooms, sleeping accommodation, everything that is required for a development project; and Don Cormie of Edmonton, President of the First Investors Corporation. I could go on to speak of others. Peter Paul Saunders is a charter member and Vice-President of the British Columbia Chapter of the Young Presidents Association. Here is a group of young men who, with imagination, daring and courage, are blazing through some new trails in the Canadian economic firmament. I am happy as a westerner to be able to support another imaginative venture which has the prospect of a spectacular business success, namely, the proposal to establish the Laurentide Bank of Canada.

The Laurentide Financial Corporation Limited stands as a monument to their initiative, ability and business acumen. It shows what is possible in a country where young men have the freedom to develop their initiative in this land of promise and opportunity. They have demonstrated success in this field of endeavour which may augur well for the success of the proposed bank, because there are few more spectacular financial successes in the history of this country.

Perhaps I should mention briefly the background of the other petitioners and the proposed provisional directors. W. C. Mainwaring, O.B.E., is President of the Peace River Power Corporation, former Vice-President of the British Columbia Electric Railway Company, a member of the Advisory Board of the Royal Trust Company, and a director of a number of other companies including Laurentide Financial Corporation Limited.

Paul Britton Paine, Q.C., is a lawyer in practice in Vancouver, a bencher of the Law Society of British Columbia, and Secretary of Laurentide Financial Corporation Limited. Howard Theodore Mitchell is a publisher operating his own business in Vancouver, and is currently the President of the Canadian Chamber of Commerce.

Edgar John Saba is a merchant whose family has for many years engaged in business in Vancouver. Mr. Lionel Leroux is a notary who has carried on practice for many years in the City of Montreal, and is a director of a number of companies engaged in business in the Province of Quebec. Mr. Bernard de Lorimier Bourgeois, Q.C., is a well-known lawyer practising in the City of Montreal; he is currently the Vice-President

for Quebec for the Canadian Bar Association, and is a director of a number of Quebec companies.

Turning to the proposed operations of the bank, it is intended that it will offer a complete banking service with branches eventually extending throughout Canada. Initial operations will commence in the provinces of British Columbia and Quebec, and as these operations develop it is intended that branches will be established in major cities in other provinces and expand from there as the growth of the enterprise indicates and warrants. It is proposed that eventually the bank will provide complete banking service throughout Canada.

The management of the bank will be under the direction of a board of directors which will be comprised of individuals prominent in Canadian business and professional fields and substantially distinct in composition from the board of directors of the parent company.

One element for consideration in determining whether or not to incorporate an additional bank in Canada is, of course, the financial stability of the enterprise and the protection of the depositors against loss. In this respect may I remind you of the very substantial capital of the parent company. The extensive experience of its management in dealing with financial matters will undoubtedly be of valuable assistance to the proposed bank. There should also be borne in mind the fact that since the establishment of the office of the Inspector General of Banks in 1924, there has been no bank failure in Canada.

Honourable senators who attended the sitting of the Standing Committee on Banking and Commerce, when the bill to incorporate the Bank of Western Canada was considered, had an opportunity to get a very informative and useful review of the history of banking in Canada. For those who have not read the report of the proceedings, may I commend it to you as a useful exercise and as a reassurance that, under the present bank laws in this country, it is unlikely any depositor or shareholder may lose money, as was the case in former times.

Mr. C. F. Elderkin, the Inspector General of Banks, expressed the view that the safeguards currently employed by his branch of the Department of Finance make it unlikely that any serious difficulty which could cause loss to depositors would remain undetected for a sufficient period to permit this to occur. In this connection, I refer you to the duties of the Inspector General and the very broad powers conferred upon him for carrying them out, as set forth in section 63 of the Bank Act.

An additional element for consideration of such legislation is the question of need or desirability for additional banks. It seems unnecessary at this stage for me to dwell upon this aspect of the matter. You are aware of the shrinkage in the number of banks which has occurred through merger and amalgamation over the past several years.

Senator Leonard, in introducing the proposal regarding the Bank of Western Canada, referred to the fact that in 1954, when the charter was granted for the Mercantile Bank, there were 11 chartered banks in Canada. There are now eight. Therefore, even if the two present applications for charters are granted, we still would have one less chartered bank than we had in 1954. I think it is well to keep that fact in mind.

I have before me a recent article which appeared in the Ottawa *Citizen*, by that distinguished Canadian journalist Charles Lynch. It appeared under the heading: "The Booming Northwest." He stopped too soon. If he had gone further than the lakehead—which to Ontario is the west—he would have seen a real boom.

May I just digress to say this? I often feel that people in eastern Canada who are accustomed to going to Europe or South America and such places, should take a little more time and travel west of Sarnia and become acquainted with our own country.

I believe the greatest future of this country is in Alberta and British Columbia. Anyone who goes to that part of Canada today cannot help but feel a sense of the burgeoning vitality and the boom which is evident everywhere. There is a new confidence in the people of those provinces that is good to see. It is good for Canada. In terms of the kind of economic climate in which we are now finding ourselves there is a period of expansion ahead, and I think that smart Canadians will make sure that it continues. There is the need for additional banking services beyond what we have at the present time. In saying this, I do not reflect in any way upon the quality and services extended by the present banks. They have done a good job. However, some of us think they might have done a better job and gone further in extending services.

At the hearings and submissions before the Royal Commission on Banking and Finance, a great deal was said about competition from institutions similar to banks, such as trust companies, credit unions and others. Such competition would not have arisen had the chartered banks provided the kind of services that were needed. In saying that, I must be fair, because the banks were prevented from entering into certain types of activity. While Canadian banks today are the soundest in

the world, they have been in the past probably extremely conservative in branching out and serving certain needs. Probably they have been confirmed in that conservative—of course I am not using that word in the political sense—attitude by the act under which they had to operate, as well as by the natural conservatism of Canadian people in financial affairs. I feel that we are now entering upon a new, more experimental and, I hope, more daring age than persisted in the past 30 or 40 years. I hope a time will come when Canadians will make greater efforts to own and control their own economy.

We hear a lot these days about Canadians complaining that our enterprises are foreign-owned. The oil industry in Alberta, for instance, is 85 per cent owned by foreign capital. Our manufacturing plants are owned to the extent of 60 per cent. We complain about that. During the past week or two we have been hearing about the magnificent strike at Timmins, but the first blush of enthusiasm has depreciated somewhat, because people have realized that while this enterprise will provide employment in Canada, it will be largely owned south of the border. I do not blame the Americans for what they have done. We need American capital, initiative and enterprise. Until such time as Canadians show a little more initiative and willingness to take risks, I do not think we can complain at all.

Therefore, I welcome the application for two new banks in Canada, and I hope their charters will be granted. I think they are needed in terms of an expanding economy to provide a broader service than we have had. If some of the recommendations of this report are implemented, the banks will be given greater freedom to perform even better service.

Honourable senators, in this extraordinary period of expansion in the Canadian economy, and because today we are operating under what is called a free enterprise system, where competition has always been deemed to be in the best interests not only of industry but of Canada as a whole, I feel we should welcome the entry into the banking field of two new competitors. Their bona fides are sound. The people who are backing them have the confidence of the Canadian population in general. These people have also demonstrated daring and initiative of the kind we should welcome in Canada, and this country would be better off if we had these qualities in larger measure.

Honourable senators, for those reasons I solicit your support on second reading for the establishment of the Laurentide Bank of Canada.

Hon. Fred M. Blois: Honourable senators, will recall that early in March last, Bill S-6, to incorporate the Bank of Western Canada, was introduced in this chamber. I spoke to that bill at some length and, among other things, I suggested that the bill be allowed to stand until we had received the report of the Royal Commission on Banking and Finance.

I was pleased at that time that the honourable Senator Leonard, who introduced the bill, agreed with me and expressed his willingness to have the bill remain in committee until the report was received and had been studied. The honourable Senator Cameron, in explaining Bill S-13 this evening, referred to this report, which most senators have received only today. Few of us have had an opportunity to more than glance at the report, and since it contains nearly 600 pages, I suggest it is going to take us some time to read and study it. Therefore, honourable senators, I move the adjournment of this debate until Wednesday, May 6.

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

The Senate adjourned until tomorrow at 3 p.m.

APPENDIX "A"

(See p. 317)

REPORT OF THE SEVENTH MEETING OF THE CANADA-UNITED STATES INTERPARLIAMENTARY GROUP

The seventh meeting of the Canada-United States interparliamentary group was held at Washington and Cape Kennedy from Tuesday, January 14 to Sunday, January 19, 1964. Twenty-four members of the congress of the United States and twenty-four members of the parliament of Canada participated. In accordance with established practice at previous meetings of this group, discussions were conducted in a frank and informal manner and without regard to political affiliation. It should also be emphasized that the talks were entirely off the record and, in no sense, official discussions between the governments of the two countries. They were simply an unofficial exchange of views by parliamentarians interested in one another's problems.

The agenda for the meeting was worked out by agreement among the four co-chairmen, Senator George Aiken of Vermont, Representative Cornelius Gallagher of New Jersey and the two Canadian Speakers. Once an agenda had been agreed upon and the Canadian delegation selected, a series of four oral briefing sessions were held. These sessions were attended by ministers, deputy ministers and other senior government officials, who addressed the delegates and led question and answer periods. The oral briefings were supplemented by extensive written material provided to each member of the delegation and prepared by the appropriate government departments, notably external affairs, defence production, trade and commerce and labour.

The delegation we had the honour of leading represented Canada with great credit and we wish to express our appreciation to the leaders and whips of all political parties for their co-operation in the selection of delegates who were able to make a significant contribution to the discussions. A glance at the list appearing as Appendix "A" to this report will reveal the unusually high calibre of the delegation. For example, the representatives of the Senate included the only Canadian who has attended all seven meetings of the Canada-U.S. interparliamentary group (Senator Sydney Smith), a privy councillor (Senator McCutcheon) a senator with long experience in both Canadian houses (Senator William Taylor), a senator who has made valuable contributions to earlier meetings of this group (Senator Inman) and a senator whose eloquence and Irish wit more than compensate for any lack of seniority (Senator O'Leary).

The delegates from the House of Commons included three privy councillors (Mr. Starr, Mr. Monteith, and Mr. Martineau), a national party leader (Mr. Thompson), a parliamentary secretary (Mr. Byrne) and a former parliamentary secretary (Mr. Nesbitt), a party whip (Mr. Knowles), the chairman of the defence committee (Mr. Sauvé), the deputy speaker (Mr. Lamoureux), the deputy chairman of committees (Mr. Batten) and a former provincial attorney-general (Mr. Fairweather). Backbench representation was a happy blend of youth and experience and of various political affiliations and included Mr. A. J. P. Cameron, Mr. McIntosh, Mr. Brewin, Mr. Latulippe, Miss Jewett and Mr. Chrétien.

The Canadian delegates and their wives were welcomed at the opening plenary session on Tuesday, January 14, by the United States co-chairman who emphasized their great satisfaction that the interparliamentary group was renewing its sessions after a lapse of almost two years. Later the same day, Representative Gallagher was host at a luncheon in the new Senate office building for the Canadian delegates, who then visited the House of Representatives. Meanwhile, the wives of the Canadian delegates were taken for a tour of the library of congress and the supreme court building, a luncheon in the Capitol with Mrs. Wayne Morse and Mrs. Cornelius Gallagher as co-hostesses, followed by a tour of the Capitol and of Washington. That evening the members of both delegations and their wives were guests at a reception given by the Canadian ambassador and Mrs. C. S. A. Ritchie.

Following the plenary session, the group broke into two committees. Committee I discussed defence and foreign policy matters of joint national interest, such as defence production sharing, hemispheric defence and NATO relations; committee II focused its attention on economic matters such as trade with communist countries, aid to and trade with under-developed countries, and labour problems on the great lakes. In each committee, a number of items not included on the agenda came under discussion, such as the recent crisis in Panama, Canada and the

Organization of American States, the Passamaquoddy power project and the Canadian decision to declare a 12 mile exclusive fishing zone. The first committee met under the co-chairmanship of Representative Gallagher and Speaker Macnaughton; the second committee was co-chaired by Senator Aiken and Speaker Bourget. The membership of the committees is shown in Appendix "A" to this report.

At the conclusion of the business sessions which are summarized in the committee reports appearing as Appendix "B" to this report, the Canadian delegates proceeded to the floor of the United States Senate where they were welcomed by Senator Aiken, Senator Mansfield, Senator Holland and Senator Young. An extract from the Congressional Record of January 15, which is printed as Appendix "C" to this report, contains the statements of welcome. Following a luncheon at which the Canadian delegates were guests of Senator Aiken, a press conference was held by the four co-chairmen.

Late in the afternoon of Wednesday, January 15, the members of both delegations and their wives had the great honour of being received personally by the President and Mrs. Johnson at the White House. That evening the Canadian delegates and their wives were the guests at a reception and dinner given by the United States delegation and addressed by Secretary of State Dean Rusk.

On Thursday morning the members of both delegations and their wives paid a solemn visit to Arlington national cemetery where Speaker Bourget laid a wreath at the tomb of the unknown soldier. The United States co-chairmen paid a similar tribute at the site of the Canadian Cross. Speaker Macnaughton laid a wreath at the grave of the late President John F. Kennedy as a mark of respect from the people of Canada.

Thursday afternoon the group left Washington by air for historic St. Augustine, the oldest city in the United States. Here the program included a reception and dinner offered by the United States delegation and attended by the mayor, members of the chamber of commerce and ranking city officials.

Friday the party proceeded by bus to Cape Kennedy where, the following day, an extensive tour was made of the installations of the national aeronautics and space administration (NASA) and the U.S. air force. This included detailed explanations by the responsible scientists of the various space programs such as Ranger, Titan, Gemini and Saturn, and on the spot inspections of the several launching sites, affording the Canadian delegation an insight into the complexity and magnitude of the United States space program.

Both delegations returned by air to their respective capitals on Sunday, January 19.

It was the consensus of those members of the U.S. and Canadian delegations who had attended previous meetings of the Canada-U.S. interparliamentary group that the seventh meeting was among the most successful to date. From the Canadian standpoint, this was due, in very large measure, to the care that went into the selection of delegates and the preparations for the meeting and to the responsible attitude of all delegates. It was gratifying to us that, without exception, the Canadian delegates attended all meetings and other functions and participated to the very fullest extent in the discussions.

We would not wish to conclude this report without mentioning the important contribution made to the success of the meeting by the wives who accompanied most delegates. As it was well said on another occasion, their presence more than doubled the effectiveness of the exchange in the promotion of good will and understanding.

We should like to record our appreciation to President and Mrs. Johnson for their graciousness in receiving the delegation. We should also like to express our thanks to the co-chairmen, Senator Aiken and Congressman Gallagher, and to the members of the United States delegation for the warmth of our reception and to congratulate those responsible on the excellence of all arrangements. We should also like to thank the R.C.A.F., the Department of Transport and the U.S. air force for taking care of all transportation arrangements. Finally, we wish to acknowledge the excellent staff work on the part of officials of various departments of the Canadian government who assisted us so greatly with the organization of the meetings and in our preparations for the discussions.

Dated at Ottawa, March 6th, 1964.

Maurice Bourget, Speaker of the Senate.	Alan A. Macnaughton, Speaker of the House of Commons.

Joint Chairmen

Appendix "A"

DELEGATES
to the
Seventh Meeting

CANADA-U.S. INTERPARLIAMENTARY GROUP

The delegates, arranged according to the committees on which they served, were the following:

COMMITTEE I—DEFENCE AND FOREIGN POLICY

United States Delegation

Representative Cornelius E. Gallagher (Co-Chairman)
Senator Mike Mansfield
Senator Spessard Holland
Senator Philip A. Hart
Senator Karl E. Mundt
Senator Milton Young
Representative William T. Murphy
Representative John M. Slack, Jr.
Representative Harris B. McDowell, Jr.
Representative Fernand St. Germain
Representative Mark Andrews
Representative George M. Wallhauser
Representative Robert McClory

Canadian Delegation

Hon. Alan A. Macnaughton, (Co-Chairman)
Hon. William H. Taylor
Hon. F. Elsie Inman
Hon. Paul Martineau
Mr. Herman Batten
Mr. Jack McIntosh
Mr. Maurice Sauvé
Mr. A. J. P. Cameron
Mr. Andrew F. Brewin
Mr. R. Gordon Fairweather

COMMITTEE II—ECONOMIC MATTERS

United States Delegation

Senator George D. Aiken (Co-Chairman)
Senator Wayne Morse
Senator E. L. Bartlett
Senator John O. Pastore
Senator Edmund Muskie
Senator Edward Kennedy
Senator Len B. Jordon
Representative Thaddeus J. Dulski
Representative Harold T. Johnson
Representative William S. Broomfield
Representative Stanley R. Tupper
Representative Howard W. Robison
Representative James F. Battin

Canadian Delegation

Hon. Maurice Bourget (Co-Chairman)
Hon. M. Wallace McCutcheon
Hon. Sydney J. Smith
Hon. M. Grattan O'Leary
Hon. Michael Starr
Hon. J. Waldo Monteith
Mr. Wallace B. Nesbitt
Mr. Robert Thompson
Mr. Lucien Lamoureux
Mr. Stanley Knowles
Mr. James A. Byrne
Mr. Henri Latulippe
Dr. Pauline Jewett
Mr. Jean Chrétien

STAFF

United States Delegation

Mr. Darrell St. Claire
Dr. Albert C. F. Westphal
Mr. Seth Tillman
Mrs. Louise O'Brien
Miss Millrae Jensen

Canadian Delegation

Mr. George Carty
Mr. M. L. Card
Mr. G. C. Cook
Mr. R. W. Nadeau
Mr. L. S. Virr

Appendix "B"

COMMITTEE REPORTS

COMMITTEE I—DEFENCE AND FOREIGN POLICY

The Present Situation in Panama

The present crisis in the relations between the U.S. and Panama was discussed as part of the larger problem of the hemispheric relations of Canada and the U.S. The maintenance of active control by the U.S. over the Panama canal, including the preservation of the security of the canal, was justified by U.S. delegates as vital not only to the defence of this hemisphere but also for the commerce of all maritime countries that have access to its facilities upon the payment of uniform and modest tolls. In this connection, it was pointed out that Latin American countries in particular rely on the canal for their participation in world trade.

Several U.S. delegates explained the genesis of the present crisis. The flag issue was only a symptom of more basic issues. Among the reasons advanced for the crisis were the economic disparity between the living conditions of U.S. and Panamanians working in the canal zone, a growing nationalist sensitivity in Panama, approaching elections in that country in which candidates use the presence of Americans as a campaign issue, and communist-inspired activities.

In response to a Canadian inquiry comparing the U.S. role in Panama with its role in the Suez situation, it was pointed out that the Suez canal had been privately owned, whereas the U.S. has treaty rights agreed to by two sovereign governments. The Panama canal, unlike the Suez canal, is not a sea level canal and requires the presence of highly skilled and efficient personnel for its successful operation. Moreover, the cost of the canal was borne entirely by the U.S. The gross investment by the U.S. in the canal, exclusive of investment in military facilities is about $1.7 billion. Of this amount, $1.1 billion has been recovered from revenues, leaving an unrecovered net investment of $600 million. For the last fiscal year the net revenue to the U.S. from the canal was only $2.3 million. Ancillary work in connection with the construction of the canal, such as health measures, made the isthmus a habitable piece of territory; economic improvements have accrued to the advantage of the Panamanian citizens. It was noted that Panama itself has not advocated internationalization of the canal.

Canada and the Organization of American States

The discussion of the present troubled situation in Panama led into consideration of the question of Canada's joining the organization of American states (OAS). Several United States delegates expressed the strong belief that it would be very desirable that Canada join without further delay. The statements of Canadian delegates reflected the complexity, from the Canadian viewpoint, of the question of Canadian membership in the OAS. On the other hand, it was pointed out that for a relatively small country Canada was already well extended in international affairs, with commitments in many areas of the world. In addition, unlike the United States, Canada has no history and tradition of close association with Latin America but has looked to Europe and the commonwealth connection, and there are some who maintain that joining the O.A.S. would be inconsistent with these historical ties and attitudes. Further, it could be anticipated that difficult problems would confront Canada from time to time as the second North American country in the organization. On the other hand, several Canadian delegates expressed the opinion that too much weight has been given to these negative considerations and that the time has come for Canada to give most serious consideration to joining the O.A.S. It was suggested that there is a need for Canada, with its skills and resources, to contribute more directly to the development of Latin America, bearing in mind the constant danger of social unrest and subversion arising from low living standards. It was also recognized that Canada could and should take an active interest in the progress and development of the newly emerging countries in the Caribbean. It was noted that the fact that many Canadians are of French origin and tradition is a great asset in relations with Latin America. United States delegates stressed that Canadian membership in the O.A.S. would in itself be a great asset to the organization and would add to it a further measure of dedication to democratic principles. Canada's basic philosophy of government is little different from that of the United States and both, along with all Latin American countries, have in common a spirit of independence and recognize the need for mutual security of the hemisphere.

Sharing of North American Defence and the NATO Alliance

The committee noted the mutual responsibilities of the United States and Canada for North American defence and reviewed their respective commitments to NATO in the light of changing economic, military and political considerations.

The new special committee on defence of the Canadian Parliament recently visited NATO Europe and members recalled European concern about future United States and Canadian intentions with regard to maintaining forces in Europe. Such concern is leading France, for example, to develop her own independent nuclear deterrent in the face of continued communist threats to world peace. As European defence resources and power increase, the question arises whether Canada and the United States, being the two non-European countries in NATO, should review their changing role. Is it normal and desirable for North American forces to be stationed indefinitely in Europe? The newly established special committee on defence of the Canadian parliament has in effect endorsed Canada-United States defence arrangements, and the United States delegates welcomed this evidence of continued Canadian interest in co-operation in defence matters.

In the light of the heavy burden of defence costs and such new strategic developments at the ICBM, it was debated whether Canada should continue to contribute some small fraction to the now massive western deterrent forces or should develop a new and different role. One approach might envisage the Canadian contribution as a small but well equipped mobile force available for any appropriate world peace keeping mission.

Much discussion concerned the problem of control of nuclear weapons within the western alliance and the position of some members of NATO with respect to the development and maintenance of independent national

nuclear capabilities. The committee considered some of the possible means of dealing with this situation, such as the proposed seaborne multilateral nuclear force, or MLF, and recognized the difficulties in the way of finding a solution to this problem which would be satisfactory to all members of the alliance. It was suggested that the incentive to develop independent nuclear capabilities might be lessened by finding some way of associating all members of NATO more closely with the decision making process in respect of the possible use of these weapons. United States delegates noted that several United States proposals within NATO with this objective in mind had failed to be accepted. It was agreed that the major endeavour should be in the direction of reducing the danger of nuclear war by determined efforts in the pursuit of peace. It was pointed out that the disarmament talks could be an extremely useful vehicle in this regard. The test ban agreement was the result of a desire of nations in achieving the goal of a lasting peace.

In general the committee concluded that the success of the alliance to date could accommodate some minor adjustments of forces but that both Canada and the U.S. must and would continue to meet their agreed commitments to NATO and North American defence, while looking to other allies to carry out an appropriate portion of the defence burden as their resources increased.

One good working example of defence co-operation among interdependent allies was the Canada-United States defence production sharing program.

The committee recalled that in recognition of their joint responsibilities for North American defence, the program had been initiated to encourage Canadian industrial participation in U.S. defence requirements to balance Canada's continuing procurement from U.S. sources of major weapons following the Canadian decision to abandon her own independent development of certain major defence equipments. The five years experience with the program had demonstrated that it was a practical and sensible approach to co-operation in industrial research, development and production founded on mutual understanding and of practical advantage to both countries. Although, for the first few years of the program, Canadian production sharing procurement from U.S. companies had exceeded U.S. procurement in Canada, more recently United States procurement in Canada has exceeded Canadian procurement in the U.S. However, the current Canadian requirements for U.S. armoured vehicles, and the anticipated completion of certain U.S. aircraft procurement from Canada indicated that the program in the future would tend to a long-term balance.

The U.S. and Canadian members were unanimous in their support of the defence procurement objectives and emphasized the desirability of sharing not only defence production but also the earlier essential phases of research and development where each country has specialized and unique capabilities to support North American defence needs.

In conclusion, the committee recognized that there remain several outstanding subjects of contention between the two countries, which is an inevitable consequence of two nations sharing a continent and a broad variety of responsibilities. Among these issues are such matters as the Canadian withholding tax on the earnings of foreign investment in Canada, Canadian export incentives in the automobile and automobile parts field, and the proposed United States interest equalization tax. The Canada-United States interparliamentary group provides a most useful forum in alleviating such problems to achieve better understanding and relations.

COMMITTEE II—ECONOMIC MATTERS

Free World Trade

The committee discussed current problems and prospects of trade between Canada and the United States and with other free world countries. It was agreed that with respect to world trade in general the two countries have similar interests, such as the maintenance of export markets for agricultural products, and problems in common such as continuing balance of payments deficits, although the latter problem results from different causes in each country.

The two delegations exchanged views on the prospects of the forthcoming Kennedy round of tariff negotiations and on the problems posed for both Canada and the United States by current policies of the European economic community. Each delegation requested the other's views as to the prospects for extensive tariff reductions in the Kennedy round. The U.S. delegation expressed cautious optimism for the general lowering of tariffs but expressed misgivings with respect to agricultural products. The Canadian delegation indicated that Canada will join in the effort to attain tariff reductions in many areas but expressed concern as to the high level of certain specific U.S. tariffs. It was pointed out the GATT member countries have agreed that the formula for across the board tariff cuts would not be appropriate for Canada in view of Canada's particular pattern of trade and economic activities, but that Canada would

be prepared to pay in full by tariff concessions for all advantages gained in the negotiations.

The committee discussed in some detail current problems of trade between Canada and the United States. It was pointed out by the Canadian delegation that while Canada's over-all world balance of trade is favourable, its balance of trade and payment with the United States, its principal market, is chronically adverse. Canada, it was emphasized, therefore views with concern any restrictions on the entry of Canadian goods into U.S. markets. Members of the Canadian delegation expressed dissatisfaction, for example, with U.S. quota restrictions on Canadian dairy products, such as cheddar cheese. The Canadian delegation further emphasized the great importance which is attached to the U.S. market for Canadian lumber, among other reasons because of increased competition from the Soviet union and Scandinavian countries for certain European markets.

Trade with Communist countries

Members of the two delegations expressed general agreement that certain forms of trade in nonstrategic goods with communist countries are proper and advantageous. There were, however, differing opinions as to the desirable overall volume of trade with communist countries and as to the specific communist countries with which trade should be conducted. Specifically, the Canadian delegation did not share the view of the U.S. delegation that a firm embargo should be maintained on trade with Cuba and communist China.

The question of extending credits to communist countries was discussed. Members of the U.S. delegation expressed the view that there should be strict limits on the extension of credits to communist countries, not because these countries are regarded as bad credit risks, but because it is feared that the extension of liberal credits will enable them to divert resources to purposes inimical to western interests. Members of the Canadian delegation expressed the view that, with certain exceptions, communist countries should be granted non-discriminatory terms of trade.

There was frank discussion of the policies of Canada and the United States with respect to trade with Cuba. Members of the U.S. delegation noted with concern that part of the wheat sold by Canada to the Soviet union has been diverted to Cuba. Members of the Canadian delegation expressed the view that there is considerable misunderstanding in the United States as to the scope of Canadian trade with Cuba. Canada's trade with Cuba, it was pointed out, consists only of nonstrategic goods, is on a small scale, and has diminished in recent years. Members of the Canadian delegation pointed to the inconsistency between the sale of wheat to the Soviet union by the United States and its maintenance of a strict embargo on trade with Cuba and communist China. The U.S. delegation asserted, in response, that Cuba was, for historical reasons, an area of exceptional U.S. interest and concern. This concern, in the view of the U.S. delegation, is reasonable and necessary and one which the United States hopes will continue to enlist the sympathetic understanding of its friends.

The deliberations of the committee revealed differing opinions with respect to trade with communist China. Members of the U.S. delegation expressed the view that communist China should be denied trade as well as diplomatic recognition and admission to the United Nations as long as it refuses to renounce force as an instrument of national policy and refuses to accept the continued existence of the Chinese nationalist government in Taiwan. Members of the Canadian delegation endorsed the need for a continuing embargo on trade in strategic goods with communist China but questioned the view that a policy of rigorous embargo on trade in nonstrategic goods would prove effective as a means of deterring Chinese communist aggression. It was agreed by both delegations that the trade policies of their two countries with respect to the communist bloc should be governed by considerations of their own economic and political needs as well as by their desire to deny significant economic benefits to potential antagonists.

Law of the Sea

By mutual agreement the committee devoted considerable time to a thorough discussion of the situation created by the announcement by the Canadian government of June 4, 1963 that it intends to declare in May 1964 a 12 mile exclusive fisheries zone, the 12 miles to be measured by a straight headland to headland base line method. The Canadian delegation explained the particular problems presented for the Canadian fisheries industry by the presence of large numbers of foreign fishing vessels operating close to the Canadian shoreline. The Canadian delegation also emphasized that in the statement of policy of June 4, 1963, the Canadian Prime Minister declared Canada's intention to enter into direct discussions with interested foreign countries, the United States and France in particular, with a view to protecting treaty rights and taking into account claims to historic rights by those countries.

There was general agreement in the committee that in the matter of fisheries rights and the closely related question of territorial waters it would be highly desirable to proceed by way of an international agreement. Some United States members suggested that another effort be made in concert with other interested governments to call together as soon as possible an international conference to discuss fisheries conservation matters and to attempt to arrive at an international convention, quite possibly one based on a 12 mile fisheries limit, which would allow for direct bilateral arrangements concerning any traditional rights. The Canadian delegation drew the committee's attention to the fact that the Canadian government would prefer an international agreement and had so stated but that the failure of the Geneva conference of 1960 and of subsequent consideration of the problem had led to the conclusion that international agreement on the fisheries issue and the related question of territorial waters was not to be expected in the near future. Consequently, the Canadian government considered it imperative that action be taken by Canada to protect its fishing interests.

Some members of the United States delegation emphasized that, apart from the merits of the proposed 12 mile fisheries limit, the long established principles of international law involved in this whole question were of vital importance. In accordance with this view, it was contended by the United States delegation that the resolution of the issue as a matter of international law by means of international negotiation was at least as important as the contents of any agreement that might be reached.

The committee noted that the executive branches of the two governments were continuing their discussions of this question and the hope was expressed that any differences of opinion would be amicably resolved.

Interest Equalization Tax

The committee discussed the proposed United States interest equalization tax bill and also the tax measures invoked by Canada which will affect United States subsidiary companies in that country. The Canadian measures were designed to encourage Canadian ownership of domestic industry while United States measures were designed to help solve the United States balance of payments problem. The Canadian delegation pointed out that Canada was the country most directly affected by the interest equalization tax proposals and was most appreciative of the exemption granted to Canada by the United States on new issues of securities. They expressed the hope that this exemption would be extended to cover existing securities. While both delegations expressed regrets at these restrictions on the traditional free flow of capital between the two countries, they recognized that these measures were necessary expedients designed to solve critical problems in each of the two countries.

Labour problems on the Great Lakes

The Canadian delegation outlined in some detail the background to the serious problems which have been created on the great lakes by differences which had arisen within the Canadian labour movement as to union representation on great lakes vessels. It was pointed out that following increasing violence and the closing of the St. Lawrence seaway in June of 1962, the Canadian government, at the urging of the Canadian Labour Congress, appointed an industrial inquiry commission. Justice Norris, the industrial inquiry commissioner, recommended in his report that the maritime unions involved be placed under trusteeship. It was emphasized that the Canadian government took the view that developments left no other choice but the appointment of a trusteeship, either government or private.

The United States delegation indicated their understanding that the United States government had attempted to prevent difficulties in United States ports, and that the department of labor was doing everything possible, within United States law, to protect Canadian shipping.

The committee viewed this question with concern because of its continuing adverse effects on Canadian-United States relations and expressed the hope that every effort would be made to reach a satisfactory resolution of the problem.

Passamaquoddy Power Project

The U.S. delegation drew the committee's attention to the recent report of the department of the interior which recommended the construction of a tidal power project in Passamaquoddy bay. This project would be associated with hydroelectric developments on the upper Saint John river. Development of these two projects would require resolution of a number of questions and agreement of both the United States and Canada.

The Secretary of State has been instructed by the President to enter into negotiations with Canada as soon as possible. While there have been technical discussions, formal negotiations have not yet commenced. The U.S. delegation pointed to the benefits of joint development and expressed the hope that it might be possible to begin negotiations at an early date with a view to reaching a constructive agreement.

Roads to Alaska

The committee discussed the economic benefits that could accrue to both countries through improvements in the Alaska highway system. They also explored the specific problems involved in any improvement of the system including paving and relocation.

A member of the Canadian delegation expressed the view that there would have to be some agreement between the two countries on the sharing of the considerable costs involved in these improvements.

Appendix "C"

CONGRESSIONAL RECORD—SENATE

Extract from the Congressional Record
January 15th, 1964

VISIT TO THE SENATE BY MEMBERS OF THE CANADIAN PARLIAMENT

Mr. Aiken: Mr. President, today the Senate is signally honored by being visited by 24 Members of the Parliament of Canada, our closest friend among all the nations, and one with which we have more than 3,000 miles of common boundary.

Our friends from the north have been here to discuss matters which pertain to their country and ours—both matters in which we have a cooperative interest and some matters in which we have competitive interests.

At this time, I wish the *Record* to show the presence in the Senate Chamber of these distinguished visitors. We appreciate their visit far more than can be expressed by mere words.

I take pleasure in introducing them to the Senate. Following their introduction, luncheon will be served in the reception room.

First, I am delighted to introduce to the Senate the Speaker of the Canadian Senate, Hon. Maurice Bourget. He and I are really neighbours, for his home is only a short distance across the boundary between the Province of Quebec and Vermont. He is cochairman of this parliamentary conference. (Applause.)

The other Members of the Canadian Senate who are visiting the Senate today are: Hon. M. Wallace McCutcheon, a former member of the Canadian Cabinet, as are several of the others whom I shall introduce. (Applause.)

Hon. W. H. Taylor. (Applause.)

Next is a lady Senator, Hon. F. Elsie Inman, who, I believe, has attended the delegation meetings for as long as I have. (Applause.)

Then we go to the Pacific coast, where Hon. Sydney J. Smith represents British Columbia. (Applause.) I know that his record is as good as mine in attendance at the seven Parliamentary Conferences which have been held during the past few years.

Last, but not least in the Senate. Hon. M. Grattan O'Leary. (Applause.) As his name might indicate, Mr. O'Leary is very plain spoken in discussions. We are very happy that he is with us.

Now I come to Members of the House of Commons from Ottawa. I present, first, the Speaker of the Canadian House of Commons, Hon. Alan A. Macnaughton. (Applause.) He is a neighbor of mine. He lives just across the Vermont border in the Province of Quebec. He is also cochairman of the delegation meetings.

Hon. Michael Starr, another member from New Brunswick, is an ex-Cabinet member of Canada. (Applause.)

Hon. J. Waldo Monteith, who also has been a Cabinet member. (Applause.)

Hon. Paul Martineau, who is also an ex-Cabinet member and who has almost been something else—almost. (Applause.) He has held a prominent position in the Canadian Government. When I said "almost" facetiously, we anticipated that he might be Speaker of the House of Commons. He served as Deputy Speaker.

Now we come to Mr. Herman M. Batton. (Applause.)

Mr. W. B. Nesbitt. (Applause.)

Mr. Jack McIntosh. (Applause.) In Vermont we think a great deal of the name "McIntosh." We sell about a million bushels a year of the McIntosh apple, easily the best apple grown. I believe the applause is for you, Jack, and not for the apple. (Laughter.)

Mr. Robert Thompson. (Applause.)

Mr. Lucian Lamoureux. (Applause.)

All the Canadian political parties are represented in this delegation; but, as sometimes happens in the United States, it is difficult to tell from the appearance of a member to which party he may belong. So I am not trying to identify any of our guests by party affiliation.

Mr. Stanley Knowles. (Applause.)

Mr. James Byrne. (Applause.)

Mr. Maurice Sauvé. (Applause.)

Mr. A. J. P. Cameron. (Applause.)

Mr. Andrew Brewin. (Applause.)

Mr. R. G. L. Fairweather. (Applause.)

Mr. Henry Latulippe. (Applause.)

The next member, who received her education in the United States, is Dr Pauline Jewett, a graduate of Harvard. (Applause.)

Finally, Mr. Jean Chretien. (Applause.)

I know that the conferences have been attended 100 percent, which should be a good object lesson for some of our own committees. The attendance has been exceptionally good, in spite of the fact that because of

certain emergencies that arose two or three members were unable to attend all the sessions.

There have been fruitful discussions, and we have become well enough acquainted so that when the discussions were over, everyone wished to talk some more. That is a sign of a good meeting.

Once more, I wish to tell our friends how glad we are that they could be with us.

Mr. Mansfield: Mr. President, will the Senator from Vermont yield?

Mr. Aiken: I am happy to yield.

Mr. Mansfield: I deem it an honor and a privilege to join the senior Republican in this body, the distinguished senior Senator from Vermont (Mr. Aiken), chairman of the Subcommittee on Canada of the Committee on Foreign Relations. To the best of my knowledge, under a Democratically controlled Congress, he holds the only chairmanship—a well-deserved honor.

Mr. Aiken: A rather well-controlled Democratic Congress. (Laughter.)

Mr. Mansfield: We are delighted to have our colleagues from Canada in the Chamber.

We are especially happy to have Speaker Bourget and Speaker Macnaughton present, because they bring together neighbors who really know enough about each other so that once in a while they can quarrel and get away with it.

The Senator from Vermont (Mr. Aiken) has mentioned the fact that 3,000 miles of border lie between us. It is a border which is indefensible because it needs no defense.

Coming from the State of Montana, I should like to say, as I have done so many times, that my State has the longest border with Canada. We extend 700 miles along the southern part of Canada, bounded by British Columbia, Alberta, and Saskatchewan. We have close and intimate ties with our neighbors in those three Provinces. We celebrate "Canadian days" throughout the year because we like to get Canadian dollars, too, occasionally.

It is good to have you here. You do us honor by visiting us in this Chamber. We are extremely happy that the Interparliamentary Conferences which began under the chairmanship of the distinguished Senator from Vermont (Mr. Aiken) and have continued under his leadership since that time, have been so fruitful in bringing about better understanding and greater tolerance between our two peoples.

I hope that this will not be the last time you will visit this Chamber. I only hope that the next time you visit the Senate, at least some of you will sit on the Democratic side of the aisle, so that we may have a fair representation, too.

Thank you very much.

Mr. Holland: Mr. President, will the Senator from Vermont yield?

Mr. Aiken: I yield.

Mr. Holland: Mr. President, I have enjoyed exceedingly the great pleasure of meeting these fine Canadian visitors.

I cannot claim, as can the distinguished Senator from Vermont (Mr. Aiken), to be a next-door neighbor to Mr. McIntosh, whose name has been given to the best Vermont apple; and I cannot claim, as can the majority leader, to have the longest border with Canada. But I can claim that we have our full share of Canadian visitors every year in the State of Florida which in part I represent and that we are proud to have retained many thousands of them as citizens. They are among our finest citizens.

So, from this side of the aisle, I extend the warmest possible welcome. We hope it will be warm when our distinguished friends reach Florida tomorrow afternoon, so that the warmth of our welcome can be more evident than in the present environs of Washington.

I have known of no occasion in which the complete, nonpartisan nature of an important operation of the Senate and of the House of Representatives has been so well evidenced. In the Senate the distinguished Senator from Vermont has been chairman of the delegation and chairman of Committee No. 1. The distinguished Senator from North Dakota has been chairman of Committee No. 2. Senators on this side of the aisle, of whom there have been several of us, have been quite content and happy to serve under their leadership.

I hope these distinguished Senators of the minority party have enjoyed their leadership fully, because I do not believe they have had the opportunity to enjoy it, so much as they should, perhaps in other activities of the Senate.

We are delighted to have had these Canadian ladies and gentlemen with us. Speaking only for a part of this great nation, which may be farthest from Canada, may I say that your coming here and our visits with you have been but a symbol—and a significant one—of the warm friendship which prevails between your great country and ours, and which we hope will always prevail, because the might of these two countries together and the friendship of these two countries together have a weight in world affairs which cannot

be measured by any ordinary method. It speaks for itself as being one of the great friendships of our troubled world.

Mr. Aiken: I deeply appreciate the remarks of the Senator from Florida. The Senator has performed yeoman service as a member of the U.S. delegation, as have all the other members, except the two who were interrupted, one by sickness and one by an emergency.

I appreciate the fact that in the presence of our distinguished visitors from Canada, the center aisle of the Senate Chamber is eliminated, just as we always eliminate the international boundary between the United States and Canada when we are thinking of North American welfare and the welfare of our two countries.

When I introduced Mr. Andrew Brewin and Mr. Jean Chretien, they were outside the door and I was a little too fast for them. They are now in the Senate Chamber. The Canadian delegation has a 100 percent attendance. Let that be a lesson to us.

Mr. Young of North Dakota: Mr. President, I wish to join Senator Aiken and say what a pleasant experience it has been to work with so many distinguished Members of the Canadian Parliament. It has been a wonderful experience. I should like to take the present occasion to say a word about the International Peace Garden, which is located on the border between Canada and the United States. The garden is dedicated to the peace which has existed between our two countries for more than 150 years.

Mr. President, the purpose of the International Peace Garden can be best summed up by quoting the beautiful words inscribed on the cairn located in the center of the Peace Garden astride the international boundary:

> To God in His glory—we two nations dedicate this garden and pledge ourselves that as long as men shall live, we will not take up arms against one another.

The International Peace Garden is one of the most beautiful spots in the world. It is visited each year by thousands of people from the United States and Canada. Construction is continuing through the financial cooperation of the Canadian Government, the Province of Manitoba, the State of North Dakota, and the Government of the United States.

I extend to everyone an invitation to visit this beautiful spot.

Mr. Mansfield: Mr. President, I ask unanimous consent, as a mark of respect and honor, that the Senate stand in recess subject to the call of the Chair for the purpose of allowing Senators an opportunity to meet our Canadian visitors.

There being no objection, the Senate (at 1 o'clock and 23 minutes p.m.) took a recess subject to the call of the Chair.

At 1 o'clock and 29 minutes p.m., the Senate reassembled on being called to order by the Presiding Officer (Mr. Walters in the chair).

Mr. Mansfield: Mr. President, is the Senate still in the morning hour?

The Presiding Officer: The Senate is still in the morning hour.

THE SENATE

Wednesday, April 29, 1964

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

Prayers.

DOCUMENTS TABLED

Hon. John J. Connolly tabled:

Copies of Orders in Council, P.C. 1964-477, dated April 6, 1964, and P.C. 1964-600, dated April 23, 1964, passed in relation to the Public Service Rearrangement and Transfer of Duties Act, chapter 227, R.S.C., 1952, and certain other Acts. (English text).

Statutory Orders and Regulations published in the *Canada Gazette*, Part II, of Wednesday, April 22, 1964, pursuant to section 7 of the Regulations Act, chapter 235, R.S.C., 1952 (English and French texts).

Order in Council P.C. 1964-581, dated April 23, 1964, authorizing under section 21A of the Export Credits Insurance Act, long-term financing by the Export Credits Insurance Corporation, for the purchase of capital equipment and engineering and erection services from Parsons & Whittlemore (Contractors) Ltd., Montreal, Quebec, Sandwell and Company Limited, Vancouver, B.C., and other Canadian suppliers, by Fabricas de Papel Tuxtepec, S.A., Mexico City, Mexico, pursuant to section 21B of the said act, chapter 105, R.S.C., 1952, as amended 1960-61. (English text).

PRIVATE BILLS

THE DOMINION LIFE ASSURANCE COMPANY—REPORT OF COMMITTEE ADOPTED

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill S-14, respecting The Dominion Life Assurance Company, and had directed that the bill be reported with the following amendment:

Line 15: after the word "both" insert the word "of".

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

Hon. Mr. Hayden: With leave, I move that the report be adopted now.

Honourable senators, the amendment is a very simple one and seemed to be necessary, according to the purists in the English language who attended the committee meeting.

Section 2 of the bill where this change is proposed says that the company, whose name is being changed from one French name to another, may sue or be sued in "either or both such names". It was felt that, in the interests of good English, it should read in "either or both of such names".

Report adopted.

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

Hon. Daniel A. Lang moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

CANADIAN CONFERENCE OF THE BRETHREN IN CHRIST CHURCH—REPORT OF COMMITTEE ADOPTED

Hon. Arthur L. Beaubien, Acting Chairman of the Standing Committee on Miscellaneous Private Bills, reported that the committee had considered Bill S-11, to incorporate the Conference of the Brethren in Christ Church, and had directed that the bill be reported without amendment.

Report adopted.

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

Hon. Norman P. Lambert moved that the bill be placed on the Orders of the Day for the third reading at the next sitting.

Motion agreed to.

UNEMPLOYMENT INSURANCE COMMISSION

ANSWER TO INQUIRY

Hon. Allister Grosart inquired of the Government, pursuant to notice:

1. Had the Government obtained from the Unemployment Insurance Commission on or before April 3, 1964, by request or otherwise, the financial position of the Commission in relation to funds available to meet the anticipated claims on each of the ten days, more or less, preceding and including Monday, April 6, 1964?

2. Regardless of whether the answer to paragraph 1 is in the affirmative or negative, did the Government know on April 3, 1964, whether funds were available to meet all claims on the Unemployment Insurance Commission at any time on Monday, April 6, 1964, whether or not Bill C-86 was given royal assent before the latter date?

3. Was the information referred to in paragraphs 1 and 2 presented to the Senate in substance, summary or detail on or before the adjournment of the Senate on April 3, 1964?

4. What was the actual state of the Unemployment Insurance Fund in respect to funds available to meet anticipated claims on April 6, 1964, during the hours when offices of the Commission were open to receive such claims or when payments under the governing legislation should have been made?

5. Was the information referred to in paragraph 4 available to the Government at 6 p.m. on April 3, 1964?

6. If the necessary information with respect to any part of this inquiry is not immediately available to the Government, may the Senate be so informed?

Hon. Mr. Connolly (Ottawa West): The answer to the honourable gentleman's inquiry is as follows:

1. The Government was aware of the financial situation with respect to the Unemployment Insurance Fund as is indicated at page 117 of the Budget Papers made public March 12th and in the item providing for a loan to the Fund appearing in Supplementary Estimates E tabled in the Senate of Canada March 10th, 1964.

2. The Commission had advised that estimated funds available would not be sufficient to meet all estimated claims for Monday, April 6th, in the absence of royal assent for Bill C-86. The exact extent of the estimated shortage could not be ascertained until reports were received after the close of offices on Friday, April 3rd.

3. Yes. On Friday, April 3rd, 1964, the Honourable Leader of the Government stated on page 269 of the Senate *Hansard* of that day, that

" . . . the Unemployment Insurance Fund may very well be in a deficit position by this weekend. As honourable senators know, payments out of the Unemployment Insurance Fund are being made constantly and real concern is felt that the payments required to be made at this time will not be able to be made unless this authority is granted."...

"I should add that early notice was given of the prospect of this condition for the end of the financial year. It was given in the Budget Papers a number of weeks ago. At that time these supplementary estimates were before Parliament. The Unemployment Insurance Fund item was not segregated in a separate bill, but was included in the normal final appropriation bill which it was expected would approve the final supplementary estimates for the fiscal year ending March 31, 1964."

4. The estimated amount required for the payment of claims on 6 April, 1964, was $3,300,000 ($1,400,000 to be paid in cash and $1,900,000 to be paid by mail). The amount available to meet these payments on 6 April, 1964, was $1,600,000.

5. No, for the reasons stated in part 2.

6. The information in question was made available to the Senate at the first sitting thereof after it became available to the Government. (See page 286 of the Senate *Hansard* of April 6th, 1964).

TRANSLATION BUREAU

TERMINOLOGICAL BULLETINS—NOTICE OF MOTION STANDS

On the Notice of motion of Hon. Mr. Pouliot:

That copies of all the terminological bulletins issued in French and in English, and in both languages by the Terminology Service of the Translation Bureau during the years 1959, 1960, 1961, 1962 and 1963 be tabled in the Senate.

Hon. Jean-François Pouliot: Honourable senators, I ask that this motion stand until Thursday, May 7.

Order stands.

TOURIST TRAFFIC

MOTION TO EMPOWER COMMITTEE TO MAKE INQUIRY—DEBATE ADJOURNED

Hon. Gordon B. Isnor moved, pursuant to notice:

That the Standing Committee on Tourist Traffic be empowered to inquire into and report upon the activities of the various agencies concerned with promoting tourist travel in Canada and that the committee be authorized to send for persons, papers and records.

He said: Honourable senators, before proceeding with this motion, may I pause—and in this I know I speak on behalf of all senators—to extend congratulations and best wishes to our distinguished colleague, Senator D'Arcy Leonard, who is celebrating his birthday today.

Hon. Senators: Hear, hear.

Hon. Mr. Isnor: I was going to give his age, but I don't know whether it is 47 or 57.

Honourable senators, generally in speaking to any motion in connection with the tourist industry I naturally think of Nova Scotia, and to a considerable extent my remarks

centre upon that province. However, as chairman of the Tourist Traffic Committee I felt that today I should leave it to other Nova Scotians, perhaps, to enlarge upon and speak in a more flowery manner than I am in the habit of doing.

I now propose giving a partial background of the tourist industry as we know it. I well recall that in 1933 the committee on Tourist Traffic was set up, largely because of the energetic manner in which our late colleague, the Honourable W. H. Dennis of Halifax, looked into this matter. He felt such a committee could serve a very useful purpose in our country. I also recall that on that committee set up in 1933 was the present dean of the Senate, the honourable Senator R. B. Horner. It is interesting to note that down through the years Senator Horner has continued to maintain his interest in the tourist industry, as he does in many other activities; and I am sure we are all happy to see him in his place today, enjoying such good health.

Hon. Senators: Hear, hear.

Hon. Mr. Isnor: Honourable senators, I further recall that 30 years ago, in 1934, a convention was held under the chairmanship of the then Minister of Railways and Canals, the late Honourable R. J. Manion. I came here as a member of the Nova Scotia legislature, to represent that province on that occasion. As a result of that convention, interest was generated from one coast to the other, and travel bureaus were set up in every province of Canada.

The first director of the Canadian Travel Bureau was a Maritimer, D. Leo Dolan. Mr. Dolan travelled from province to province, stimulating thought concerning the tourist industry, and he was a very much sought-after speaker in the United States. I recall that he spoke in the New England states and in New York on so many occasions, that he became known as "Mr. Canada". I think that title stuck with him down through the years, until finally he was appointed Consul General and took up office in Los Angeles, California, where he continued his interest in this industry. He was succeeded as director by Mr. Alan Field, who has most successfully carried on the work begun by Mr. Dolan, ably assisted, as he is to this day, by Dan Wallace.

To these three gentlemen we in the Senate, and Canadians at large, owe a debt of gratitude. They have done wonderful work. At the moment I can think of only one other person who has made such a name for himself in advertising Canada, and that is Mr. John Fisher, the Commissioner of the Centennial Commission which is organizing the celebrations which will take place in 1967. In that connection, I might mention that at the present time the objective of the Canadian Travel Bureau is steadily to build up the tourist industry, until we establish a record, measured in dollars and cents.

Honourable senators, that is a brief outline of the background of the Canadian Travel Bureau and the work that your committee is trying to promote. I know by the number of senators who have so willingly suggested that they might take part in this debate that you are interested, and I believe we shall hear from each of the provinces from coast to coast. I know several have already spoken to me—senators from Newfoundland, New Brunswick, Nova Scotia, Quebec, Ontario, British Columbia and Alberta. I think I may have missed one province.

An Hon. Senator: Prince Edward Island.

Hon. Mr. Isnor: Prince Edward Island, a very important one. Senator Inman expressed the desire to speak at a later date in order to be prepared to give full effect to the high flavour that comes from the Island.

Honourable senators may be interested in the progress made in recent years, particularly the last 10 years, in the credit and debit balance in the tourist industry. I do not intend to weary you with figures, but I thought you might be interested in a brief comparison.

From 1953 to 1963 there has been a very definite improvement, largely because of the efforts, as I mentioned before, of the Canadian Government Travel Bureau. In December of 1953 the Dominion Bureau of Statistics reported that travel between Canada and the United States—the bureau also reported on travel between Canada and other countries—produced a revenue of $282 million, leaving Canada with a deficit of $25 million. This deficit position continued until 1962, when instead of a deficit there was a surplus of $93 million. The total amounts in dollars and cents had risen from $282 million to $512 million. There was yet a further increase in revenue last year which resulted in a surplus of $157 million. You will appreciate the marked difference between a $25 million deficit in 1953 and a $157 million surplus in 1963. Last year's total from the United States amounted to $549 million. It is also interesting to note that last year the travel industry represented the third largest asset in our economy, next to newsprint and wheat. It is a very important part of our economy, and because of that I think this committee has an important function to perform.

It is expected that the Travel Bureau will continue its efforts in 1964, 1965 and 1966, with the objective of helping to make that figure in 1967, the year of our Centennial, and of the World's Fair, reach $1 billion. That is the

objective of the bureau at the present time, and I know we are all hoping that it will be attained.

There are many encouraging developments in the tourist industry in Canada. The provinces, regions and municipalities have all become conscious of the industry's economic importance. Every newspaper we read seems to tell us that the speaker at some function or other stressed the importance to a particular community or province of the need to promote the tourist industry. Every town has its own promotional effort. This, I feel sure, is all for the good of Canada.

Every one who surveys Canada's tourist facilities is struck by the evident advances made in accommodation, food service and transportation. The Trans-Canada Highway, in particular, opens wonderful new opportunities for vacation exploration. I remember years ago, as all honourable senators do, that the traveller going from certain sections of Canada to the extreme west invariably turned south and took American highways. Today he travels from one end of Canada to the other on the Trans-Canada Highway.

Canada has much to offer every Canadian who moves across this broad land. This is surely the sort of hobby that we should all encourage and practise. It seems strange that so many Canadians should roam the world in search of recreation that can be found in such rich measure in this vast and beautiful land, their own country.

Visitors to Canada tell us how lucky we are to live and work here, but we should find this out for ourselves. As 1967 approaches let us encourage young Canadians especially to realize the richness of their heritage and by travelling widely to know and love their country.

Two years ago the Senate's Standing Committee on Tourist Traffic met under the experienced chairmanship of Senator Horner to consider the state of Canada's tourist industry. With 1967 just around the corner, I submit it is time for this committee to sit again, and to suggest new lines for the advancement of an industry in which traditionally Senate initiative has brought Canada such tangible returns.

Honourable senators will be interested to note the very striking increases that the Government is recommending this year in the Travel Bureau's program. The bureau's budget has been increased from $3.8 million to $4.9 million, and its staff will be augmented by 50 persons. With this greatly increased staff and budget the bureau plans to open two new offices in the United States and two in Europe, and at the same time substantially increase the range of its promotion in this country.

This step-up in the federal bureau's work is in preparation for 1967, and the wonderful opportunity that the Centennial of Confederation and the World Exhibition will offer to Canada's tourist industry. It is expected that the bureau will continue in 1965 and 1966 to expand its efforts with the objective of making 1967 the first year in which visitors bring into Canada $1 billion. I, for one, am confident that that target is quite within our reach. After all, last year's record figure of $602 million from all countries was twice the figure of 1953 and was $182 million more than three years earlier.

There are many more encouraging developments in our tourist industry. First, the provinces, regions and municipalities have all become more active than ever in their promotional programs, which in recent years they have substantially increased and are still increasing. Transportation companies and other sectors of the industry are actively promoting travel to and within Canada.

Honourable senators, this will give you a little background of the tourist industry as it is carried on and promoted by the Canadian Government Travel Bureau. I feel that our committee has a worthwhile task ahead of it, and I ask all honourable senators for their co-operation in putting into effect greater promotional energy than we have ever experienced before.

Hon. A. J. Brooks: Honourable senators, before I add a few words to this debate, may I also congratulate Senator Leonard and say that he does not look one day over the 40 years which I believe he attained on his birthday today!

We have listened, I am sure, with very much interest to the comprehensive remarks of Senator Isnor, and we are all happy to know that the Standing Committee on Tourist Traffic will be sitting this session. I had no idea of the work that had been done by the committee in connection with tourism until yesterday when I read the report of the late Senator Buchanan for the year 1946. I was amazed at the volume of work that had been done by this committee, and I share Senator Isnor's view that the success we have had in our tourist trade is, to a very large extent, due to the work done by this committee of the Senate.

Senator Isnor mentioned the fact that a maritimer, Mr. Dolan, was the first chairman of the Tourist Bureau. I remember that when Mr. Dolan was appointed he was in Fredericton, where he had achieved great success in New Brunswick. It was because of his activities there that he was recognized and brought to Ottawa to assist in the work here.

I had no idea either that the activities of the Tourist Traffic Committee went back so many years. Senator Isnor has mentioned the work of Senator Horner. I know that the committee, under the active chairmanship of Senator Isnor, will carry on in the future the good work that it has done in the past under the chairmanship of Senator Buchanan and Senator Horner.

One of the recommendations that was adopted by the Government was the extension of our national parks. The Maritime provinces were particularly fortunate because it was due to the strong advocacy of the committee that national parks were established in New Brunswick, in Nova Scotia, and in that little forgotten garden in the gulf, Prince Edward Island, although I do not think Senator Inman will let us forget it.

Another recommendation of the committee was with respect to roads. When Roads to Resources was being established a few years ago, it was recognized that the tourist industry should receive the same consideration as mining and other natural resources.

In some of the provinces, particularly Prince Edward Island and New Brunswick, tourist roads have been constructed in the last three or four years. Tourism is now an important industry and will become one of the most important we have.

The *U.S. News and World Report* of April 27, 1964 contains a long article entitled "Going Abroad: Latest on Costs and Places to See." This article mentions practically every country and its attractions for American tourists. It says:

> The whole wide world beckons this year to Americans, who are going abroad on vacations in record numbers.

Besides mentioning Britain, France, the Scandinavian countries, the Low Countries, Greece, etc., it mentions particularly Canada. The heading reads: "Canada Favourite with Families." Therefore, the attraction in Canada is not so much to the individual as to the man with a family. The article says:

> Canada still is first choice for three out of every ten Americans planning a trip abroad and this year 10 million United States tourists are expected to explore Canada's special attraction—low cost, family-style vacations.

It goes on to say:

> The lures are wide-open spaces, spectacular scenery, excellent fishing and boating—adding up to a chance to get away from it all in the great outdoors.

We see, therefore, that Canada is the first choice of the American tourist.

The late Senator Buchanan in his report said that the time would come when one out of every ten American tourists would come to Canada. This article says that today three out of every ten come. That shows how large our tourist industry has grown.

Hon. Mr. Connolly (Ottawa West): He was a very conservative prophet, for a Liberal.

Hon. Mr. Brooks: Some of the lures which were mentioned were the wide open spaces, the scenery, the fishing, the hunting and the good accommodation. As Senator Isnor pointed out, a few years ago we were scarcely to be complimented on our accommodation. That seemed to be one of our drawbacks. Today we are happy to know that a magazine of this type picks out, as one of the attractions to recommend, the good accommodation which is to be found in Canada. The only complaint they make is that there is not enough—and that, of course, can be corrected.

This report also mentions the reasonable prices. Compared with other countries, Canadian prices seem to be reasonable and attractive.

Another great attraction is the premium on the American dollar spent in Canada. This is just another indication of the wisdom of fixing the Canadian dollar, as was done a few years ago, at 92½ cents. That has been a popular attraction, to the advantage of the tourist business and other lines of business as well.

Valuable tourist advantages are climate and scenery. Our chief natural resources, such as mining and lumber, may become depleted but climate and scenery we shall always have with us. As we advance north and open up more of our northern country for fishing and hunting, there will be an increase in these special attractions for which the tourist looks.

We in New Brunswick are happy about the increasing number of tourists coming to our province every year and also to the other Maritime provinces.

I also noted in Senator Buchanan's report that a very strong recommendation was made to promote winter tourist trade in Canada. In my home province we never had tourists come in particularly for skiing or other winter sports. But a few months ago a ski resort was opened near the Town of Sussex. The opening of the resort brought over 1,000 cars, and nearly 5,000 people. They came from the neighbouring New England states and from every Atlantic province. It shows the possibilities for tourists not only in the summer but in the winter. I am sure we shall reap great benefits in that respect as time goes by.

We have a good committee with a good chairman and I look forward to a bright future for the tourist industry in Canada.

Hon. A. B. Baird: Honourable senators, many of you may remember the late Senator David. I agree with his remark: "The brain is a wonderful thing; it starts to function the moment you are born and it does not stop until you get on your feet to speak." I think that has happened to me now. However, this is an excellent opportunity to tell you of some of the tourist attractions in Newfoundland.

Newfoundland was for more than a century England's only possession. Newfoundland had a resident governor 50 years before Australia was discovered and 30 years before Wolfe's victory at Quebec.

The Island of Newfoundland is the tenth largest in the world. It is very irregular in shape, with a general outline somewhat like a triangle. It is bounded on the northeast and south by the waters of the Atlantic and on the west by those of the Gulf of St. Lawrence. Its greatest length is about 317 miles and its greatest breadth about the same. It really is the key to the control of Canada's waterborne commerce. In fact, it could dominate the whole of the seagoing traffic of the western ocean. In size, it is about one-fifth smaller than England.

Honourable senators, I should like you to note some of these figures for they are important.

Newfoundland is 11,200 square miles larger than Ireland, three times larger than Holland, and twice as large as Denmark. It is twice as large as Nova Scotia, one-third larger than New Brunswick, and nearly equal in area with the three Maritime provinces.

Newfoundland is each year becoming more and more the objective of sportsmen and tourists, attracted by the certainty of employment for rod, gun and camera. Newfoundland offers equal attraction to the angler; salmon, sea trout and lake trout abound. The salmon and sea trout are to be found in all the large rivers, though the streams on the west coast are considered the best. I imagine that my honourable friend, Senator Basha, would agree with that statement, since he has fished in most of those rivers.

In addition to the shooting of caribou and moose, which can be enjoyed in almost any section of the Island, the pursuit of bears, wolves and lynxes forms a diversion practised chiefly by local hunters, though there is no reason why visiting sportsmen should not also indulge in it.

Picturesque and comfortable are the homes of the Newfoundland fisherfolk. Every village has its churches, schools and lodges of the benevolent organizations which are found among them. There are to be seen in some places the old-time houses with large open fireplaces, dogirons and accessories of a vanished period, while curiosities in the shape of old furniture, old silver and other articles of the kind, are often to be seen or secured.

St. John's, the capital, offers to the tourist, the sportsman and to the artist, one of the chief attractions. From the hills above the Narrows one views a seascape rarely equalled. The mighty ocean stretches away below one's feet, sheer to the Irish coast. A few miles distant are typical fishing villages purchased in coves and crooks, which delight the artist's heart. Well cultivated valleys and wooded hills strike the eye on every hand. Beautiful, smiling pastoral country is disclosed by drives in the suburbs, and the salubrious climate enhances the visitor's enjoyment.

Honourable senators, I strongly recommend you to see St. John's, and die.

Hon. R. B. Horner: Honourable senators, I do not rise to boast in any way of any performance of mine as a past chairman of the Tourist Committee, but I must say that the present chairman has always been anxious to assist in every way possible.

The other evening, on television, Cyrus Eaton was asked why he held meetings at Pugwash, in Nova Scotia. His reply was that Nova Scotia has the finest climate in the world. At the time, I wondered if the poor man had ever visited Saskatchewan.

When our Canadian dollar stood at a premium, many Canadians went to the United States to take advantage of that situation, because it is only human nature to get the best value for your dollar. However, since our dollar has been devalued we have had no trouble in getting tourists to come to Canada.

Honourable senators, the development of automation is going to mean that thousands of people will enjoy more leisure, and therefore people will travel more than ever before. That will be to the distinct advantage of Canada. The Senate Tourist Traffic Committee can be of much assistance, but unless a warm welcome is extended to people who visit here, any efforts to bring them will be in vain.

I note that there is a great influx of people in British Columbia these days. Many Americans are visiting that province, as well as the Prairie provinces, and they are amazed to find the great forests and wonderful rivers in the vast northern regions of these provinces. The tourist traffic is heavy at the national parks at Banff and Jasper, which are joined by a highway running through the mountains. Tourists, driving over a permanent glacier, may look down a hundred feet through the blue ice and watch the water

rushing by. Wildlife is abundant in the mountains and is well worth our protecting.

Honourable senators, there is a lot of work for our Tourist Traffic Committee, and I would suggest that Canadians generally would find it most rewarding, quite apart from the revenue it would help bring to our tourist industry, to impart a feeling of friendship toward the people who visit us.

Hon. T. A. Crerar: Honourable senators, after listening to the eloquence of the two speakers who have preceded me, I feel a little timid about taking part in this discussion. We are indebted to Senator Isnor for his resolution, because it has become the subject of an interesting discussion.

Unquestionably, the tourist industry, as it is now described, is one of the important economic factors in Canada. I suggest that its importance is not fully realized. After all, if foreign tourists spend, say, $500 million a year in Canada, what we are doing in effect is exporting our scenery in this great north country, and we can do this year after year. I happen to know that many visitors from the Dakotas and Minnesota, particularly the Dakotas, visit the national park in the province of Manitoba. People living in those states have very few fresh-water lakes and streams for fishing, and they return to Manitoba year after year. So, we are in a sense exporting our scenery, and the economic importance of this industry is great. We have very definite advantages.

It may be of interest to the house to know that every summer there is considerable tourist movement by airplane from the United States to Great Bear Lake, on the rim of the Arctic Circle. There are mistaken notions about the lake, because its southern side is quite well timbered. But on the beautiful sandy south shore, tourist cabins have been erected, complete with modern equipment. This tourist centre represents a substantial investment; the operator of it, a man whom I knew many years ago, has been highly successful.

Because they are wealthy, it is a matter of complete indifference to the American tourists who travel to Bear Lake whether they spend $1,000 or $5,000 on a holiday. They go there because of the peculiar excellence of the fishing, and also because the average American likes to go places, especially as far north as he can.

During the period, now so long ago that I have almost forgotten it, that I was Minister of Mines and Resources in the Government of Canada I had something to do with the development of tourist roads. One such road was developed in northern Manitoba, and it gave The Pas and the area north of it an outlet by modern road to the southern part of the province. Previously, the only way they could get out was by air or train. This road was completed to The Pas, I believe in 1938, and it did not cost a great deal; it was built over country underlain by gravel and was consequently easy to build. In the autumn of that year I happened to be in The Pas for a few days because that was the centre of the constituency I represented in Parliament. I walked down the main street of the town one evening and counted 19 American cars from all parts of the United States, some of them from as far away as California. Those people come back in the autumn to shoot ducks and wild geese, because this is a great bird sanctuary. Such instances could be repeated time after time.

Honourable senators, this motion proposes that the committee examine into what is being done by various agencies in Canada to promote the tourist industry. Mainly these are provincial governments agencies, and it is worth while to consider what they are doing and, as far as possible, to get the general lines of policy laid down. In these sensitive days we must, of course, be very careful not to tread upon the toes of the provinces, but this is a field in which there are co-equal standing and rights, and I believe Senator Isnor's committee might give us a report that would be very useful in indicating what is being done in the provinces and the general principles guiding the development of this industry in Canada.

The tourist industry is undoubtedly important because Canada has great attractions to sell, if I may use that term, particularly to countries like the United States. As I have said, our American friends love to go places, and when they return home they delight in talking about their experiences. Consequently, a satisfied tourist is the best advertising we could get for this industry in Canada. One of the best ways to build up our tourist industry is to treat our visitors from the south or from Europe with courtesy and consideration in every way. It does not cost anything to be courteous to a visitor or to show him consideration. So, if our American friends go back and tell their neighbours, "We had a wonderful time in Canada. The people were kind and courteous, and no one tried to take advantage of us," then we have developed one of the best possible advertising gimmicks for the development of the tourist industry.

Consequently, I am confident that Senator Isnor's committee will do excellent work and enlarge our knowledge of the possibilities and the value of this most important industry.

CANADIAN MOTHER OF THE YEAR

GUEST IN SPEAKER'S GALLERY

Hon. Sydney J. Smith: With leave of the Senate, may I interrupt the present debate to make a brief reference to a distinguished visitor whom we have with us today?

Some Hon. Senators: Agreed.

Hon. Mr. Smith (Kamloops): Honourable senators, I think you will all be glad to know that we have in the Speaker's Gallery this afternoon a very distinguished visitor, and it is my honour and privilege to enumerate some of the reasons why our visitor is included in that classification, "distinguished."

First of all, our visitor is a lady. Secondly, I might say that she is a citizen of Kamloops. I refer to Mrs. Mildred Manuel Gottfriedsen, who is a member of the Kamloops Indian Band. Mrs. Gottfriedsen and her family have been neighbours and friends of mine for nearly 30 years, so I can speak with some authority when I say I have come to know her as a happy and cheerful person who has gained that ability to live in happiness and good cheer through the good works she has done. She has recently been selected as the Mother of the Year for Canada for 1964.

Some Hon. Senators: Hear, hear.

Hon. Mr. Smith (Kamloops): One of her qualifications is that she is the mother of 12 children and the foster mother of many others whom she has found during her life to be in need of a mother's care. So she has established the reputation of being mother to many more than her own family of twelve. She is the daughter of a distinguished family. The members of the Manuel family have contributed a great deal to leadership among the Indian people of British Columbia, and as first citizens they have lived up to every tradition which we could expect of first citizens. Many of the family have gone down on record as veterans of the First and Second World Wars.

My principal reason for rising at this time to note the presence of Mrs. Gottfriedsen is that I am her neighbour and a fellow citizen of Kamloops and British Columbia. The people of Kamloops and of British Columbia all share in the honour that has been done Mrs. Gottfriedsen; we know that she is the proud leader of a proud people. I hope as a result of the happy experiences she is enjoying this week that she will go back to her people with a new desire and a new inspiration to do even more in bringing to them improvements in learning, educational opportunities, and opportunities for occupation. In this regard she has already established quite a record.

I am sure that Mrs. Gottfriedsen's neighbours and fellow citizens of British Columbia are very proud of the honour that has been given to her, and the opportunity it will give her to extend her good work among the people she loves, as only a noble and worthy woman can love those who she feels need love and help.

Hon. James Gladstone: Honourable senators, may I be permitted to make my contribution to that of my esteemed colleague from Kamloops (Hon. Mr. Smith) and to extend a welcome to Mrs. Gottfriedsen, the distinguished lady who has been chosen as Canadian Mother of the Year. I have known her now about five years, and she is a lady whom I could not but admire. I visited her home last year, and I could see all these happy children around her. My son and his wife had occasion to stay there overnight, and they said it was the best place they had ever stayed in British Columbia.

I am very proud of her achievement, and I am sure all the women of Canada join in extending to her felicitations in the distinction she has attained in being chosen as Canadian Mother of the Year.

TOURIST TRAFFIC

MOTION TO EMPOWER COMMITTEE TO MAKE INQUIRY—DEBATE RESUMED

Hon. Muriel McQ. Fergusson: Honourable senators, before I resume the debate on the motion of the honourable senator from Halifax-Dartmouth (Hon. Mr. Isnor), I too would like to refer to the distinguished visitor in our gallery today, Mrs. Gottfriedsen.

Senator Irvine and I had the pleasure of lunching with Mrs. Gottfriedsen today, being two of the judges who chose her as Canadian Mother of the Year. At that luncheon the award was presented to Mrs. Gottfriedsen, and I should say that all the judges present at that affair, and indeed everyone there, were very pleased with the choice. Mrs. Gottfriedsen was the unanimous choice of all the judges, although there had been more than 300 nominations throughout Canada. I am very pleased to have this opportunity of extending to her my good wishes. She has already received the good wishes of my colleagues.

Honourable senators, I am very glad to support the motion of honourable Senator Isnor, Chairman of the Committee on Tourist Traffic in the Senate. On this committee, as you probably know, there are representatives from every province in Canada except Saskatchewan. Probably this is an oversight which will be rectified later. With the wide knowledge that senators have of their own provinces, the members of this committee can certainly bring to its deliberations many

suggestions as to how tourist traffic, one of the most important revenue producing activities of any of our provinces, can be increased and developed. Such suggestions are not without precedent because, as the honourable Senator Isnor told us, it was as a result of the recommendations of this very committee that the Canadian Government Travel Bureau was established by the Government in 1934.

The travel industry ranks high with newsprint and wheat as an earner of export income, and the value of the Canadian Government Travel Bureau to Canada's tourist industry is unquestionable. Therefore, it is reasonable to expect that a study at this time by the committee of "the activities of the various agencies concerned with promoting tourist traffic in Canada," which is the wording of the motion, will bring forth valuable recommendations.

We New Brunswickers are proud to know that much of the early success of the Canadian Government Travel Bureau was due to the imagination and know-how of its first director, Leo Dolan, to whom the chairman of the committee referred as a Maritimer, but who, I would like to tell you, is a New Brunswicker.

Hon. Mr. Isnor: Is there a difference?

Hon. Mrs. Fergusson: Mr. Dolan and his sister have been well known to me for many years and they, like many others, have contributed much to Canada's progress and prestige. We are proud that Mr. Dolan comes from our province. He later became Canada's Consul General in Los Angeles and his successor, Alan Field, has continued to present to travel-conscious people a most attractive picture of Canada. The excellent travel literature produced by the Canadian Government Travel Bureau and by some of the provincial travel bureaux, all of which is, I believe, publicized through the Canadian Government Travel Bureau, is not surpassed by that of any other country.

Besides the efforts to bring foreign tourists to Canada, I particularly commend the work that the travel bureaux do in increasing interprovincial tourism. Although Canada acquires many dollars from foreign visitors, many Canadian dollars are lost to Canada each year by Canadian tourists spending them in other countries. I would like to see more Canadian tourist dollars circulating from one province to another and kept within our own country, for, with its great variety of scenery and attractions—from the rugged coast of the Atlantic through its rivers, lakes, prairies and mountains to the beautiful Pacific coast—Canada has as much, or even more, to offer tourists than has any country in the world.

New Brunswick's attractions are not the least of these, with our beautiful St. John River valley which, besides being a source of power, has some of the most beautiful scenery that I have ever seen. It is frequently referred to as the Rhine of America. Apart from its beauty, it also has another attraction in that at its mouth it has the famous Reversing Falls which flow back up the river and out to the ocean again twice every twenty-four hours. Another attraction we have in New Brunswick is the Magnetic Hill near Moncton, where cars with their engines turned off appear to back up the hill. Thousands of people come to Canada and visit Moncton every year to see this most extraordinary phenomenon. They also come to Moncton to see another unusual sight, the tidal bore of the Petitcodiac River, which at certain times of the year sweeps up the river in a wave several feet high.

In the last few years my home province of New Brunswick and the other Atlantic provinces have come to appreciate and to take advantage of this opportunity to strengthen our economy. We have undertaken three distinct promotional efforts to direct the attention of potential visitors from other parts of Canada as well as from the United States to the charms of the provinces by the sea.

One of these is an advertising campaign or program in which New Brunswick is referred to as the "Picture Province," and which is carried on by our own travel bureau in the regional and national magazines and newspapers in Canada and the United States. Beginning last March and carrying on to early June of this year, 17 Canadian and 23 United States newspapers are carrying New Brunswick travel advertising produced and paid for by the New Brunswick Travel Bureau, and six of these are in French.

New Brunswick also participates in the Maritime Co-operative Advertising program, which is sponsored by the three Maritime provinces and uses as its media Quebec and Ontario newspapers and Canadian magazines which have their biggest circulation in those two provinces. All this material is published in both French and English.

The third promotional effort is the federal Government Atlantic provinces advertising campaign under which the Canadian Government Travel Bureau a few years ago earmarked a special fund to promote tourist traffic to the four Atlantic provinces. All four Atlantic provinces have benefited from this program and certainly want to see it continued and expanded.

The biggest tourist year in the Province of New Brunswick was 1963, when a total of 564,500 tourist cars entered the province.

This was an increase of 7.7 per cent over 1962. It would take too long to explain the details of how these figures are arrived at but, on studying them, I am convinced that very careful calculations were used so that there was no overlapping.

Studies and surveys concerning tourist traffic in Canada have produced two generally accepted axioms: (1) that 90 per cent of tourist travel goes by automobile; and, (2) that the average tourist party consists of three persons. If we apply these axioms to New Brunswick tourist travel last year we have reason to believe that over 1,862,000 tourists visited that province in the 1963 season. According to the figures of the Dominion Bureau of Statistics an average of $90 is spent per car.

We in New Brunswick believe that the increase in tourist travel to New Brunswick has been due to several factors. One is the increasingly aggressive advertising program, of which I have told you, through which more people have learned of the vacation attractions of New Brunswick. Another, of course, is the exchange rate which was favourable to tourists from the United States last year, and which also encouraged Canadians from other provinces to vacation with us instead of in the United States. Due to the growth of our tourist industry, at the end of 1963 tourist bureaux in New Brunswick had increased to fourteen. Half of them are established or sponsored through efforts of local groups interested in tourist promotion, and the other half are outposts of the New Brunswick Provincial Travel Bureau in Fredericton. All of these tourist bureaux receive some financial assistance and many supplies from the provincial tourist bureau.

As honourable senators know, transportation is one of the main drawbacks to the growth of the economy of New Brunswick. Even though our people can produce goods that compare favourably with those produced in other provinces, the geography of Canada, with wide distances between the Atlantic provinces and the larger markets, puts us at a disadvantage. Increasing tourism does much to counteract this disadvantage. I will illustrate this by quoting from an article written by Mr. Robert A. Tweedie, the outstanding and extremely capable director of the New Brunswick Travel Bureau:

> The tourist dollar is important to us because it takes little, if anything, away from our natural resources and it sells our goods and services at our own doorstep. The customers pay their own way to get here to purchase our goods and services.

Mr. Tweedie says further:

> Wherever people travel, they buy. They spend money on food, on gasoline, on lodgings. They buy goods, services, entertainment. The people who sell these goods and services benefit directly. They, in turn, spend their money for rent, wages, clothing, food, books, doctor bills, taxes and many other purposes.

Honourable senators, I believe that one of the principal attractions of our province for tourists is the friendly welcome the visitors receive from the people. This friendly attitude is natural and is not prompted only by greed for the tourist dollar, although we do appreciate that too. This is instinctive with our people, for they are not prejudiced against persons of other countries and are generally interested in, and tolerant of, all races, religions and creeds.

To illustrate that I would like to tell you of a personal experience. In 1960 the Canadian Women's Press Club brought to Canada from India Mrs. Amita Malik, an Indian press woman for whom they had planned an itinerary from coast to coast, believing this would further understanding and friendship between the two countries. Mrs. Malik spent some of her time in Canadian homes so that she would become familiar with Canadian customs on an informal basis. In each locality she was interviewed by the press, radio and TV. For the week she visited Fredericton she was my house guest. She is a beautiful and a delightful person. Of course, the lovely saris which she always wore, the red mark on her forehead indicating that she was married, and her beautiful features and dark complexion indicated to anyone meeting her that she was undoubtedly a foreigner to Canada. One day when Mrs. Malik and I were driving on a country road I realized it was that time in the afternoon when she liked very much to have a cup of tea. I had not arranged for it, and we were not near a restaurant. However, I noticed a sign on a small store which indicated that food was served there. Amita accepted enthusiastically when I suggested we might get a cup of tea there.

We stepped into the small country store where there was an oilcloth covered counter at which two lumbermen in red checked mackinaws were eating. Beside this there was a small table with chairs at which we sat. After we ordered tea Amita went out to the car to get her coat and while she was out a man in a wheelchair, who apparently was the proprietor, said to me, "Is she the foreign lady we saw on TV last week"? I said she was. No further conversation took place between the people in the store and ourselves

until one of the mackinaw-clad men started to leave. He hesitated and then came to our table and, speaking to Amita, said, "We want to welcome you and tell you we are pleased you are visiting here. We would like it if more of your people would visit us." I was surprised and pleased, and even more so when the other mackinaw-clad figure shuffled over to our table and mumbled, "I think that too." We thanked them and continued drinking tea and eating cookies until I went to the counter to pay. The proprietor and his beaming wife said, "There is no charge." I was puzzled and thought that the two men who had spoken to us must have paid our bill. However, the proprietor said to Amita as she came along behind me, "We saw you on TV too and we are honoured that you called on us. We hope you will come again."

Had I been told about what took place there, rather than having witnessed it, I might have regarded it with incredulity. However, on thinking it over I realized that this was the natural reaction which might be expected from kind-hearted people such as we have in New Brunswick. Nothing could have impressed Mrs. Malik more with Canadian hospitality, and she told this story in many other places where she spoke during her trip across Canada, and as well after she returned to India.

Besides the valuable promotional tourist advertising of which I told you, I believe that the tourist bureaux in Canada, both the Canadian Government Travel Bureaux and those of the various provinces, should impress on those Canadians who deal with tourists, whether they are from foreign countries or from other provinces of Canada, that they have in their own hands one of the most potent tourist attractions in the world. If they would overcome the shyness or diffidence they naturally feel with strangers, whether they are from other provinces or other countries, and show to such visitors the unaffected friendliness which is natural to Canadians—giving them a warm welcome on arrival and treating them as honoured guests during their stay—they would do a tremendous amount to popularize very widely the fact that Canada is a pleasant place for tourists to visit. I am glad to have heard Senator Horner express agreement with this suggestion.

One thing I would particularly like the Senate Committee on Tourist Traffic to consider is the increase of Canadian Government travel bureaux in Britain and parts of Europe. Although I am willing to be convinced, I feel that the number of tourists that Canada can attract from those countries is unlikely to justify the expense of maintaining travel bureaux there. My own experience, although limited, is that most travellers to Canada from Britain and Europe come here to visit friends or relatives, or in connection with business enterprises, such as the visiting of affiliated plants. This type of visitor does not leave us many tourist dollars and I recommend that the policy of extending travel bureaux in countries outside Canada be given serious study by the committee.

I reiterate that I support the motion.

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

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, April 30, 1964

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

Prayers.

DOCUMENT TABLED

Hon. John J. Connolly tabled:

Report on the Operations under Part II of the Export Credits Insurance Act, for the fiscal year ended March 31, 1964, pursuant to section 27 of the said act, chapter 105, R.S.C., 1952. (English and French texts).

TERRITORIAL SEA AND FISHING ZONES BILL

FIRST READING

Hon. John J. Connolly presented Bill S-17, respecting the Territorial Sea and Fishing Zones of Canada.

Bill read first time.

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

MOTION FOR SECOND READING—DEBATE ADJOURNED

Hon. Mr. Connolly (Ottawa West): Honourable senators, as this is Thursday, I thought it might be a special convenience to members of the Senate who are interested in this subject if the explanation of the bill were given today by Senator Cook, from Newfoundland, who has done a good deal of work on the measure. I am not in any sense suggesting that the debate on second reading be continued today. My thought is that the bill will be in the hands of honourable senators for study over the weekend, and if the explanation which Senator Cook is prepared to give is given today, then those who desire to participate in the debate next week would be in a better position than they otherwise would be. If that is agreeable to honourable senators, with leave, I would suggest that second reading be given now, on those terms.

Hon. Mr. McCutcheon: Have we copies of the bill?

Hon. Mr. Connolly (Ottawa West): I have some copies of the bill.

Hon. M. Wallace McCutcheon: Honourable senators, I am not going to stand up this afternoon and say "No" to this proposal, which of course any senator is entitled to do within the rules, but I think I would be remiss if I did not say that had it not been for a conversation I had with the Leader of the Government in this house a few minutes ago, I should have done so.

Regarding the "well-informed source" that produced the story in the *Chronicle-Herald* on Wednesday, April 29, part of which I shall read in a moment and which I understand appeared in other newspapers, the Leader of the Government has assured me that there was no such well-informed source. But in the light of the publicity that the Senate has received from time to time, I merely want to draw the attention of honourable senators to this article which made me feel at one stage that I should decline to agree to a motion for second reading today.

The story is datelined, "Ottawa, copyright." Certainly it should be copyrighted; there is no question about that. It explains the difficulty in which the Government finds itself in having promised that this bill would be introduced and go through by a certain date. It explains the difficulties of getting legislation through the other place, with which those of us who read the newspapers are quite familiar. The article goes on to say:

> Informed sources advised the *Chronicle-Herald* that it was a good bet the Senate would introduce the bill today or tomorrow, give it first and second reading, send it to the appropriate Senate committee and then give it third and final reading—all in fairly short order.

On the inside page it indicates how helpful that would be to the Government, to meet just one more deadline one of the members of the Government set up for it.

I am perfectly satisfied to accept the suggestion of the Leader of the Government, that we should permit the motion for second reading this afternoon and hear the explanation of the bill. Then we will all be in a better position to discuss the bill when we resume consideration of it. I have not seen the bill, but I believe that, in some of its implications, it is one of the more important ones which will come before this chamber this session. I want to congratulate the Leader of the Government on having the bill introduced in the Senate, not for the reasons that are set out in this article, but because I believe that the perusal and assessment of the bill taking place first in the appropriate Senate committee will result in better legislation in the final analysis than might otherwise be the case.

Hon. Mr. Connolly (Ottawa West): Honourable senators, on a point of privilege, perhaps I should comment on the statement made by my honourable friend.

First of all, so far as the story in the *Chronicle-Herald* of Halifax is concerned, I should

say that an almost identical item appeared in an estimable Toronto daily yesterday morning, the *Globe and Mail*.

Hon. Mr. McCutcheon: That does not improve the story.

Hon. Mr. Connolly (Ottawa West): I think it does not; but no more does it rest with anybody from Toronto to say that somebody from Montreal or Ottawa should have reserved it for himself. I do not know what prompted the publication of this kind of story. One thing I am sure of, and of which we should be perfectly clear, is that nobody in this chamber is responsible for it. I can certainly assure the house that I had nothing to do with it—I was extremely surprised when I saw it in print.

The story apparently goes on to say that it is a good bet that the legislation will be introduced in the Senate. I think it is appropriate for me on this occasion to say that I take advantage of every opportunity available to initiate bills in this chamber.

Some Hon. Senators: Hear, hear.

Hon. Mr. Connolly (Ottawa West): There are some measures, of course, that we cannot introduce here, particularly measures with financial implications which must be initiated in the other place. There are other measures from time to time which are also more appropriate to be introduced in the other place. But it seemed to me that this measure and, indeed, the other five measures we have already had since the opening of this session, were most appropriate to have introduced here, and I have confidence in the kind of study that is given by this chamber and its committees to measures of this kind. I flatly reject the suggestion that this or any other bill will be run through by this chamber or its committees in short order. That is not the practice of the Senate or its committees, and I am sure the honourable senator who has already spoken to the point feels as I do.

Having said that, perhaps it would be appropriate if we heard the explanation of the bill, if that is the desire of the Senate.

Hon. Mr. Roebuck: Is it proposed that we give the bill second reading today, or are we only discussing it?

Hon. Mr. Connolly (Ottawa West): In answer to the senator's question, I repeat my opening words, that it might be a matter of convenience to senators who want to speak on this measure when the debate is resumed next week, if Senator Cook were heard today. His explanation would make it much easier for senators to read the bill and consider its implications.

Hon. Mr. Brooks: The Leader of the Government is not claiming any urgency for the passage of the bill, but he feels this is an expedient so far as members who wish to discuss the bill next week are concerned. That is as I understand it.

Hon. Mr. Connolly (Ottawa West): Quite. Honourable senators, of course, know the rules. We could have this debate go on in the normal course on an appropriate day next week, and have the explanation given then, but in the interests of the kind of debate we like to have here—an orderly, fruitful and full debate—I think it would be a convenience to the Senate to have the explanation given now.

Hon. Eric Cook: Honourable senators, with leave, I move the second reading of Bill S-17, respecting the Territorial Sea and Fishing Zones of Canada.

I am very pleased to have the privilege of moving the second reading of this bill which if enacted will be of material help to all fishermen of Canada including, of course, those in Newfoundland, my native province. First of all, I have a few remarks to make about the bill generally, after which I shall endeavour to deal with the more important parts.

The purpose of the bill is to define the territorial sea and the fishing zones of Canada. The bill also authorizes the drawing of straight baselines along Canada's coasts from which the territorial sea and fishing zones will be measured.

The width of the territorial sea is three nautical miles and fishing zones will extend for a further nine nautical miles, or a total of twelve nautical miles in all. The laws of Canada respecting fishing and the exploitation of the living resources of the sea will apply to the fishing zones of Canada in the same way and to the same extent as they apply to the territorial sea of Canada.

The fishing zones of Canada will of course be something entirely new to the statute law of Canada, and will have important consequences for Canada and other countries which have fished off Canada's coast.

While there is not complete agreement between the nations on what is the accepted law of the sea, nevertheless great advances have been made since His Holiness Pope Alexander VI parcelled out the undiscovered world between Spain and Portugal.

Professor Herbert Arthur Smith in his excellent book *The Law and Custom of the Sea* writes on this important point as follows:

> Towards the end of the fifteenth century the great voyages of discovery gave a new importance to the law of the sea and this period may be taken as the starting point of the modern law. At this

point we see the emergence of the fundamental problem of national jurisdiction over the high seas. Was it or was it not possible for the oceans and their shores to become in law the exclusive property of particular States? In 1493 Pope Alexander VI (Rodrigo Borgia) published the famous Bulls which divided the undiscovered world between Spain and Portugal by a line drawn from pole to pole a hundred leagues west of the Azores, and even purported to prohibit all commerce in the oceans except by licence of the Spanish and Portuguese sovereigns. By the Treaty of Tordesillas in the next year the sovereigns concerned shifted the line to 370 leagues west of the Cape Verde Islands, and the consequences of the demarcation remain to this day in the fact that Brazil is Portuguese while the rest of South America is Spanish.

At the time this sweeping claim seems to have passed unchallenged, and it is to Queen Elizabeth I that we must give credit for being the first to assert the freedom of the oceans as a principle of the law of nations. The immediate cause of controversy was occasioned by Drake's voyage in the Golden Hind, which provoked a strong Spanish protest in 1580. In her reply to the Spanish Ambassador the Queen declared that the use of the sea and the air was free to all mankind, and that no exclusive rights in either could be claimed by particular nations or individuals. In due course the English claim was supported by the Dutch, and in the seventeenth century the general principle of the freedom of the high seas became an accepted maxim of law.

But general principles are seldom sufficient for the solution of particular problems. The most difficult task of law is to harmonize principles which may appear to conflict and to define the boundaries within which this principle or that is to prevail. If it was agreed that the high seas lay outside all national jurisdiction, it was equally agreed that every State had authority over the waters within its own land frontiers or immediately adjoining its shores. How was the line to be drawn between the waters which were subject to national authority and the "high seas" which were governed only by the law of nations? Again, was there any overlap between the two? Had foreign ships any legal rights in national waters, and in what cases, if any, could national jurisdiction be extended into the high seas?

While at the present time a number of countries agree that the width of the belt of territorial waters is three nautical miles, such agreement is far from universal. Among the states claiming a wider minimum limit for their territorial sea, the following may be noted. Sweden and Norway claim four miles; Italy, Spain, Portugal, India and Yugoslavia claim six miles; Mexico claims nine miles; Albania claims ten miles; Russia and the United Arab Republic each claim twelve miles. Moreover, a large number of states, including France, qualify their general acceptance of the three-mile limit by claiming certain extensions for varying purposes.

The extent of a country's territorial waters will also be affected by the manner in which and where the baseline is drawn.

If the coast line is fairly regular, in the sense that it is neither deeply indented nor fringed with islands, there is general agreement that the territorial belt must be measured from the low water mark along coasts. Difficulties, however, arise when the coast line is irregular, as in Canada, Norway, Greece or Western Scotland. Bays also raise very difficult questions, including the recognition of historic bays.

You will therefore appreciate that, notwithstanding a certain measure of agreement on the three-mile limit, there is much disagreement as to how to measure the three miles and as to what is or is not the territorial sea of any particular country.

In addition to their own territorial seas, many countries claim rights over further areas of the seas for particular purposes. Examples of these are:

Colombia—Territorial sea six miles; 20 kilometers for customs; 12 miles for fishing.

Belgium—Territorial sea three miles; customs 10 kilometers.

Canada—Territorial sea three miles; and for customs, nine miles from the territorial sea.

The United States claims 12 miles for customs, and France claims 20 kilometers for the same purpose; while, as I have already mentioned, Russia claims 12 miles for her territorial sea itself.

It may not be generally appreciated that Canada already claims, and has so claimed since 1936, 12 nautical or marine miles for certain customs purposes.

Section 2 of the Customs Act defines Canadian waters for customs purposes as including the marginal sea within three marine miles of the baselines on the coast of Canada, determined in accordance with international law and practice. The same section also defines "Canadian Customs Waters" as being the waters forming that part of the sea that is adjacent to and extends nine marine miles beyond Canadian waters.

By section 139 of the Customs Act it is illegal for a vessel to hover in Canadian customs water when such vessel is hovering with intent to break our customs laws and regulations.

Among the countries claiming an additional area for the protection of their fishing are Norway and Iceland, and Denmark for Greenland and Faroe Islands—each of which claims 12 miles. There are other countries which claim a greater distance. Peru, Costa Rica and El Salvador each claim 200 miles. Finally, a number of countries claim different areas for other purposes such as Sanitary Regulations and Pollution of Sea and Neutrality.

If the bill is enacted, certain countries may be affected. I suggest that this aspect of the bill may be discussed in committee.

The two Geneva Conferences on the Law of the Sea, in 1958 and 1960, were unable to reach agreement on a uniform rule of law for the breadth of the territorial sea or on the question of fishing limits. The second conference fell only one vote short of approving the proposal for a six-mile territorial sea, plus a six-mile exclusive fishing zone and a ten-year phasing-out period for countries fishing in the waters concerned. However, a large measure of success was achieved at the first conference in codifying other rules of law relating to the law of the sea. For example, agreement was reached, based on the Anglo-Norwegian Case before the International Court of Justice, on application of the straight baseline system to highly indented coast lines or where there is a fringe of islands in the immediate vicinity of the coast. Agreement was also reached on the right of a state to have a contiguous zone extending 12 miles from the baseline from which the territorial sea is measured in which the coastal state could exercise control for the purpose of customs, fiscal, immigration or sanitary regulations.

I suggest that there are two main questions we have to ask ourselves. First, what is the condition of affairs which the creation of the fishing zones of Canada seeks to correct? Secondly, is the creation of the fishing zones of Canada a reasonable exercise of our sovereign rights?

As honourable senators know, particularly those from the coastal areas, we have in Canada many regions, some of which are sparsely settled, and their populations utilize the scarce resources in whatever combinations are feasible, to eke out modest livings. Since the last world war, there has been a vast increase in the number and tonnage of foreign fishing vessels fishing off our coasts. Modern fishing trawlers, which sail from distant ports in ever-increasing numbers, fish not only on the banks some distance from our coasts but approach closer to our shores where our fishermen operate with smaller craft. This large concentration of foreign fishing vessels not only reduces the stocks of fish available to our shore fishermen, but also interferes with their operations. In fact we have the anomalous situation on our eastern seaboard, where during the last 50 years Canada has not permitted its large trawlers to fish closer than 12 miles from the coast line, so as not to interfere with the operations of our shore fishermen, while foreign trawlers are permitted to fish up to the traditional three-mile limit.

In these circumstances, and having regard to the state of present-day law and practice, it is clear that the creation of a fishing zone is a reasonable exercise of our sovereign rights.

It would appear that it is not unusual for countries, when exercising their sovereign rights to extend their jurisdiction over the seas adjacent to their coasts, to act unilaterally in so doing. The established practice is so to act, and then, by multilateral treaties and agreements reached by negotiation when and where necessary, to obtain the agreement of other countries who may claim to have been affected by the unilateral action so taken.

Honourable senators, I trust I will be forgiven if I have been too long, but I feel we will all agree that this is a most important piece of legislation, and I felt some of the historical and legal background would be helpful to us when considering it.

With your permission I would like, as briefly as possible, to comment on the various sections of the bill, which is entitled the "Territorial Sea and Fishing Zones Act." The provisions of this act extend and apply to every act of the Parliament of Canada.

The bill describes the territorial sea of Canada as comprising those areas of the sea within three nautical miles from the baselines described in section 5.

The bill further provides that the internal waters of Canada include any areas of the sea that are on the landward side of the baselines of the territorial sea of Canada.

The bill defines the fishing zones of Canada as comprising those areas of the sea extending a further nine nautical miles beyond the territorial sea of Canada.

I would like to draw attention to the fact that the bill provides that jurisdiction over fishing and the laws affecting the exploitation of the living resources of the sea, applies to the fishing zones, and applies in the same way and to the same extent as it applies to the territorial sea.

A particularly important part of the bill authorizes the Governor in Council to publish lists of points off our coasts from which straight baselines will be drawn. These will be in accordance with the applicable rules of international law.

Provision is also made for the substitution of outer limit lines for our territorial sea and fishing zones in the event of conflict with the territorial sea of another country, or in the event the outer limits of our sea or fishing zone would be unreasonably close to the coast of another country.

The bill authorizes the Minister of Mines and Technical Surveys to issue charts delineating the territorial sea and the fishing zones of Canada.

Part II of the act provides amendments to several acts. Because of the definition of the territorial sea of Canada, and the creation of the fishing zones of Canada, certain consequential amendments have to be made in these Acts of Parliament to bring them into conformity with the new definition.

These acts are:

I. The Aeronautics Act
II. The Canada Shipping Act
III. The Coastal Fisheries Protection Act
IV. The Criminal Code
V. The Customs Act
VI. The Fisheries Act

Having compared these amendments with the present sections of these acts, there does not appear to be any substantive changes in any of the six statutes affected, other than those resulting from the redefinition of Canadian waters.

By way of illustration, it is necessary to amend the Coastal Fisheries Protection Act in order to include the newly-established fishing zones of Canada and to ensure that the act applies to waters enclosed by the drawing of straight baselines.

Lastly, Part III provides for the coming into force of this act or any of its provisions by proclamation. This proclamation, or these proclamations, will, of course, be made from time to time as the Government may deem appropriate.

Honourable senators, upon the conclusion of the debate on second reading, I shall move that the bill be referred to the Standing Committee on Banking and Commerce.

Hon. A. J. Brooks: Honourable senators, first may I congratulate the honourable Senator Cook on his excellent explanation of the bill, an explanation which I am sure is going to be of benefit to subsequent speakers in this debate.

As I understand it, this is a debate on second reading, and I am wondering whether it would be in order for me to adjourn the debate.

Hon. Mr. Connolly (Ottawa West): Yes, this is the debate on the motion for second reading. However, I am sure that if the honourable leader wishes to speak this afternoon for either a short or a longer period, and then adjourn the debate, that would be entirely satisfactory to all concerned.

Hon. Mr. Brooks: I do not intend to make extended remarks this afternoon, but I wish to adjourn the debate and speak on it at a later date.

Honourable senators, it occurs to me that there should be more information with this bill than we now have. I notice that one of the very important parts of the bill is the determination of the baseline. The baseline is determined on the list of geographical co-ordinates. I cannot see how we can discuss the bill intelligently unless we know what these baselines or co-ordinates are. I should like to ask the honourable Senator Cook, who has just explained the bill, if it is possible for us to get a list of the geographical co-ordinates so that we can study them in conjunction with the bill.

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

PRIVATE BILL

THE MONTREAL BOARD OF TRADE—FIRST READING

Hon. Hartland de M. Molson presented Bill S-18, respecting the Montreal Board of Trade.

Bill read first time.

Hon. Mr. Molson moved that the bill be placed on the Orders of the Day for second reading on Wednesday, May 6.

Motion agreed to.

HARBOUR COMMISSIONS BILL

AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Norman P. Lambert for Hon. A. K. Hugessen, Chairman of the Standing Committee on Transport and Communications, presented the following report of the committee on Bill S-10, to provide for the establishment of harbour commissions:

> Your committee recommend that authority be granted for the printing of 800 copies in English and 300 copies in French of their proceedings on the said bill.

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

Hon. Mr. Lambert: I move, with leave, that the report be adopted now.

Report adopted.

CONSUMER CREDIT

JOINT COMMITTEE—FIRST REPORT ADOPTED

Hon. F. W. Gershaw, for Hon. David A. Croll, Joint Chairman of the Joint Committee of the Senate and the House of Commons on Consumer Credit, presented the first report of the committee:

Your committee recommend

1. That their quorum be reduced to seven members, provided that both houses are represented.

2. That they be empowered to engage the services of counsel, an accountant and such technical and clerical personnel as may be necessary for the purpose of the inquiry.

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

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

Report adopted.

PETITIONS FOR PRIVATE BILLS

EXTENSION OF TIME FOR FILING—REPORT OF COMMITTEE ADOPTED

Hon. Allister Grosart, for Hon. Thomas Vien, Chairman of the Standing Committee of Standing Orders, presented the committee's first report:

Your committee recommend that the time limited for filing petitions for Private Bills which expired on Wednesday, April 1st, 1964, be extended to Friday, May 15th, 1964.

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

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

Report adopted.

ADJOURNMENT

Hon. John J. Connolly: Honourable senators, I move, with leave of the Senate, that when the Senate adjourns today it do stand adjourned until Monday next, May 4, 1964, at 3 o'clock in the afternoon.

Hon. Mr. Brooks: I am not objecting to the motion, but may I ask the honourable Leader of the Government why he proposed a change from the usual adjournment?

Hon. Mr. Connolly (Ottawa West): There is a good deal of business before the Senate now, particularly with the notices of motion that are on the Order Paper. It would appear that we will have a very full week next week, so it would seem appropriate that we resume on Monday.

Hon. Mr. Brooks: In that connection, I am sure the Senate would be very interested to know what business is projected for next week.

Hon. Mr. Connolly (Ottawa West): It seems fairly clear from the Order Paper, if I may say so. We will continue the debate on the territorial waters bill; we will continue the debate on the motion to empower the Standing Committee on Tourist Traffic to conduct an inquiry; we will consider the motion to refer the estimates to the Finance Committee, and the motion to refer the report of the Department of External Affairs to the Standing Committee on External Relations.

Having said that, I am sure honourable senators will realize that we have a fairly full agenda for the house itself next week. In addition, certain committee meetings are scheduled for next week.

Hon. Mr. Brooks: I quite agree with the honourable Leader of the Government that there is the prospect of business originating in this chamber. May I ask him what business we may expect from the other place? After all, that is the business we rely upon mainly.

Hon. Mr. Connolly (Ottawa West): I know much is expected of the Leader of the Government in the Senate, but I do not think the gift of prophecy is a required qualification—perhaps at times one does need a crystal ball. I understand some progress has been made on some of the budget resolutions in the other place.

Hon. Mr. Brooks: Three of them.

Hon. Mr. Connolly (Ottawa West): It may be that in addition to what we have before us now, other business will be emanating from the other place. But I am sure honourable senators would not expect me to prophesy with any degree of accuracy as to when measures will be sent over. However, if we can generate business here we are doing a good job for Parliament, and I rather suspect the Senate does get some credit for this kind of work.

Hon. Mr. Beaubien (Bedford): May I ask the honourable Leader of the Government if we will also sit on Monday evening?

Hon. Mr. Connolly (Ottawa West): That will depend on developments during Monday afternoon.

Motion agreed to.

PRIVATE BILLS

THE DOMINION LIFE ASSURANCE COMPANY—THIRD READING

Hon. Daniel A. Lang moved the third reading of Bill S-14, respecting The Dominion Life Assurance Company.

Motion agreed to and bill read third time and passed.

CANADIAN CONFERENCE OF THE BRETHREN IN CHRIST CHURCH—THIRD READING

Hon. Norman P. Lambert moved the third reading of Bill S-11, respecting the Canadian Conference of the Brethren in Christ Church.

Motion agreed to and bill read third time and passed.

NEW SCOTLAND SAVINGS AND MORTGAGE COMPANY—SECOND READING

Hon. Gordon B. Isnor moved the second reading of Bill S-15, to incorporate New Scotland Savings and Mortgage Company.

He said: Honourable senators, as indicated by the title, this is an act to incorporate the New Scotland Savings and Mortgage Company, a loan company which in all respects will be governed by the Loan Companies Act.

It has significance because the company is being organized by a group of Nova Scotians with the purpose of providing an opportunity for people in that province to participate more actively in this important field. It is also expected that the new company, because of its local ownership and knowledge of the province, will be able to engage in lending in areas not presently served by other companies. In particular, a need exists for more mortgage lending in the smaller centres and in rural areas of Nova Scotia, and it is hoped that this service can be extended by the proposed company.

The group organizing the company, as indicated in this bill, is headed by Mr. Gordon F. Hughes, a successful businessman in Windsor, Nova Scotia. The other incorporators are persons well known in the province. I should mention that this will not be a large trust company, certainly not as large as many others with which we have had to deal in recent months. It will serve an area in which will be found a fine type of Nova Scotia farmer and fruit grower, and, as well, small businesses and the general public.

The location of its head office, as stated in the bill, will be at Windsor, Hants County, Nova Scotia. This is adjacent to that fine fruit-growing district known as the Annapolis Valley, which produces what are considered to be the finest flavoured apples in the world.

Compared to other companies operating in the larger centres, I am convinced the proposed New Scotland Savings and Mortgage Company will encourage greater savings and will add to the prosperity of this particular section of Nova Scotia.

If the bill receives second reading, I shall ask that it be referred to the Standing Committee on Banking and Commerce.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Isnor, bill referred to Standing Committee on Banking and Commerce.

DIVORCE

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of reports of the Standing Committee on Divorce Nos. 220 to 263, inclusive, which were presented on Tuesday, April 28.

On the motion of Hon. Austin C. Taylor for Hon. Mr. Roebuck, Chairman of the Standing Committee on Divorce, reports adopted.

RESOLUTIONS PRESENTED

Hon. Mr. Taylor (Westmorland), for Hon. Mr. Roebuck, Chairman of the Standing Committee on Divorce, presented the following resolutions:

Resolution 219, for the relief of Shirley Ann Hinman Charlow.

Resolution 220, for the relief of Bernice Boyce LeBlanc.

Resolution 221, for the relief of Geraldine Edith Joan Girouard Gagne.

Resolution 222, for the relief of Connie Cohen Caplan.

Resolution 223, for the relief of Joan Hilda Holgate Murray.

Resolution 224, for the relief of Constance Lorraine Brown Jackson.

Resolution 225, for the relief of Shirley Christina Anne Rose Stamper.

Resolution 226, for the relief of Eileen Owens Parent.

Resolution 227, for the relief of Earl Hayward Coveduck.

Resolution 228, for the relief of Genowefa Czernianin Delego.

Resolution 229, for the relief of Barbara Schultz Dumansky.

Resolution 230, for the relief of Mary Astrakianakis Kardaras.

Resolution 231, for the relief of Helen Miriam Simond Selby.

Resolution 232, for the relief of Nina Bruneau Choquette.

Resolution 233, for the relief of Wasyl Kaprian.

Resolution 234, for the relief of Joseph Hilderic Albert Joffre Vachon.

Resolution 235, for the relief of Henri Verrier.

Resolution 236, for the relief of Margaret Alguire Mallette.

Resolution 237, for the relief of Elizabeth Anne Walford Wood.

Resolution 238, for the relief of Joseph Jean Plante.

Resolution 239, for the relief of Louisa Greig McAleer.

Resolution 240, for the relief of Micheline Deyglun Holowaty.

Resolution 241, for the relief of Marie Catherine Beaubien Frances Drumm Mathieu.

Resolution 242, for the relief of Jean Zalloni.

Resolution 243, for the relief of Hans Ulrich Lewin.

Resolution 244, for the relief of Andrew Sallai.

Resolution 245, for the relief of Lionel Samuel Tiger.

Resolution 246, for the relief of Louisa Simard Flynn.

Resolution 247, for the relief of Cacilie Johanna Friederike Hagedorn Kaat.

Resolution 248, for the relief of Marion Daphune Cormier Armour.

Resolution 249, for the relief of Joseph Alfred Michel Andre Pierre Mercier.

Resolution 250, for the relief of Neilson Harold Dowsley.

Resolution 251, for the relief of Richard Wilfrid Earl Hogan.

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

Hon. Mr. Taylor (Westmorland): Honourable senators, on behalf of Hon. Mr. Roebuck, I move that these resolutions be considered at the next sitting.

Motion agreed to.

MARRIAGE AND DIVORCE ACT

ORDER FOR SECOND READING STANDS

On the Order:

Second reading of Bill S-16, intituled: "An Act to amend the Marriage and Divorce Act".—(Honourable Senator Pouliot).

Hon. John J. Connolly: Honourable senators, at the request of the honourable Senator Pouliot, I ask that this order stand until Wednesday of next week.

I am sure all honourable senators will be pleased to hear that tomorrow Senator Pouliot will celebrate the 50th anniversary of his admission to the Bar of Quebec, and for that reason he is unable to be present today. I know everyone will be happy to have our good wishes and congratulations to him on this very happy occasion appear on the record.

Hon. Senators: Hear, hear.

Order stands.

DIVORCE

RESOLUTIONS ADOPTED

The Senate proceeded to the consideration of Resolutions numbered 161 to 218, inclusive, which were presented on Tuesday, April 28.

Hon. Austin C. Taylor, for Hon. Mr. Roebuck, Chairman of the Standing Committee on Divorce, moved the adoption of the following resolutions:

Resolution 161, for the relief of Louise Beausoleil Lavigne.

Resolution 162, for the relief of Christine Goguen Rivard.

Resolution 163, for the relief of Andre Gervais.

Resolution 164, for the relief of Dorothy Allen Rivard.

Resolution 165, for the relief of Diane Grier Findlay Odell.

Resolution 166, for the relief of Claudette Jarry Dehan.

Resolution 167, for the relief of Charlotte Baetz Wieling Gutkind.

Resolution 168, for the relief of Pasquale Ficara.

Resolution 169, for the relief of Gordon George Donnelly.

Resolution 170, for the relief of Elmer Stephen Cheverie.

Resolution 171, for the relief of Barbara Ann Murray Heffernan.

Resolution 172, for the relief of Russell Pain.

Resolution 173, for the relief of William Wallace Graham.

Resolution 174, for the relief of Klawda Bass Kawalerski.

Resolution 175, for the relief of Carole Anne Douglas Orr.

Resolution 176, for the relief of Roger Gagnon.

Resolution 177, for the relief of Frances Elizabeth Hodgson Eramian.

Resolution 178, for the relief of Liliana Sarda Boros.

Resolution 179, for the relief of Joan Lillian White Marsh.

Resolution 180, for the relief of Blanche Gagnon Mallette.

Resolution 181, for the relief of Marie Isabelle Therese (Gisele) Rodrigue Francoeur.

Resolution 182, for the relief of Susie Susser Rosenblatt.

Resolution 183, for the relief of Joan Isabel Hannaford MacDonald.

Resolution 184, for the relief of Velera Marion Moore Robb.

Resolution 185, for the relief of Ada Brewer Clement.

Resolution 186, for the relief of Jacqueline Lois Lubben Sawers.

Resolution 187, for the relief of Irene Dolgin Teitlebaum.

Resolution 188, for the relief of Francoise Jeanne Raymond Porteous.

Resolution 189, for the relief of Irene Collier Klinger.

Resolution 190, for the relief of Frances Margaret Shaughnessy Woolgar.

Resolution 191, for the relief of Freda Dick Allen Floyd.

Resolution 192, for the relief of Martha Christine Cook Cooper.

Resolution 193, for the relief of Werner Hermann Pluss.

Resolution 194, for the relief of Ann Marilyn Schlesinger Goldberg.

Resolution 195, for the relief of Eleanor Rose Eadle Vincent.

Resolution 196, for the relief of Bruorton Reginald Moore Fitz-Gerald.

Resolution 197, for the relief of Antoinette Fiore Lamoureux.

Resolution 198, for the relief of Mabel Bessie Hart Harris.

Resolution 199, for the relief of Luba Kopanski Slapak.

Resolution 200, for the relief of Anne Marie Mesudeur Atzel.

Resolution 201, for the relief of Violet Maud Willis Jones.

Resolution 202, for the relief of Isobel Janet Duco Noel.

Resolution 203, for the relief of Eveline Beck Zimmerman.

Resolution 204, for the relief of Rita Boudreau Savard.

Resolution 205, for the relief of Jacqueline Mary Atta Shatilla.

Resolution 206, for the relief of Olive Brown Mulcahy.

Resolution 207, for the relief of Catherine Marie MacDonald Beaton.

Resolution 208, for the relief of Barbara June Ibberson Thompson.

Resolution 209, for the relief of Alan John Clarke.

Resolution 210, for the relief of Horst Wolfgang Vogel.

Resolution 211, for the relief of Gertrude Anna Marie Seeburg Neubauer.

Resolution 212, for the relief of Maureen Sandra Murray Hastie.

Resolution 213, for the relief of Dorothy St. Clair Kane Wilson.

Resolution 214, for the relief of Constance Lacireno Walsh.

Resolution 215, for the relief of Suzanna Prins Garner.

Resolution 216, for the relief of Patricia June Graydon Wiens.

Resolution 217, for the relief of Arthur Paquette.

Resolution 218, for the relief of Linda Rose Low Steeves.

Resolutions adopted, on division.

TOURIST TRAFFIC

MOTION TO EMPOWER COMMITTEE TO MAKE INQUIRY—DEBATE CONTINUED

On the Order:

Resuming debate on the motion of the Honourable Senator Isnor, seconded by the Honourable Senator Grant:

That the Standing Committee on Tourist Traffic be empowered to inquire into and report upon the activities of the various agencies concerned with promoting tourist travel in Canada and that the committee be authorized to send for persons, papers and records.—(Honourable Senator Jodoin).

Hon. Donald Cameron: Honourable senators, I am quite sure I am not capable of taking the place of the distinguished Senator Jodoin—

Hon. W. Ross Macdonald: Honourable senators, on behalf of honourable Senator Jodoin, I was going to ask that this order be allowed to stand. However, I am sure Senator Jodoin, if she were here, would not object to the honourable Senator Cameron speaking now. At the conclusion of today's debate, I shall ask that it be adjourned in the name of honourable Senator Jodoin.

Hon. Malcolm Hollett: Honourable senators, there seems to be some confusion today, and I assume it arises from our discussion on the bill relating to our territorial seas.

I was asked to say a few words on tourism after honourable Senator Jodoin had spoken. However, if there is no objection, and since the honourable lady senator is not here, I will go ahead and get this off my chest because I want to look at the question of our territorial seas. Coming as I do from Newfoundland, I consider it a matter of great importance. May I speak now?

The Hon. the Speaker: Shall we hear Senator Hollett?

Some Hon. Members: Agreed.

Hon. Mr. Hollett: Honourable senators, it is not my intention to keep you long, because usually on Thursday afternoon we seem to have quite a number of tourists in the gallery of this chamber. Having listened to the many excellent speeches yesterday on the subject of tourist traffic, I feel there is not much left to be said in a general way. However, I should like to make some specific references to my own province, Newfoundland.

First let me say how pleased I am to be a member of the Tourist Traffic Committee, particularly since it is under the able chairmanship of honourable Senator Isnor. I think it was Senator Fergusson who said yesterday how necessary it was to the success of the tourist trade for people to be hospitable and friendly. Well, I think Senator Isnor has definitely started out in that direction, for the first thing he did was to invite the members of the committee to an excellent dinner where we became better acquainted with each other. I think he adopted the right idea in the first instance.

Tourist trade is becoming more and more one of the great assets of many countries, and this applies to most of the provinces of Canada. Only yesterday I saw a news item from London, England, which said that this year some 210,000 people from the British Isles would spend some $84 million in the United States of America and, of course, this does not take into account the expenditures for transportation.

Yesterday several honourable senators mentioned the present and future value of tourism and its related aspects to Canada as a whole. Basically, of course, any country or province has to have something to offer the tourist and, secondly, that something has to be made as easily accessible as possible.

In looking at Newfoundland, including Labrador, for Newfoundland is Labrador and Labrador is Newfoundland, and with those two ideas in mind, what have we to offer the prospective tourist? Labrador has become very prominent. As a matter of fact, it is going to be the show place of Canada in the years to come, but I will not elaborate on that at the present time. In answer to the question what have we to offer the prospective tourist, I could say we have nearly everything. Everybody knows that. We have the finest and most varied scenery to be found anywhere. We have the hunting of wild game such as the moose, the caribou, and birds of all kinds. We have salmon and trout fishing in our lakes and rivers, and deep-sea fishing of many varieties, including tuna fishing.

Incidentally, the best fishing in the world can be found in Labrador. I can say that because I fished there four or five years ago, and in a very few minutes at one lake I caught several trout, each that long.

Hon. Mr. Connolly (Ottawa West): Would the honourable senator allow me to point out that although, no doubt, they were tremendous trout, their length does not appear on *Hansard* when he demonstrates it with his hands.

Hon. Mr. Hollett: I leave it to honourable senators to judge for themselves. In any event, they were very long; they were big fish. I can recommend to Senator Aseltine that he take a trip there and enjoy some really good trout fishing.

Hon. Mr. Aseltine: That is my next port of call, after tomorrow.

Hon. Mr. Hollett: We have in Newfoundland very many historic sites; and, as everybody knows, we have the most hospitable people in the whole wide world. We suffer, of course, from lack of transportation facilities. In this connection I should like to quote from a letter I received from our Director of Tourist Development, Mr. Oliver L. Vardy.

Mr. Vardy has been in charge of Newfoundland's tourist program almost since 1949, and I know of no man who can size up the situation in a more knowledgeable way. He says that the big problem which confronts us at the present time is that of transportation to and from the province. In his letter to me he pointed out that while much has been said about the ferry which is to operate between the Canadian mainland and the east coast of Newfoundland, it would appear that the earliest we can expect it to be put into operation is three years from now.

The *William Carson* has been totally inadequate in dealing with the traffic that has been offering across the gulf during the peak season, and despite the improvements that have been made this year it is not anticipated the ferry will be able to handle many more cars than it did in 1963. I gather from Mr. Vardy's letter that certain alterations have been made to the *William Carson* which will enable her to take more cars each trip but, as he stated, the number

of persons making use of the various camping facilities provided by the province is growing tremendously, and there are more and more people who wish to bring their trailers to Newfoundland.

I take this opportunity of reminding the honourable Leader of the Government in this house (Hon. Mr. Connolly, Ottawa West) that an east coast ferry was one of the election promises made over a year ago. I do hope that some effort will be made to provide this service as soon as possible, and in less than three years.

While I am on the subject of transportation I should like to remind the Leader of the Government of another election promise which I feel quite sure will be carried out and, I hope, carried out soon. I am referring to the completion of the Trans-Canada Highway from Port aux Basques to St. John's. I am not sure of the exact mileage still to be completed, but I think it is approximately 250 miles.

Hon. Mr. Connolly (Ottawa West): Will the honourable senator say how much has actually been built?

Hon. Mr. Hollett: The total mileage is somewhere between 550 and 600 miles. I have said that there are about 250 miles left to be completed.

Hon. Mr. Connolly (Ottawa West): About half of the Trans-Canada Highway there is built now?

Hon. Mr. Hollett: I would say that just over half is completed.

Hon. Mr. Aseltine: Why is the highway of such length?

Hon. Mr. Hollett: Newfoundland is 317 miles wide, but the Trans-Canada Highway runs in a sort of semi-circle from Port aux Basques to St. John's, which adds 200-odd miles to its length.

There are many people from the mainland who cross over on the *William Carson* to Port aux Basques, and who would anticipate with pleasure the drive from Port aux Basques to St. John's on a paved Trans-Canada Highway. When they come back from their holiday and report how pleasant it is in the province, it will be found that not only the *William Carson*, but one or two other vessels as well, will have to be on the gulf route in order to carry the increasing number of tourists who wish to come to Newfoundland that way. Most tourists from the Canadian mainland and the United States like to bring their cars with them and thus be able to see some historic sites, to stop off somewhere and shoot whatever game they are allowed to take, and to enjoy themselves without having to drive over certain sections of dirt roads.

To give honourable senators some idea of the number of cars coming to Newfoundland from the mainland, I would point out that in 1962 from the United States alone there were some 2,250, and from the Canadian mainland, 4,986; in all, a total of 7,206. They all travelled across the gulf on the motor vessel *William Carson*. This goes to show that if there were other ships available and there was a paved Trans-Canada highway we would have many more cars coming in and, of course, many more tourists. If there is added to that the East Coast Ferry service, which could take passengers and cars to the east coast of Newfoundland, I think tourism would become a greater asset to the people of Newfoundland.

I am given to understand that last year the value of the travel industry was in the neighbourhood of $20 million, and that some 154,000 people were accommodated in licensed tourist establishments alone. Do not forget, honourable senators, that this is in little old Newfoundland, of which perhaps some of you have heard. Let it not be forgotten that we have prospects down there. Nearly $3 million was spent in the province by hunters alone, and some $75,000 was collected from the sale of salmon and trout licences, which indicates that we do not charge too much.

Further, to show the value of the services provided by the *William Carson*, I am given to understand that in 1962 nearly 75,000 passengers travelled both ways on this boat. As a demonstration of the value of this trade to our province I will mention that over $1 million was collected in gasoline sales and garage services from the drivers of cars who crossed over on this ferry.

Having looked over some of the reports of the tourist trade in Newfoundland during the past year, I can heartily agree with our tourist director when he says that the potential for tourist development in Newfoundland is greater than it is in any part of North America. Newfoundland is one of the few virgin territories left to be exploited—I hope it is not exploited too much—by the travelling vacationer. As I said before, we have Labrador which is opening up tremendously fast. The Iron Ore Company of Canada is there, as are two or three other companies and also the great hydro-electric development, and the best fishing I have witnessed anywhere in the world.

Let me conclude by repeating what I said at the outset, that I am most happy and honoured to be a member of this committee. I am quite sure that with a proper study of

the problems relating to tourism many recommendations can be made by the committee which, if acted upon, will increase the tourist trade of the whole of Canada. I assure Senator Isnor of my fullest co-operation.

Hon. Donald Cameron: Honourable senators, first of all, I would like to compliment the chairman of the Senate Tourist Committee on his initiative in reactivating this committee and seriously proposing to tackle the problem of tourism in a manner which the importance of the industry to Canada warrants.

It is not inappropriate that the chairman of the committee should come from the Province of Nova Scotia because, as one who has been interested in tourism for a long time, I have been greatly taken with the quality of publicity that has been carried out by that province for many years. The tourist publicity of Nova Scotia, in terms of tourist booklets, has been among the most attractive in Canada. They are certainly a credit to that province, to the industry as a whole and to Canada.

The establishment of a committee to go into the whole matter of expanding the tourist trade is most timely. It has been said on more than one occasion recently that tourism is the third largest earner of foreign exchange in Canada today, next after wheat and the pulp and paper industry. It was estimated that the value of the tourist industry to Canada last year was something in excess of $600 million.

We are in the process of setting our sights for a billion dollar tourist business by 1967. This is a target which I think is quite capable of achievement. However, now that we have set the tentative goal of $1 billion tourist revenue in 1967, it seems to me that we should tackle some of the problems relating to the industry in a more co-ordinated and determined way than we have in the past.

Some of the appropriate steps which have been taken recently to emphasize more effectively the importance of the tourist industry are, first, putting tourism in the Department of Trade and Commerce, where I think it logically belongs, until such time as we have a separate ministry of tourism and recreation. I shall say more about that a little later. Secondly, the Government is providing more funds for the Canadian Government Travel Bureau this year, as was emphasized by Senator Isnor yesterday. I think this is all to the good.

I mentioned a moment ago the question of setting up a ministry of tourism and recreation. While I am the last one who wants to expand the cost of government services, I think this is something which is certainly worthy of consideration. It may be premature at this time to suggest the establishment of such a ministry, but I personally do not think so.

We all admit that tourism is big business, and is going to be bigger business. With the increasing amount of time available to people as a result of reduction of the hours of work, and the introduction of automation and other elements of technological progress, the problem of providing people with adequate recreational services and facilities becomes one of major national importance.

Obviously, the provision of adequate recreational services to meet the needs of the Canadian people will involve the provision of a vast extension of tourist facilities and resources such as these. First, the need is for more and better roads, because the people on the American continent are a mobile people and the vast majority who visit tourist resorts and national parks come by motor car. It calls for the provision of more parks and playgrounds, camp sites, picnic grounds, roadside tables, more adequate resources such as swimming pools, skiing and curling rinks, golf courses, tennis courts, cinemas and theatres. The establishment of more facilities of this kind will call for more people trained in the supervision of parks and playgrounds, and so on.

It will call for a broader interpretation of "recreation" to include supervising of drama, ballet, music, painting, handcraft instructors and recreational leaders. The extension of such a program should be tied in as a part of our national health and fitness program.

In addition, while the peak recreational and tourist season is in the school-free months of July and August, I am satisfied, from living for 30 years in a national park, that we could considerably extend the length of the ordinary tourist season by providing facilities and catering to and publicizing what can be done in the autumn and in other months.

While I live in probably one of the most attractive areas of the world, the Banff National Park, I personally enjoy going down in the autumn to the Eastern Townships to places such as Lake Memphremagog, and other centres in that region. Nowhere could be more beautiful.

While I have not had the pleasure and privilege of visiting Senator Hollett's famed and historic Newfoundland, I hope to broaden my education as time goes on and see that region also. The fact remains that every area of Canada has some particularly distinguishing feature which makes it attractive not only to the people who live there but to those who come from other regions and who should see our own country first.

In the expenditure of our tourist dollars through the Canadian Government Travel Bureau, I think more emphasis must be placed on getting Canadians to see their own country first. It is all right to have Trans-Canada Air Lines advertising package deals to fly to St. Moritz and places like that in Switzerland, but I would like a little advertising done on the part of Canada's national airlines in favour of seeing some of our own winter recreational areas. I think this will come in time, but we in this chamber have a responsibility to make sure that it does come about.

I notice that increasing numbers of people, young and old, are taking up skiing in the winter time. If you go to Montreal on a winter weekend you will see literally hundreds and thousands of people going out by ski trains. While we have not as large a population in western Canada, we have seen as many as 6,000 on the ski slopes at Banff on a Saturday or Sunday afternoon. The numbers are increasing. This is all to the good. In recent years we have extended the length of Christmas vacations. These provide not only time for family reunions but for families to go on holidays. In what better way could they spend their time than by going to some of our winter resorts?

The same is true of Easter. More and more Canadians are finding more and more time for holidaying at Easter. This is one of the reflections of the buoyant Canadian economy.

Therefore, in our thinking about the tourist industry, we have to be more concerned to consider it not just as something that happens in the months of July and August but as something that can be developed appropriately on a year-round basis.

This brings me to the sad events of last winter, when Canada lost its bid to hold the 1968 International Winter Olympics at Banff. I bring this in as evidence of the kind of money governments are prepared to spend on this one event. I was personally very sorry that Canada's bid was not successful. I hope we will be successful in 1972, and I trust that all the members of this chamber will support the application of Banff for the Winter Olympics at that time.

However, the federal Government was prepared to spend $8 million in the Banff-Lake Louise area on the provision of facilities for the 1968 Olympics. The Government of the Province of Alberta was prepared to spend $3½ million; Calgary and area businessmen were prepared to spend another $4 million. In other words, for this one passing event, Canadians—government at three levels and private individuals—were prepared to invest $15½ million. This is a sizable bit of money.

I would emphasize that though we were disappointed we did not get the Olympics, this was not an insuperable blow. I think it only served to underline the importance of looking upon tourist recreation not as something associated with a single passing event but as something that exists all the year round and should be developed on a year-round basis. I hope this is the attitude that will come out of this committee.

I welcomed a statement made by the Honourable Arthur Laing, Minister of Northern Affairs and National Resources, which appeared in the Calgary *Albertan* City Page on March 23 last.

> A determined effort to turn the Banff-Lake Louise area into a year-round recreational playground is being made by the federal Government.

To this I say, "Hear, hear." The article continues:

> Arthur Laing, Minister for Northern Affairs and National Resources, said in Calgary Thursday Ottawa will call in an international skiing expert to check Canada's western national parks for potential winter development.
>
> Mr. Laing said the Government is very aware of the value of skiing in attracting tourists to park areas.
>
> "No businessman wants to operate at 110 per cent capacity part of the year and 15 per cent in the off-season," he said.

This is the attitude we have to change with respect to the tourist business in Canada. We have looked upon it as a short term, boom period, and we have not had adequate facilities nor tried to extend the term as we should. I am very happy that the minister made that statement, because there is growing up an attitude which gives some concern to many people in Canada—the unnecessarily restrictive attitude of the so-called conservationists.

May I quote from *Maclean's* magazine for March 23, 1963. In an article entitled, "Beauty and the Buck," Mr. Fred Bodsworth, a natural historian, strongly put forward the conservationist's viewpoint regarding use of the national parks, one of the great resources of our country. According to Mr. Bodsworth, in the National Parks Act "the stress is on preserving areas of national rather than local signifiance, and the purpose thus becomes educational, cultural and inspirational rather than recreational."

What in fact does the National Parks Act say? It starts off by defining the general purposes of the parks as follows:

> The Parks are hereby dedicated to the people of Canada for their benefit,

education and enjoyment, subject to the provisions of this Act and the Regulations, and such Parks shall be maintained and made use of so as to leave them unimpaired for the enjoyment of future generations.

As can be seen, this is a very wide definition. Not many of the conservationists try to support their case by quoting the act, but those who do so rely on the words "such parks shall be maintained and made use of so as to leave them unimpaired." This means the parks must not be impaired or made worse, but certainly does not forbid developments which would not cause impairment. In fact nowhere in the National Parks Act can one find anything about wilderness areas or "museums of nature."

There is a very determined effort on the part of some people to suggest that anyone who is concerned with providing more recreational facilities in the parks of Canada is concerned with, to use their own term, "converting our parks into a Coney Island with neon lights, cinemas and pool halls, and what have you." They suggest that more motels, golf courses, swimming pools and tennis courts would disturb and impair the wilderness areas.

For the past 30 years, off and on, I have lived in Canada's premier national park, and I can say without fear of contradiction that less than two per cent of the people who go there—there were a million last year—go more than two miles off the highway. For whom are the parks provided? Are they for the two per cent, the conservationists, or for the 90 per cent of Canadians who have a right to use them and who in large measure paid for them?

Do not misunderstand me. I would be as concerned as Fred Bodsworth or anyone else if the wilderness areas were becoming impaired. However, I can assure you that we have immense areas of wilderness in Canada. One does not need to go far from the Trans-Canada Highway, or from any other highway, to find them. We must therefore keep a proper perspective.

I have another newspaper article before me, taken from the Calgary *Herald*. The author, Allen Bill, takes me to task for trying to destroy the national parks. The article says, in part:

> A park highway may skirt a potential copper mine; a park river may be just right to spin hydro-electric power turbines; a mountain of fine trees may make 1,000,000 board feet of house lumber. Should ease of access put these natural resources up for grabs? A swift, badly-planned rush of development, to overtake the explosion of tourism, will, as history shows us, set up such a racket that the despoiler's cutting and pounding will not be heard until his work is done.

I know it is natural for some people, when they see a fine highway, to be attracted by a potential copper mine. I know where there are such copper mines, as well as fine timber limits, and I know some people have been given rights to cut that timber. I would be the first to say that we should protect the rights of the people of these areas and should not destroy the parks by industrial developments of that kind, certainly within our time or the foreseeable future. Mr. Bill goes on to say:

> Too many avid park developers think that he who enjoys the wilderness trails loves to bathe in a frigid mountain stream—

I wish they would try it.

> —likes best to sleep on the ground or to seek entertainment watching the porcupines make love. Not so. He too enjoys the sweet talk on a movie screen of Cary Grant and Maureen O'Hara—

You see, he is not up to date with the current movie stars.

> —a hot bath in a clean motel, a concert of light music to lift his spirits. But these "nature lovers" believe it best to keep the juke box in its kennel, the bathtub off the bridle path.
>
> The present planning of the parks administration aims to bring these varied interests into an amiable relationship. It is undertaking the tremendous and complex task of forging a development policy which will enable park visitors of all inclinations to enjoy these areas free of commercial vandalism. Nearly 8,000,000 persons visited Canada's national parks last year, and present planning is taking a very realistic view of the certain increase in attendance this year.

I think Mr. Bill is right when he says that we should seek an amiable relationship between the legitimate desires and needs of the conservationist and the person who loves to go out into the wilderness. Nothing could be finer than to get out into the woods and mountains, and to fish, thus getting away from the abrasions of a very crude society. However, the number of people who do that constitute a very small fraction of the total Canadian population.

There are some people who would like to provide more facilities in our provincial and national parks, such as more moving pictures, theatres, more tennis courts, swimming pools, ski lifts, golf courses, and so on. On the other hand, others say that this is despoiling the

parks, that when they go to the parks for a holiday they want to get away from the things they are able to do in the metropolitan centres.

Well, I think the people who write that stuff must be bachelors or old maids, because again my observation is that in the two, three or four weeks that the majority of Canadians have to go on holiday they like to go with their families. What do they do? They go for picnics in those lovely areas where beautiful picnic tables are provided, near the highway, where there are streams at the foot of the mountains. They spend all day outside, perhaps doing a little hiking or fishing, or "hunting" with a camera—delightful, edifying, healthful recreation. But when the evening comes, what do they want to do? They may be staying in a motel, they may be cramped for space, they may be living in rooms and want to go out with their family. Perhaps they would like to see a show, go to a concert or theatrical production. This is my own observation of what the typical Canadian likes to do. He likes to be with his family in the evening as well as during the day, and the great majority of them would like to find these resources in our parks and playgrounds.

Just to show you what this means in dollars and cents, I will quote from an article which appeared in the Edmonton *Journal* on January 23, 1964, written by Mr. E. S. Bryant, director of the Alberta Government Travel Bureau. He says that when the figures for 1963 are all in, Canada will have earned $600 million from foreign visitors, and he adds that our target is $1 billion by 1967. He asks:

> Where does Alberta fit into this program?

What he is saying about Alberta applies to other provinces as well.

> Alberta has no accurate means of measuring the value of tourism to the economy of the province.
>
> Steps are being taken to establish this yardstick, and from figures now being gathered by travel research some basic figures are available.

Here are a few of them:

> The Alberta Government Travel Bureau has completed two travel studies.
>
> The questionnaires revealed many interesting facts about our visitors and have provided us with sufficient information to launch a major program of travel research.
>
> Here are some of the facts. Better than 40 per cent of our 1963 visitors had been to Alberta on an average of 2.8 times before, while more than half spent their entire vacation in Alberta.
>
> The average length of stay increased from 2.7 days in 1962 to 7.7 days in 1963.

I can assure you this is what makes the heart of a tourist service official warm up.

> This increase is attributed to the fact that visitors stayed in Alberta this year, whereas in 1962 they were travelling the Trans-Canada Highway through the Rogers Pass to the Seattle World's Fair.

It is interesting to note the effect of the availability of a good road, because the tourist traffic over the Trans-Canada highway increased so rapidly in 1962 with the opening of the Rogers Pass, and because it coincided with the World's Fair in Seattle, people said, "This is a peak which will not be maintained. We will slump back in 1963." But in 1963 we were up nearly 30 per cent. On certain days throughout the summer and the autumn the Trans-Canada highway from Calgary to Vancouver was almost like a city street, with cars moving bumper to bumper.

I want to suggest here, honourable senators, that the time has come when we should think of twinning the Trans-Canada highway. It will be a costly job, but we should start it right away because within two years traffic on that highway is going to be so clogged that it will be inadequate in the peak season.

The article continues.

> The majority of tourist traffic was concentrated in the southwest portion of the province with emphasis on the National Parks. The average party consisted of 3.7 persons and the average daily expenditure of each party was $25.80 and $97.88 per visit.

Roughly $100 each visit.

> Individuals averaged $6.95 per day and $53.30 per visit.
>
> Alberta scenery is the main reason for visiting the province and 85.7 per cent of those responding to our questionnaire indicated they would like to visit Alberta again. We also found that 78.1 per cent arrived in automobiles driving an average of 1,675 miles one way to get here.

In other words, it was about 3,400 miles for the round trip.

This again underlines the importance of an integrated tourist service. It is not just a matter of the facilities we have in the Rocky Mountains, or that you have in the Eastern Townships or down at Peggy's Cove in Nova Scotia. We should plan this on a national basis and integrate our programs and publicity, stressing what people can see and

the facilities en route. This is the logical, orderly way in which to develop a very important industry.

Another interesting fact is that those visitors to Alberta also spent 11 per cent of their holiday money on souvenirs—and such souvenirs! Here again, if you go into some of our emporiums in Banff about this time of year you will find the staff comprised of university students pasting over the "Made in Japan" labels on goods and increasing the price about five times. It is high time we thought of producing some of these tourist artifacts and souvenirs that are indigenous to the regions in which we live—articles of good design, pottery, weaving, carving, and so on. We have these crafts, but we are not putting enough emphasis on developing them for the very important and remunerative tourist trade.

Honourable senators, I want to spend a moment or two on what I think should be done particularly with respect to the national parks of the Rocky Mountain region. I will not alarm my friend Senator Donald Smith, because he said, "You are not going to spend all your time talking about Banff?"—and I have hardly mentioned it. We would be less than honest if we did not thank God that we have been given one of the most magnificent regions in the world, the Rocky Mountain region of western Canada. For 500 miles you can drive from Banff to Radium, up to Golden and back to Lake Louise, and then 115 miles to the Columbia Icefields, and you will find more spectacular scenery than you will find in any other 500 miles of the world. It is simply magnificent.

All this belongs to the people of Canada and could and should be developed and utilized for the people of Canada, for the conservationist, the nature-lover and the ordinary citizen who wants to take his family on a holiday out in the beautiful surroundings of mountain lakes and streams. Because there has been an un-co-ordinated attack on meeting the needs of the tourist, we have experienced a hodge-podge development. Some of our developments have not been as aesthetic, artistic or attractive as they might have been.

I had the privilege of attending the meeting of the Associated Chambers of Commerce of the Rocky Mountain region 10 days ago in Banff and I made the suggestion, in order to support the kind of concept that the Minister of Northern Affairs and National Resources has for the parks, that there should be set up a Rocky Mountain Area Development Association, an association not of tourist operators who are certainly concerned primarily with making an honest dollar, but one which would bring in the ablest public servants and citizens of cities like Calgary, Edmonton, Jasper, Banff, Lake Louise, Radium and Kamloops.

May I just say for the benefit of my friend Senator Sydney Smith, that Kamloops is one of the very attractive towns on the Trans-Canada Highway and is a credit to the people who live there. Its tourist facilities are excellent and it is a very good place to stay.

As I was saying, we should bring in the people of Kamloops, Chilliwack, Kelowna and Penticton and tackle this problem on a regional basis. It is probably true that the same should be done in the Maritimes and Newfoundland. Let us tackle this on an organized, regional basis. In order to do that we should make a pretty careful analysis, first of all as to what our target should be in terms of numbers of tourists we should handle, the sort of increments we should plan for each year and the number of tourist beds or, what they call in the tourist industry, "the pillow count." We should know what the pillow count is so that some of the people that Fred Bodsworth refers to would not have to try to sleep listening to the music of porcupines or ground hogs making love. In the peak season we have not enough pillows. It is one of the sad things in our great centres, at the peak of the season, to see a family of three, four or five children packed in a car and finding no place to sleep.

This is not the fault of the parks people entirely: in fact, I think they are to be commended for the magnificent job they have started, and I emphasize the word "started", in providing beautiful trailer and camping grounds. But we do not have enough of these. They are also to be commended for these splendid picnic tables placed along the beautiful highways and rivers to provide enjoyment for a great number of people. They are to be congratulated for the way in which they have provided tenting spaces.

Our provincial authorities are also to be congratulated, particularly those of British Columbia, who have taken such initiative in providing for our people beautiful provincial campsites. However, I think these should be co-ordinated with all the other activities to complement each other so that the dollars we spend on advertising and promoting tourism would count in the most effective way.

I also want to make perfectly clear that I am in favour of a broad extension of tourist facilities in the national parks, such as hotels, motels, and recreational facilities, particularly on a year-round basis. But I would back to the limit the parks officials in controlling the kind of development that should take place, because here I feel they are not as imaginative as they might be in specifying the kind of buildings, hotels, motels and stores that should be built in these national

parks. I would like to see them set up a national competition for designs by architects for buildings down in Prince Edward Island, Nova Scotia and New Brunswick of a type indigenous to that region, and to encourage the design of buildings suitable for the Rocky Mountain region. At the present time we have a polyglot hodgepodge. I think most of the people would back the officials to the limit if they set a very high standard for buildings and service facilities and enforce those standards. At the same time, I would not support them unless they were prepared to encourage the development of and the provision of facilities to take care of the visitors.

There is an element growing in western Canada which says the finest thing that could be done to improve tourist facilities in that region would be to take the towns of Banff, Jasper and Lake Louise out of the national parks. There is another element which says that millions of dollars have been spent in putting the railroad through the Rocky Mountains, and that vast sums have been spent putting a magnificent highway through, and if we are not going to use them why have we spent the money? There are even some rabid conservationists who have complained about T.C.A. flying over these regions because they are disturbing the animals. If that is not carrying the idea of conservation and nature-loving to an absurd extreme, I do not know what is.

In conclusion I want to say that one of the most important areas for development in Canada is the whole concept of tourism and recreation. It is something which needs a great deal more attention than we have paid to it in the past, and we are indebted to Senator Isnor and the members of the committee for going into it so thoroughly. I hope we will call the experts in the tourist field and get the information and the facts, and on the basis of the facts work out a program worthy of what we have to offer in the way of scenic beauty and healthful enjoyment to all Canadians.

Hon. Mr. Macdonald (Brantford): On behalf of Senator Jodoin, I propose l'ajournement du débat.

The Senate adjourned until Monday, May 4, at 3 o'clock in the afternoon.

THE SENATE

Monday, May 4, 1964

The Senate met at 3 p.m., Hon. Arthur L. Beaubien, Acting Speaker, in the Chair.

Prayers.

PRINTING OF PARLIAMENT

JOINT COMMITTEE—CHANGE IN COMMONS MEMBERS

The Hon. the Acting Speaker informed the Senate that a message had been received from the House of Commons stating that the name of Mr. Olson has been substituted for that of Mr. Ouellet on the Joint Committee on Printing.

DOCUMENTS TABLED

Hon. John J. Connolly tabled:

Copy of Report by the Secretary-General to the Security Council on the Operations of the United Nations Peace-Keeping Force in Cyprus, dated April 29, 1964. (English text).

Capital Budget of the National Capital Commission for the year ending March 31, 1965, pursuant to section 80(2) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French texts).

TERRITORIAL SEA AND FISHING ZONES BILL

MOTION FOR SECOND READING—DEBATE CONTINUED

The Senate resumed from Thursday, April 30, the adjourned debate on the motion of Hon. Mr. Cook, for the second reading of Bill S-17, respecting the Territorial Sea and Fishing Zones of Canada.

Hon. A. J. Brooks: Honourable senators, I am pleased this afternoon to make a few remarks on what is a very important bill. I was also pleased that the Leader of the Government (Hon. Mr. Connolly, Ottawa West) told us the other day that there would be no urgency in getting this bill through. This I think is all to the good, because it is such an important bill it should have a very thorough study here in the Senate, where it is being introduced, and it should also be studied very carefully in the committee to which it is sent.

When honourable Senator Cook, the sponsor of the bill, spoke on Thursday last, he remarked that the bill would probably be sent to the Standing Committee on Banking and Commerce. It seems to me that this bill deals almost entirely with external affairs and with fishing and, therefore, I do not understand why it should be sent to the Banking and Commerce Committee. It has been our custom here to send practically all legislation to that committee, and that may be the reason. However, as we are looking for work for our other committees, careful consideration should be given in selecting the appropriate committee to deal with this bill.

In the few minutes during which I spoke on Thursday, I congratulated Senator Cook on the able manner in which he introduced the bill. He gave a fine explanation of many of the sections, but all senators will agree, I feel sure, that he left much still to be explained. It was a pleasure to see one of our new senators given such an important bill to introduce; it certainly is a compliment to him.

Undoubtedly, there were two good reasons for asking Senator Cook to deal with this bill. First, he comes from the province of Newfoundland, which is closely concerned with the law of the sea and fishing. The senator is a lawyer and no doubt is well versed in the law of the sea; also, he would be well versed in the needs of the fishing industry in Newfoundland.

I wish also to congratulate the Leader of the Government on his success in having this very important bill introduced in the Senate. This is the type of work which this chamber is well qualified to do. This is not a money bill. There are other bills similar to this which should be introduced here. This is not run of the mill legislation; it is important legislation, of concern not only to Canada but to many other countries and states throughout the world.

Honourable senators, I come from one of the Atlantic provinces, where the fishing industry is one of our chief concerns. Out of the 32 constituencies in the Atlantic provinces, only three do not touch the sea and therefore are not directly interested in deep-sea fishing. I happen to belong to one of those three constituencies which do not touch the sea, so it may seem a little anomalous that I should speak on this matter. However, I can assure all honourable senators that this question is of importance to all of us.

The principle of the three-mile limit was accepted by the major nations of the world more than a century ago. The manner in which that came about was explained to us on Thursday last by honourable Senator Cook. People living near the sea a century ago may not have been as preoccupied about the fishing industry as about their self-preservation, but today those people who live near the sea, in any part of the world, have two main interests. First, there is conservation of this

great industry and the food it supplies to ourselves and the rest of the world; secondly, preservation of the labour and work which flows from it.

We in Canada, including of course the Atlantic provinces, enjoy the finest fishing areas in the world. The best fishing is in the cold waters of the North Atlantic. The decision to extend the limit, therefore, is of immense interest to our people. Hence the application of today's requirements from the point of view of security and conservation are claiming not only the interest of the people of Canada but also of other states and nations.

I believe Denmark has already declared a 12-mile limit with regard to the Faroe Islands and Greenland, but not for Denmark proper. Iceland declared a 12-mile limit only a few years ago. Norway has a 12-mile limit. Russia claimed a 12-mile limit some years ago. All these countries have had their difficulties as a result of the unilateral declaration of the 12-mile limit. We all remember that Iceland a few years ago had difficulty with Great Britain and some other countries in enforcing her 12-mile limit. I feel that if it had not been that Iceland is a small country, depending entirely on the sea, the larger nations would not, in a generous mood, have pressed what they considered to be their claims on her.

I read in one of the American periodicals a few days ago that Norway, Sweden and Denmark are also experiencing difficulty in getting an agreement with other countries to recognize the 12-mile limit, as far as they are concerned. Denmark has her difficulties concerning seas adjoining the Faroe Islands. Denmark is having her difficulties over fishing in connection with Greenland. That such a development should occur in this country, I am sure is incomprehensible. Many people in Canada have said that agreements should have been made before this bill is passed, so that there would not be the possibility of trouble with other states.

The other day, after a statement was made by the Minister of Fisheries, the Montreal *Gazette* carried rather a pointed editorial, from which I would like to quote:

> The Minister of Fisheries, Mr. Robichaud, sees no difficulty in enforcing the new 12-mile limit off Canada's coast that the Canadian Government will proclaim.

Then the editorial quotes Mr. Robichaud:

> We will use the means at our disposal —we have an enforcement fleet now.

I am sure that statement sounds ridiculous to most of us, because we know that some of the larger countries are determined to fish here, and that we have no fleet, no enforcement fleet, that could prevent them. Therefore, it is almost entirely a matter of agreement with these countries that may claim rights here. One finds it difficult to understand such provocative and intemperate language by a minister of the Government of Canada.

I would like to quote more from the editorial which I feel is both cogent and pertinent. As I said a moment ago, I believe we must have, or should have had, some further agreement with these countries with whom we may have difficulties in future. The editorial continues:

> But the matter may not prove so easy.

Speaking of enforcing.

> It is one thing to enforce a law that has international recognition. It may prove quite another to enforce a law that Canada has herself proclaimed unilaterally.
>
> The Canadian Government has fallen back upon its own proclamation because it failed to win international recognition for the 12-mile limit from the United Nations in 1960.

This was very well explained in this house the other day by Senator Cook, the sponsor of the bill. I shall have more to say about that later.

Canada and the United States combined to sponsor a qualified 12-mile limit for all nations, but failed by a single vote to win the two-thirds majority that was needed. At first, Canada wanted an unqualified fishing zone of 12 miles, and the only way she could get the United States to agree was to settle for a qualified 12-mile limit and allow the Americans, who have traditional rights in certain waters of Canada, to fish in areas for a period of 10 years. I understand that was the agreement before the vote was taken in 1960; but, as I say, it failed by a single vote to win the required two-thirds majority.

Canada's three-mile limit has been generally respected. But in the distance between three and 12 miles a great number of nations have been active, including Russia, and Russia's interest is not confined to fish. It is very difficult even for the United States to recognize Canada's claim, as the late President Kennedy asserted when he met with our Prime Minister, just shortly before the President's death.

Continuing with the editorial:

> It is easy to understand the importance of exercising control over the fishing areas off the Canadian coast, as these are in danger of being exhausted, especially with modern scientific fishing methods. But an international agreement (discouraging as it may now seem) would

> still be far preferable to trying to enforce a new regulation with the sort of "enforcement fleet" that Canada has at her command, supposing that a powerful nation chose not to recognize Canada's new claim.

Honourable senators, in supporting to a certain degree the sentiment expressed in that editorial, I want to make it abundantly clear that the Conservative Party supports the principle and the need for extending our fishery zone to the 12-mile limit. It was the policy of the last Conservative government of which I had the honour to be a member, and it continues to be the policy of our party, to extend our fishing rights to 12 miles by international agreement, if possible, bearing in mind our trade, for one thing, and our treaty commitments for another.

Canada pressed for an agreement to this end at the conferences on the Law of the Sea held at Geneva in 1958 and 1960, under the United Nations. Although the first conference was successful in reaching agreement to 113 articles of the Law of the Sea—and that was a wonderful accomplishment—it was notable by its failure to agree on the questions of the breadth of the territorial sea and rights to an extended fishing zone. Those are the two matters this bill deals with particularly.

May I note here that one of the outstanding achievements of that conference, insofar as Canada is concerned, was the convention on the continental shelf, which grants to coastal states sovereign rights over the exploration and exploitation of the natural resources of the sea bed and subsoil.

Prior to the first Geneva Conference of 1958, in a preparatory report the International Law Commission of the United Nations listed among other things a recognition that, and I quote:

> States could possess jurisdiction over part of the high seas for particular purposes without having to extend the territorial seas.

That is exactly what this bill is proposing to do. This principle was embodied in the Canadian proposal first put forward at the General Assembly of the United Nations in 1956 and was, in the best Canadian tradition, a compromise formula having fishing particularly in mind.

The Canadian proposal, which is known as the six-plus-six formula would allow for six miles of territorial jurisdiction and a further six miles of exclusive fishery jurisdiction. I hope when further explanation is given of this bill, it will be explained to us why there was a change from the six-mile to the three-mile territorial limit. Six miles was what was agreed upon by the United Nations and some fifty other nations at Geneva in 1960.

As I have said, the first conference on the Law of the Sea failed completely in its attempt to agree on the question of the extension of territorial waters. Realizing the importance of this matter to world peace and the continuation of good relations between states, the United Nations convened the second conference on the Law of the Sea, also held at Geneva, in 1960. Canada once again pressed—and I want to emphasize this because Canada has taken an outstanding part in developing the Law of the Sea—for the acceptance of its 6 plus 6 compromise proposal. I say "compromise" because it was a compromise proposal, mostly with the United States at that time, and failed by one vote to win the necessary two-thirds majority. Anyone who followed the proceedings at that time knows that the man who was largely, if not entirely, responsible for the almost complete success of the negotiations was the Honourable George Drew who led the Canadian delegation at these important conferences. It was largely through his efforts that the Canadian proposal received such wide support at that time.

It was the belief of the previous Government that peace in the world through the United Nations would be hindered by states extending their territorial seas without international agreement; and, may I say, that view was shared by the Liberal Government prior to 1957.

In addition to the traditional and treaty rights of France—and I am sure they will be mentioned more fully by subsequent speakers—the United States, and the traditional rights of Spain and Portugal, there is also the question of the preferred position Canada enjoys with the United States as our principal market for fresh frozen fish. As a matter of fact, in our trade with the United States, 75 per cent of our total exports of fish is made to that country. This will make it a little more difficult for us to deal with the United States, as far as so-called traditional rights are concerned.

As honourable senators know, the frozen-fish industry employs many thousands of Canadians in the Atlantic provinces, on the Great Lakes and on the Pacific coast. The very existence of this industry is dependent on free access to the American market. The powerful New England fishing industry is constantly lobbying the United States Government for the imposition of tariffs on Canadian fish. These efforts have thus far been resisted. It is the responsibility of the Government to ensure that the action contemplated by this legislation, desirable though it may be, does not jeopardize our principal frozen-fish market.

Honourable senators, I know that there are in this chamber men who come from some of the finest fishing areas, not only in Canada but in the world. As I know most of them are going to speak on this bill, and as I also know they are far better qualified than I am to speak about the fishing industry, it is not my intention to say much more in this connection.

Parts II and III of the bill are not controversial, as Senator Cook, the sponsor of the bill, told us in his remarks the other day. They follow in the natural course. The honourable sponsor suggested there were two main questions that we have to ask ourselves. The first he posed was:

> ... what is the condition of affairs which the creation of the fishing zones of Canada seeks to correct?

As he explained, and as I have mentioned today, one is the conservation of our fishing industry, and the other is the protection of the fishermen and the industry, as far as this country is concerned.

> The second question Senator Cook posed was:
>
> ... is the creation of the fishing zones of Canada a reasonable exercise of our sovereign rights?

These are the two main issues as far as this bill is concerned.

There are many problems, and many questions will have to be answered. We will want to know with what countries we will need to make agreements. Of course, we know that we will have to make agreements with the United States. I have noticed in the American press, particularly in the American northwest, in the State of Washington, that they are very much concerned over what they consider a possible intrusion on their rights as far as the 12-mile limit is concerned. I am sure that Senator Reid from British Columbia, who is going to speak, can give us a better idea of that. We would like to know whether—when this agreement was made with the United States in 1960 that the traditional rights would last for 10 years, after which Canada would have supreme control of her 12-mile limit—there is still the prospect of having this 10-year phase out limit included.

I mentioned the other day the geographical co-ordinates. Until these are settled and until the people on both coasts of Canada, thousands of miles long, know what bays, inlets and so on are to be the geographical co-ordinates, where the three-mile limit is to begin and what bays are exempted and not open sea, it is going to be very difficult for them to know just what the situation is. Those are things concerning which, when we sit in committee, I hope we will be able to obtain information which will be of great importance and benefit and which will be helpful to those concerned.

I recall that a few years ago, when I was in the House of Commons, the matter of Juan de Fuca Strait, Queen Charlotte Sound and the Hecate Strait, on the west coast, was discussed at considerable length. I believe the honourable Senator Reid took part in that debate, and I recall that the Honourable George Pearkes, the present Lieutenant-Governor of British Columbia, the Honourable Howard Green and others were very much interested in it. This problem, I believe, will be one of the most difficult to solve.

As I said, honourable senators, it is not my intention to speak at any length. I am very pleased that this matter is up for consideration. I believe that our thorough and careful consideration of this measure in the Senate will prove of great benefit to the fishing industry of this country.

Hon. Thomas Reid: Honourable senators, in rising to speak on Bill S-17, The Territorial Sea and Fishing Zones Act, I want at the outset of my remarks to commend highly the Honourable Mr. Robichaud, Minister of Fisheries, who, by this bill, is taking steps to protect Canada's offshore fisheries by extending Canada's fishery control a further nine miles, thereby giving Canada complete fishing rights up to 12 miles off her shores. I would like also to congratulate and compliment Senator Cook on his speech in explanation of Bill S-17.

One has only to read the discussions of conferences held under the auspices of the United Nations to realize the great difficulty of reaching any agreement regarding territorial seas, especially when 88 nations have a voice in such an important matter. Hence, I wish to congratulate the honourable Minister of Fisheries for the step he is now taking on behalf of Canada by introducing this bill. In general, one can see that the action now being taken by Canada will protect fish stocks from being fished by outside countries to the detriment of Canadian fishermen.

It is generally agreed that the navigable waters of the world fall into three categories: first, inland waters, better known as the present three-mile limit; secondly, territorial seas; and thirdly, the high seas.

Inland waters include all bodies of water within the land territory three miles from shore. Over these waters a nation exercises a sovereignty the same as that exercised over its inland territory. This includes the right to exclude foreign vessels from the use of these waters. The outer limit of a nation's inland waters is the inner limit of its territorial sea. The territorial sea is that body

of water lying between the outer boundary of the inland water and the inner boundary of the high seas which also forms part of the national territory of the contiguous country, but foreign vessels have the right of innocent passage through it. This privilege is in the nature of a concession, and it may be conditioned by special regulations laid down by the coastal nation for particular purposes connected with the protection of navigation and the execution of laws of that country.

Seaward of the territorial sea is the high seas. Their essential quality is that they are not subject to the sovereignty of any one nation, but every nation has an equal right to use them. Freedom of navigation over, on and under them, freedom of fishing in them, and freedom to lay cables and pipe lines under them are the essential characteristics of the high seas.

The chief arguments among nations in recent years in respect of these types of water has been the manner of delimiting the inner and outer boundary of the territorial sea and the determination of its breadth.

Amongst the various countries the breadth of the territorial sea has not yet been settled upon. There never has been general agreement upon it among nations. In the course of history the pendulum has swung from the Roman concept of *mare liberum*, to the claims of Spain and Portugal in the fourteenth and fifteenth centuries to sovereignty between them over the whole world ocean, and then back again to a three-mile limit during the nineteenth century.

The three-mile limit has never been agreed to among nations. It was imposed by the two prime naval powers, Britain and the United States, for a long period of time. It was agreed to in the first part of this century by countries whose ships carried upwards of 80 per cent of the world's commerce. However, when the League of Nations convened a conference at The Hague in 1930 to consider the codification of the Law of the Sea, there was so much disagreement on what should be the breadth of the territorial sea that no single resolution proposing an appropriate breadth was even put to a vote. That conference was a failure from that cause.

The United Nations, in 1958, convened a conference of plenipotentiaries in Geneva, Switzerland, to consider the Law of the Sea. It was attended by the representatives of 86 sovereign nations.

While the conference was able to reach agreement on nearly all aspects of the Law of the Sea, and codify them in these four conventions, two aspects defied all attempts at agreement. They were: (1) The breadth of the territorial sea; and (2) The jurisdiction by the coastal country over fisheries lying in the adjacent high seas.

In an attempt to resolve these last two remaining points, the United Nations convened a second conference on the Law of the Sea at Geneva in 1960, to which the representatives of 88 countries came. The contest was between those who wished a three-mile territorial sea, and those who wished a 12-mile territorial sea. The three-milers were willing to compromise to a six-mile territorial sea plus fishery rights in an additional six miles. When, after six weeks of intensive debate and manoeuvre, the final vote came on the compromise proposal on April 26, it failed by one vote to gain the required two-thirds majority.

Accordingly, there still is no agreed breadth amongst the 88 nations for the territorial sea.

It was clear that a majority of nations favoured a breadth of territorial sea less than 12 miles. This appeared even more distinctly at the second conference than at the first. The final vote on the United States-Canadian proposal for a six-mile territorial sea, plus six miles of additional fishery jurisdiction, was 54 nations in favour, 28 against, and five abstentions. There were 87 nations voting, and this was nine more affirmative votes than the United States proposal received at the first conference.

The two conferences on the Law of the Sea occurred during that period of history when the contest for world military and diplomatic supremacy between the United States and Russia was on the ascendancy. The conferences bore squarely on the naval aspects of that struggle. Russia was and still is the prime proponent of the 12-mile limit, and the United States of the three-mile. While there were several other important military aspects to this question, the prime one was its effect on free navigation through international straits. It was estimated there were 116 important international straits under a three-mile territorial sea that would fall subject to national sovereignty if a 12-mile territorial sea became international law. Fifty-two of these would be similarly affected if the six-mile rule for the territorial sea were adopted.

The Canadian Government adopted a policy which would rationalize these internal problems. As early as the 1955 Rome Conference on the Conservation of the Living Resources of the Sea, it became evident that the Canadian Government would not vote in favour of any motion which might restrict her ability to claim a 12-mile limit at least for exclusive fishery jurisdiction. By the opening of the first Geneva Conference in 1958, the Canadian position had become plain, positive

and public. Its delegation introduced a proposal calling for a three-mile rule for the territorial sea plus a nine-mile additional area for exclusive fishery jurisdiction. Thus the 12-mile fishery limit, as separated from the 12-mile rule for the territorial sea, was officially launched in the international field.

Canada's greatest danger, however, is in the North Pacific. In Alaska the resources giving rise to fishery disputes are salmon, halibut, and King crab. Much larger internationally fished resources in the area which have not as yet given rise to extended disputes are ground fish other than halibut, and sperm whales.

Research of the past 10 years has shown conclusively that all five species of Pacific salmon migrate widely across the North Pacific during their years of feeding in the ocean. Salmon from American streams can be caught abundantly in the western Pacific near Asian shores; salmon from Asian streams migrate far into the Gulf of Alaska. I do not know any serious students of the problem in Alaska or elsewhere who contend that a 12-mile fishing limit, or a 200-mile fishing limit, would be of any more use in the conservation of the salmon resources of Alaska, or Canada, than would a three-mile fishing limit.

I may point out that if the Japanese, particularly, and the Russians come down the Pacific Coast off Alaska, the salmon from the Fraser River will be completely wiped out.

We have absolute scientific proof that the salmon born in the Fraser River go as far north at sea as 1,500 miles before returning to the place where they were born. Naturally, we view with great alarm the opening up of the fisheries of the Pacific, and we realize that Japan particularly wants that fish. Japanese, fishing three miles off the New Zealand coast, are robbing the waters there to the detriment of the fishing industry of that country.

It has been known for 30 years that the halibut of the eastern North Pacific regularly undertake migrations of as much as 1,000 or 2,000 miles, those tagged off Canada being taken off Alaska, and vice versa, and in the intervening high seas. If Canada and the United States both declared and enforced 12-mile fishery limits it would have no appreciable effect on the conservation of the halibut resources upon which both countries fish. Those resources could be quickly and thoroughly depleted through fishing outside a 12-mile fishery zone. This would still be true even if both countries adopted the straight-baseline method of establishing the outer boundary of their inland waters within the limits prescribed by international law.

The fishery for King crab has become important to Japan, Russia and Alaska in the postwar years, but in this species Canada has not yet been substantially involved. King crab are available abundantly inside 12 miles of the shore along the Alaskan Peninsula and off-lying islands. They are also commercially available there outside the 12-mile limit. In the eastern Bering Sea, from whence most King crab are taken, substantially all the production is on the shelf outside 12 miles from any land.

Thus it is clear that a 12-mile rule would have no practical effect on the conservation of these three kinds of resources in the Northeast Pacific, despite the fact that these are the three sorts of resources about which most of the public controversy arises, and the fact that most of the controversy is publicly stated to be over the need for conservation.

The trawl fisheries which Russia and Japan have established for this sort of resource in the Eastern Pacific during the past 10 years have produced well over a million tons of fish per year, much more than the total production of salmon, halibut and King crab in the whole North Pacific put together. During this period of time, Japan built a great fishery for yellow flounder in the Eastern Bering Sea, and fished the resource out so thoroughly that the biggest company involved in the fishery went bankrupt with a crash last year. They appear to be working on the same theory as the logging companies did a generation ago—to harvest the resource as completely as possible, and then wait for a period of years for it to grow up to harvestable level again. This is contrary completely to conservation theory and practice in Canada and the United States, but so far no great cry has been raised.

This situation has been changing in the last few years as the modernized fishing fleets of Russia and Japan have moved into the eastern Bering Sea, then south of the Alaskan Peninsula, and then into the Gulf of Alaska, fishing on resources that Americans and Canadians were using slightly or not at all, and for which they had neither the modern high seas trawlers to take, or the markets in which to dispose of the catch at prices their inefficient small vessels required to make a profit.

But at this point international politics provided the other reason for no major complaint being raised. Politically, the overwhelming fish issue in the Pacific northwest is salmon. Canada and the United States succeeded, following the defeat of Japan, in getting Japan to agree to refrain from taking salmon and halibut east of 175 degrees west longitude for a period of 10 years. This was

under a complicated formula based on the fishery resources presently being used to their maximum sustainable level already by Canada and the United States, this being accomplished by regulations adopted on the basis of scientific research. The word used in the treaty is "abstention".

At the moment we do not know what Japan is going to do. She signed almost immediately after being defeated by the Americans—the Americans took control of Japan, if you remember, and as she was beaten down she signed the treaty. The time of that treaty is now up, and for the past six or seven months we have been wondering if she would stay within the treaty or not. My guess is that she will not stay within the treaty. If that happens, God help our fishing industries off the North Pacific coast.

Hon. Mr. Connolly (Ottawa West): Has the treaty expired now?

Hon. Mr. Reid: Not yet. So they are waiting, trying to get Japan again to sign or agree to the present treaty. The Japanese are on top now, but they were a beaten nation then, and so signed the treaty.

Hon. Mr. Baird: That was 10 years ago.

Hon. Mr. Reid: Yes, but we are wondering now what the Japanese will do about it. It is a very serious question.

In consequence, Canada and the United States unitedly, no matter what their other disputes, laboured vigorously from 1955 through 1960 to get this so-called "principle of abstention" incorporated into international law before the 10-year period of the Tripartite Treaty fully expired. In this they were quite unsuccessful. During the 1958 conference Russia said quite bluntly that it was poppycock to attempt thus to bar nations from high seas resources on purported conservation grounds which were exclusively economic, and it would have no part of any such nonsense. Japan at that time clearly stated that under no consideration would it accept abstention as a general principle, or abide by it even in the North Pacific beyond the 10-year period of the Tripartite Treaty, and that time is up. Canada and the United States have nevertheless continued, wistfully, to hope that the Japanese would be reasonable and continue to abide by this exclusion after the 10-year initial period of the Tripartite Treaty in 1963.

The Russians' pre-war explorations during the 1930's indicated great unused bottom fish resources in the eastern Bering Sea, and as soon as they accumulated the strength they moved into these fisheries during the 1950's. In the last few years they have extended their fisheries gradually down the coast of the Americas, and earlier this year their exploratory vessels were as far south as southern California.

To bring Japan in again for a moment, just as much trouble has been raised in New Zealand. Japan has a big fleet off the New Zealand shores and has taken fish in abundance, fish which was never thought of by the people of New Zealand. They are in doubt just what to do to block the Japanese. They fear the Japanese will fish the area out.

These are the major fishery problems in the northeast Pacific, among Canada, United States, Russia and Japan. A 12-mile fishery limit established by both Canada and the United States would have no substantial or noticeable effect on these problems. Undoubtedly, Russia would be delighted to recognize such a 12-mile rule at once, as supporting its stand that the proper breadth of the territorial sea is 12 miles in any event. Japan would also be pleased to trade that for the other major harassments it presently has. It would not affect by a decimal point the total fish catch of either Russia or Japan.

The third group, halibut men, feel that they just about got a standoff because the Canadian halibut men reason that they will be about as much damaged by a 12-mile rule off southeast Alaska as the Seattle and Ketchikan halibut men will be by a 12-mile rule off British Columbia.

What has excited the Atlantic coast fisherman to grasp suddenly for a 12-mile fishing limit, like a drowning man reaching for a straw, is the appearance of large fleets of Russian fishermen off their coast, where few foreigners had been before, with much better and more modern vessels, gear, and electronic fish detection apparatus than he had ever dreamed of.

As will be noted from what I have said, I am quite skeptical about the 12-mile fishing limit solving any major international fishing problem, not only for the United States and Canada, but for the rest of the world as well. In the case of the United States and Canada, my suspicion is that five years after such a rule is adopted we will still be faced with the same threat of Russian and Japanese fleets off our coast that we now have, perhaps joined by those of other nations—for instance, Spain—who are rather rapidly expanding their long-range fishing efficiency and effectiveness.

It should be pointed out that the world fisheries have doubled in their production in the past 10 years and that their rate of increase of catch is growing rather than diminishing. Another doubling of production from the high seas fisheries in the next 10 years,

which I confidently expect, will more than quadruple the intensity of these problems in international competition on the high seas.

Before concluding, there is one particular matter I would like to deal with, namely, that of the proposed 12-mile limit in Queen Charlotte Sound and Hecate Strait. I trust the decision by the Government will be to run a straight line from the tip of Vancouver Island to Cape St. James, Moresby Island, thereby closing Queen Charlotte Sound and Hecate Strait to foreign fishermen, namely, American fishermen. I quite realize that some protest may be raised by United States authorities who might claim historic rights.

I note from the *United Nations News* that very few countries in the world have any faith in historic rights. I think that Britain, the United States and one or two others are the only countries who take account of or claim historic rights, so I do not think such talk will make any impression on the 88 nations.

I well remember that back in 1934 or 1935, when I was a member of Parliament representing New Westminster riding, I raised the question of Hecate Strait. I remember I said in the House of Commons that in 1878 or 1880 the Ottawa government of that day had sent up a battleship and chased the Americans out. I do not know exactly when the Americans came back to the Hecate Strait, but I know we sent up a gunboat at that time; and apparently Ottawa then forgot all about it. British Columbia apparently did not amount to much then. That province had only four members in Parliament; we were across the seas, as far as Ottawa was concerned, and the Federal Government did not pay much, if any, attention to what we asked for. It was all forgotten, with the result that the Americans have been fishing there for quite a number of years now.

As far as I know, there was no protest from the United States authorities at that time when we chased them out, and there was certainly no cry then by the United States about vested rights. Our fishermen and our fish packers are going to be extremely disappointed if no steps are taken under the proposed new act to restore to the British Columbia fishermen and canners what we firmly believe to be entirely Canadian waters. According to my understanding, very few out of 88 nations, outside of Great Britain, the United States and France, claim historic rights on fishing.

Personally, I believe if Japan withdraws from the present North Pacific Treaty, all our salmon, including the Fraser River salmon, as well as our halibut, could be and will be destroyed. We have ample scientific evidence now that the sockeye travel 1,000 to 1,500 miles from the Fraser River. These are four-year sockeye, as I pointed out many years ago, and they go to sea after one year; so in three years they will travel as much as 1,500 miles and return. We do not know how they find their way back, but they come back to the Fraser River to spawn in the places where they were born. They are our fish. The sockeye of the Fraser River will be destroyed if and when the Japanese come south in the Pacific. It is therefore extremely important right now that we reserve Hecate Strait water for our own Canadian fishermen. If the American fishermen are allowed to continue fishing in Hecate Strait between Queen Charlotte Island and the mainland, it will be more difficult to stop the Japanese and perhaps the Soviet fishing fleets. As I say, it will be extremely difficult, as the Japanese and the Soviet fishing fleets will be able to say, "You are allowing the Americans to fish in there, what is wrong with us? You have set a law of 12 miles out and now you are claiming over 60 miles."

This is one of the fishery problems we will have to face, and perhaps even sooner than I have indicated.

As I say, if the American fishermen are allowed to continue fishing it will be that much more difficult to handle the Japanese fishing fleet and perhaps the Soviet fishing fleet as well. I repeat, it will be extremely difficult for us to bar Japan or Soviet Russia if the United States is allowed to continue fishing in Hecate Strait.

I fully expect that when the bill goes to committee, complete information will be given as to the various clauses of the bill. However, if the committee meets this week, may I say that I will be unavoidably absent. I shall have to return to the coast to attend a special two-day meeting, in the interior of British Columbia, of the International Salmon Commission, of which body I have been a member since its inception in 1935.

Hon. Orville H. Phillips: Honourable senators, previous speakers have congratulated the Government and honourable Senator Cook on the introduction of Bill S-17 in the Senate. I would like to join in those congratulations. I was very pleased to hear Senator Cook introduce the bill.

As all honourable senators know, Newfoundland has produced many hardy seamen, and it is, I feel, a tribute to Newfoundlanders that their new senator introduced this legislation.

During the present century many nations have become dissatisfied with the traditional three-mile limit. Many nations have extended the territorial seas or claimed jurisdiction

over certain areas of the high seas for particular purposes. Twenty nations claim custom rights outside territorial waters; others claim control of pollution outside the three-mile limit. Twenty-four or more nations make claims for jurisdiction over the continental shelf adjacent to their territories.

It has become obvious that many nations are dissatisfied with the principle of the three-mile limit. This feeling of dissatisfaction is further increased with the advent of new fishing methods and the consequent concern for conservation of fisheries resources.

During the past several years Canada, through both the Department of External Affairs and the Department of Fisheries, has taken a leading part in attempting to reach international agreement on the extension of territorial waters. Canada proposed a six-mile territorial sea and an additional six-mile exclusive fishing zone. In suggesting a territorial sea of six miles, the Canadian proposal recognized the concern of all states with the principle of the freedom of the high seas and by allowing the state a further six miles of exclusive jurisdiction. It granted to all coastal states the same measure of control over the economic resources of their adjacent areas as they would have under the 12-mile territorial limit. The proposal in the bill presently before us calls for a three-mile territorial limit and an extension of the exclusive fishing zone beyond the so-called baseline. The variation here from the proposal put forward by Canada in 1958 and in 1960 is really a very minor one, and as far as fisheries are concerned the end result is the same. In January 1963 the Fisheries Council of Canada presented a brief to the former government, in which they recommended five major points. I would like to outline these recommendations:

1. Declare certain bodies of water as Canadian national waters and adopt a straight baseline principle from which that breadth of territorial seas and exclusive fishing zone would be measured.

2. Recognize the historic fishing rights of France and the United States of America in Canadian national waters as established by the Treaty of Utrecht and the Convention of 1818.

3. Enter into negotiations with France and the United States seeking recognition of Canadian waters and the baseline enclosing these waters.

4. Make this a unilateral declaration with regard to Canadian national waters and the straight baseline, once an understanding is reached with France and the United States.

5. Enforce the Canadian maritime boundaries, thereby preventing all other foreign fishing, save the aforesaid, from exploiting the marine resources in the declared national waters and territorial seas.

The brief went on to emphasize that positive action in implementing these recommendations are imperative for a planned program of fisheries management and conservation.

I fully support the view that certain bodies of water adjacent to Canada's coast must be declared Canadian national waters. The waters of the Atlantic coast naturally come first to mind. The Gulf of St. Lawrence, Bay of Fundy, and the Strait of Belle Isle, should be declared and recognized as Canadian national waters. These waters are as Canadian as Hudson's Bay, which has been recognized as Canadian national waters since 1932.

On the Pacific coast similar bodies of water include Hecate Strait, Queen Charlotte Sound and Dixon Entrance. The principle of the straight baseline was recognized by the 1960 conference on the Law of the Sea and we should expect no difficulty in having it recognized by various nations.

The brief of the Fisheries Council of Canada suggested a baseline which I feel should be adopted. The baseline on the Atlantic coast would commence at the international boundaries between Canada and the United States at the south of the St. Croix River, to a point off the southwest tip of Nova Scotia, then in a northeasterly direction to Cape Breton Island, then in an almost northerly direction to Cape Egmont off the Cape Breton coast, then to Channel Head, Newfoundland. The baseline would then travel along the south coast of Newfoundland, avoiding St. Pierre and Miquelon Islands and travel in a northerly direction along the eastern coast of Newfoundland and Labrador.

On the Pacific coast the baseline would commence at the international boundary between Canada and the United States in the Juan de Fuca Strait, then north to Vancouver Island, along Vancouver Island to the outer island of Scott Islands and then in northwesterly direction to the southeast tip of Alaska. These baselines would enclose all the waters which the Fisheries Council of Canada felt should be declared Canadian national waters.

Bill S-17 in essence calls for unilateral action on the part of Canada. This raises a considerable problem with historic fishing rights. The sponsor of the bill has suggested that these problems could best be discussed in committee. However, I feel some mention should be made of these historic fishing rights at this stage. On the Pacific coast, Canadian fishermen have caught fish in the waters off Alaska and Washington, while United States

fishermen trawled, long-line for halibut, ground fish and salmon off the British Columbia coast.

France and the United States have historic fishing rights in the proposed Canadian national waters on the Atlantic coast. These date back to the Treaty of Utrecht in 1713, modified in 1904, and the Treaty of London in 1818. The Fisheries Council of Canada recommend negotiations with these two countries to reach a mutual understanding, and that unilateral action be taken only after agreement with these two countries. It will be difficult to persuade either country to suddenly drop their historic fishing rights even if Canadians do not have reciprocal rights on the United States Atlantic coast or the French coast. Therefore, I would suggest a gradual phasing out for these two nations. By "phasing out" I mean establishing fishing rights at the six-mile limit when this bill comes into force; then, another five years from now, moving out to the nine-mile limit; and at the end of 10 years, moving out to the 12-mile limit.

Before approving and passing this legislation, Parliament should be informed of the present standing of the negotiations with the United States and France. I am sure that after the experience this Government has had with unilateral action in dealing with the provinces, it will be most reluctant to take unilateral action in dealing with these two nations. Parliament also needs further information on the type of negotiations being conducted. Are we dealing with phasing-out negotiations, or are we considering granting fishing rights to these two nations for all time to come?

The bill before us is enabling legislation, authorizing the drawing of a straight baseline along Canada's coasts from which the territorial seas and fishing zones may be measured. It is important that we have the co-ordinates to be used in establishing the baseline. This lack of information causes considerable concern because it is possible to draw a baseline and leave waters previously suggested, such as the major portion of the Gulf of St. Lawrence, outside the baseline. I hope that either the Leader of the Government or the Minister of Fisheries will give us the assurance that such waters as the Gulf of St. Lawrence and the Bay of Fundy will be declared Canadian national waters. Shortly after Newfoundland entered into Confederation, the Right Honourable Louis St. Laurent stated that he hoped the Gulf of St. Lawrence would soon be national waters. The former Prime Minister, the Right Honourable John G. Diefenbaker, declared his Government took the viewpoint that the Bay of Fundy was national waters when Russian trawlers entered that body of water and were conducting fishing operations there in 1960. Obviously, the time has come to declare this and other bodies of water as Canadian national waters.

Another consideration is the question of the uniformity of the fishing zone. I believe it is possible under this bill for the Government to establish an exclusive fishing zone of various widths. It may be three miles in some areas, and twelve in others. Surely, all Canadian fishermen will receive the same treatment.

The bill does not give the date on which the measure will come into force. No doubt, this is due to the difficulty in determining the length of time this measure will be before Parliament and, perhaps, the length of time required for negotiations on historic fishing rights.

Like my Leader (Hon. Mr. Brooks), I was somewhat surprised when the honourable Senator Cook stated he would move that this bill be referred to the Standing Committee on Banking and Commerce. I would prefer to see this matter dealt with in Committee of the Whole in the Senate itself, and have the Minister of Fisheries appear before the committee. Failing this, it would appear that the External Affairs Committee would be a far more logical forum before which to deal with this matter, particularly in view of the negotiations that will have to be carried on with nations such as France, the United States and Japan.

In the past the Progressive Conservative party has supported the principle of this bill; that is, the so-called 12-mile limit. The Honourable Howard Green and the Honourable Angus MacLean both attempted to obtain international agreement through the United Nations. It is still the feeling of our party that Canada should attempt to obtain agreement through the United Nations. Unilateral action is too dangerous, both to our reputation as a nation and to our fishing industry. As I stated earlier, the Fisheries Council of Canada recommended unilateral action only after negotiations with the United States and France were successfully completed.

Bill S-17 is unilateral in nature, in spite of the fact it was Prime Minister Pearson who first proposed the so-called 6 and 6 formula in 1956 at the United Nations. Now we find the Prime Minister being responsible for a bill which calls for action outside the United Nations. I find it rather difficult to imagine our Prime Minister abandoning the United Nations for "gunboat" diplomacy.

Seventy per cent of our fisheries products are sold in the United States. If unilateral action is taken by Canada, then in all probability the Americans will retaliate by imposing tariffs on Canadian fish entering the United States. As the honourable Senator

Brooks mentioned earlier, the New England states have a very active lobby calling for tariffs on fish entering the United States from Canada. Indeed, it was only the veto action of former President Eisenhower that prevented these tariffs from being imposed. If this were to happen it would mean the ruination of our frozen fish industry in Canada and would have an adverse effect on the lobster fishing in the Atlantic provinces.

The wording of the bill itself is ambiguous. I find section 5(1) most ambiguous. This is probably due to the fact that I do not have legal training. It states:

> The Governor in Council may, by order in council, issue one or more lists of geographical co-ordinates of points from which baselines may be determined and may, as he deems necessary, amend such lists.

The inference there seems to be that while the order in council may be made it also may not, and unless action is taken to establish these co-ordinates and the exclusive fishing zone, the passing of this bill will do very little to change the situation. The Governor in Council may at some future date decide on the co-ordinates and publish them. On the other hand, it could be years before action is taken. If the Government follows its usual course of retreating and deleting, by the time this bill passes the other place there will be very little left in it.

Honourable senators, I believe the Senate should take time to study all the effects of this legislation. The original copy of the bill I received last Friday was marked "confidential" and was dated April 17. Since that time we have not been given any of the co-ordinates, and one rather gets the impression the Government is more interested in the May 15 deadline than they are in the fishing industry.

Hon. Mr. Connolly (Ottawa West): I wonder if the honourable gentleman would mind my interrupting here, just to say one thing. When the bill received first reading in this house on Thursday last, the confidential character of the document circulated from my desk was removed automatically. I just want to assure him—and I do not think many members of the Senate need to be assured—that the purpose of circulating the bill at that time was for the convenience of honourable senators.

Hon. Mr. Phillips: I appreciate the viewpoint of the Leader of the Government, but I think he is overlooking the point that I am trying to make, and that is that the bill was prepared by at least April 17, and two weeks later there are still no co-ordinates.

Hon. Mr. Connolly (Ottawa West): Surely the honourable gentleman does not have to refer to that kind of thing at this time. I think in the interests of the Senate it might be preferable not to discuss that aspect of the matter.

Hon. Mr. Phillips: I do not wish to enter into any extended argument with the Leader of the Senate, but I do feel that the co-ordinates are the basis of the whole bill, and we should have information on the co-ordinates to give an accurate assessment of the value of the bill. That is the point I am trying to make. Perhaps he misunderstood me.

Hon. Mr. Connolly (Ottawa West): On that point I have no complaints.

Hon. Mr. Phillips: In closing my remarks, I wish once again to urge the Senate to give careful study to this bill, and to take all the time honourable senators feel is necessary. The Leader of the Government has assured us that there is no deadline to meet. I would also ask them to give consideration to the importance of the co-ordinates, and the difficulties that we are going to meet in taking unilateral action.

Hon. John J. Kinley: Honourable senators, I know we have all listened with interest and benefit to the speeches already made on the subject of this proposed 12-mile limit. I was particularly glad to hear the honourable senator from Newfoundland, Senator Cook, introduce the bill. He is an eminent legal authority in Newfoundland, and as such one must know something about the fisheries. Besides that, his province is adjacent to the best fishing grounds in the world, and Newfoundlanders have always been known as good sailors and great fishermen.

We heard also from the Leader of the Opposition (Hon. Mr. Brooks). Although he does not come from a county that borders the sea, he comes from one that is very close to it, and he expressed his pleasure that this important bill came first to the Senate. From his speech it appears he found out that with a minority government it is hard to get ahead. With this bill coming first to the Senate, it is an opportunity, when we have a minority government, to show what we can do. I think the Senate will do a good job with this legislation.

I was also pleased to hear my old friend Senator Reid from British Columbia speak on this bill. I have always envied the way they handle their fisheries on the Pacific Coast. The 12-mile limit, he says, is not very good for them, that they would need provisions that extend farther out to sea. So far as the halibut and salmon fisheries are

concerned, over the years they have had many conferences of the sea, and also some dealing with the seal fisheries. I realize from Senator Reid's speech that they have something to fear, because Japan is the biggest producer of fish in the world. In that regard they are having some trouble at the present time, as I read in *Time* magazine of October 11, 1963:

> Even the conference table can become chilly; last week in Tokyo, Japanese, U.S. and Canadian delegates laboured through the fifth week of a conference stalemated by a U.S.-Canadian refusal to let Japanese fishermen fish for trout, halibut and salmon east of the 175th longitude.

I think that word "trout" is a mistake and should mean some other fish. That 175th degree of longitude is well out in the Pacific. I hope our friends will succeed in their efforts in that regard, because to keep another country that far away from one's own shores would be exceedingly beneficial.

The honourable senator from Prince Edward Island (Hon. Mr. Phillips) has the distinction of coming from the Island province of the Minister of Fisheries in the previous administration. This is a good fishing district, and it is surrounded by a sea well stocked with many kinds of fish. I know that Senator Phillips has given considerable study to this matter, and that he will be helpful in committee when the bill comes before it. I expect he can always consult with the former Minister of Fisheries who, I am sure, will give him good information.

During the last presidential election in the United States one of the candidates had a very colourful theme, which he called "The New Frontier." It was not directed at getting more property or more territory for the United States; it was for the benefit of and the uplifting of the citizens of that country. Their President has been going around that country even recently talking about the weak spots in their economy, saying that they must abolish poverty, that they have to do something in order to bring up the standard of their people to where it should be.

Honourable senators, this is our new frontier. In this free and abundant country of ours we also have these problems of weak spots in the economy. I know of no greater problem area than that of our shore fishermen, so-called, who live in isolated places along our shores from the American border to Baffinland and beyond. We think they deserve attention; we think this measure is something that will bring orderly fishing to the places where they carry on their business; we think it will allow them to carry on their fishing under conditions where they need not fear the heavier trawlers which should be fishing in the deep sea, and where they will have protection for their work and for their gear. We hope our shore fishermen will have a better opportunity and a larger area for their work, and that they may get a better share of the abundance of this country which they deserve.

It is well known that we need conservation in the fisheries of our country. We have noticed in the North Sea, where it was fished for a long time, that when the fish got scarce the trawlers went over to Iceland, and that was a situation that neither the Englishmen nor anybody else liked.

We would like to see conditions on the Atlantic Coast such that the shore fishermen would have the opportunity they rightly deserve. Fishing fleets now come from everywhere to our fisheries in Canada because the fishing is good, but if that continues, and if we fish in the wasteful way we have been doing along our shores, and if we continue to see the small fish, such as the herring, disappear—because the big fish live on the little fish—after a time the fishing will become unprofitable for those people who come to our shores, and they will leave to go elsewhere. However, our small fishermen would still be there, and notwithstanding that it would be hard going, they must still get their living from the sea. Therefore, we feel that conservation properly applied would not only help them at the present time but would protect their heritage for the benefit of generations yet unborn.

As to the matter of these fishery limits, we were told that we were going to do certain things and have respect for traditional and historic rights of others. I do not know that anybody shares that intention, except France and the United States. France is in a peculiar position, in that they have the Islands of St. Pierre and Miquelon, within 10 miles of the coast of Newfoundland.

These islands are in the midst of fertile waters and have the best fishing on the coast. I do not think that the French nation, or even the French people on these islands, will want the big trawlers, the otter trawlers, using machine productions, to come close and destroy the business of their shore fisheries, because they have many shore fisheries in St. Pierre and Miquelon. They fish in dories and produce a lot of fish.

With regard to France's rights, I read in the *Illustrated London News* of March 21 of this year an article on the Anglo-French *Entente Cordiale*. This was in connection with French and British people. We were told that King Edward, who succeeded Queen Victoria, was one of the best peacemakers we have ever had. I never thought much about that. My grandmother used to tell me Edward would be a great peacemaker, and this article came

particularly to my attention because of that. It tells of Edward's operations in France, where he made friends in France, so that the *Entente Cordiale* was established between the two countries.

Let me read about France's historic rights:

> On April 8, 1904, less than a year after the visit, the *Entente Cordiale* came into being. It took the form of three conventions amounting to compensatory bargains for the settlement of colonial rivalries. In one convention France received territorial concessions on the coast of West Africa, Gambia and Nigeria, to compensate her for giving up her "Treaty-Shore" rights in Newfoundland. In another convention Britain recognized France's position in Madagascar and received compensating concessions. In the third, France recognized British rights in Egypt while Britain gave her *carte blanche* in Morocco, provided she erected no fortifications opposite Gibraltar.

Now there, you see, is the condition of France.

I understand that they had similar rights, judicial rights as to fishing, as those granted to the Americans. You know, there were so many wars between France and England during the early days that you never knew exactly through history when things started or how they began. However, we do know that in the Island of Cape Breton the French had extensive fish operations before the fall of Louisbourg; and after the fall of Louisbourg these gradually declined.

It seems to me, as far as France is concerned with her possessions near the Newfoundland coast, that they have a rendezvous for Spanish and French trawlers, and the Portuguese come there also; but those are officially a hook-and-line fleet, not a fleet that does much damage to the fisheries of this part of the country.

With regard to the United States, I think we had a convention with them on October 20, 1818. That convention gave to them the right to take fish on certain portions of the coast of Newfoundland, a part of Labrador and the Magdalen Islands in the Gulf of St. Lawrence. These fishing rights were granted in perpetuity, but then they had the right to cure and dry fish on the uninhabited parts of this territory, and that made it not a permanent agreement, but an agreement so long as people did not settle in these parts.

Well, in those days it was an important concession, because the fishermen had to go down there in sailing schooners from Boston —Gloucester, I mean; Boston came later. They had to go down to the coast of Newfoundland, because they had to catch fish, first for bait, and for this operation they used seines and jiggers. Then they used the bait on their trawls to catch cod, halibut and haddock.

The air in Newfoundland is well suited to the drying of salted fish—and it was the days of the salt fishing trade—and they would land their catches on the beach and would go hunting for bait while part of the crew were curing the fish on the beach. So they had their fish all properly prepared for the American and other markets.

That is all outmoded at the present time. Nobody from the United States wants to dry and cure fish on Newfoundland.

Hon. Mr. Baird: I would like to tell the honourable senator that the drying of fish in Newfoundland is solely due to the salubrious climate, as I expressed it the other day.

Hon. Mr. Kinley: Oh, yes, I agree with that.

Hon. Mr. Baird: I just wanted that on the record.

Hon. Mr. Kinley: That is an historic right but it is of no value; nobody wants to do that at the present time. It is a fresh fish operation for the United States altogether. They have refrigeration and mechanical drying, if they need it. That is one of the only rights I know they have. Now the only one which would be of any use at all is the taking of fish in perpetuity. They could take fish right up to the coast. They need not even stay outside the three-mile limit.

This agreement was complicated and so much discussed that they had to appoint an arbitration committee to decide how the internal affairs should be arranged. In this arbitration the British contended that the Americans did not have the sovereign rights which they claimed, but had only the liberty to catch fish in common with the inhabitants of Newfoundland. They had this, and the British claimed that they had a right to make the municipal laws that would govern the operation. The committee decided that they had the right to catch fish, in common with the people of Newfoundland; but with regard to the way they do it, they had to defer to the will of the municipality.

They have long since changed their method of fishing. Now they are fishing with machines and trawlers. There were three conditions: first, they could fish only in the time and in the seasons when the Newfoundlanders and the British Government allowed; secondly, they could use only the methods of production and the machinery and the way of fishing that the Newfoundlanders allowed and that the British Government

allowed; and there were some other similar subjects applicable to the situation.

All Canada has to do today is to invoke the restrictions above and the trawlers can not go in there and fish. Canada has the power to say what kind of fishing can be done on that coast. Therefore I do not think that that is very much good as a traditional right.

However, other agreements were made with the United States. I come now to a very important treaty, the Washington Treaty of 1871. In that treaty the same rights that were granted in 1818 were granted to American inhabitants or arranged with Newfoundland, and were granted in Quebec, Nova Scotia, the Colony of Prince Edward Island, in New Brunswick and Newfoundland.

With the Washington Treaty of 1871 there was a degree of reciprocity with the United States. Our fishermen could fish on the coasts of the United States down as far as part of the coast of Virginia, and also have freedom of trade in fishery products back and forth between the two countries. That carried on for a number of years, I think 10 years, and after that they could give notice. I think the United States gave notice that they wanted to stop it.

This Washington Treaty was a very important one. It dealt with the Alabama Claims, and with all the things which were troublesome between the United States and Canada. Negotiations were mostly through the British government. This was the treaty that gave to the United States free passage and navigation in the St. Lawrence River forever, where the river parted from their territory; the rights were on the lower reaches of the St. Lawrence River to the sea.

It also was on this treaty that the conflict arose as to who was getting the better of the bargain on fishing rights. An arbitration committee met in Halifax and gave the Halifax award. They gave $1 million to Nova Scotia and $2 million to the Maritimes in order to compensate them for what was thought by the arbitration committee to be a one-sided bargain.

At other times, Newfoundland wanted to make agreements with the United States, and the Canadians would object to it, and the British would therefore not concur in the agreements.

We travelled on a long time and what was known as a *modus vivendi* was adopted, a way of living, which we carried on for 10 years.

Then you remember we had the offer of the Reciprocity Treaty of 1911, which I thought was one of the best agreements in the interests of this country we could ever have. But this country turned it down. We did not have good fishing relations with the United States until Mr. Mackenzie King came back into power, and we negotiated a reciprocity treaty with them. That treaty gave us a better entrance to the American market.

I think we still operate under most of the provisions of that treaty. We must remember that the Americans are the biggest importers of fish in the world, and they are a big market for Canadian fish. They are importers from all countries, including Iceland. Iceland showed their hand, and demanded that the fishing should be protected.

I do not think that the United States of America would do anything that would impair the entry of Canadian fish, which they so badly need at the present time; moreover, the balance of trade is most favourable to the United States, Canada being their best customer.

I think the United States and France would be in favour of conservation, and we do need it. The Americans, I think, are not a big producer of fish. They produce about 6.5 billion pounds, while Canada produces 2.3 billion pounds, and Japan 14.8 billion pounds, the highest in the world. My honourable friend talks about Spain. I think Spain produces as much fish as the United States.

With regard to what other people are doing in the world, as we have been told, they are trying to develop their fisheries and they are attempting to extend their territories in a unilateral way. The United States has, I think, only three miles of territorial sea. Somebody mentioned six miles. They were trying to deal with it at the United Nations, which is authoritative, but there is a provision whereby if you have a private agreement with another nation, the United Nations will not interfere with it. Under our private agreement with the United States we have a three-mile limit.

First we want to see what this bill is all about; then we want to find out why we want it; and then we must see if it will cause us undue trouble with our neighbours.

At the meeting in 1957 of the Convention on the Territorial Sea and the Contiguous Zone, it was decided, with respect to a bay, that:

> If the distance between the low-water marks of the natural entrance points of a bay does not exceed twenty-four miles, a closing line may be drawn between these two low-water marks, and the waters enclosed thereby shall be considered as internal waters.

Our present agreement with the Americans is 10 miles across the first place where the inlet is that distance across—it is here increased to 24 miles. I do not think that would be satisfactory for us at the present time in the case of the Bay of Fundy and some places in Newfoundland. We would,

of course, love to have the Gulf of St. Lawrence as a part of the protected area. The distance from St. Paul's Island to Cape Ray is about 45 miles. That 45 miles is the Cabot Strait where all nations have the right of innocent entry and passage. When it comes to the Bay of Fundy, you must remember that that is an international bay, as the Americans are on one side and we are on the other.

It seems to me that if we could put a line from Brion Island across to the border we would do pretty well as far as the Bay of Fundy is concerned.

There has been some talk about "going this alone," and we could go it alone.

Article 6 of the Convention on Fishing and Conservation of the Living Resources of the High Seas, adopted by the conference at its 18th plenary meeting, states:

> 1. A coastal state has a special interest in the maintenance of the productivity of the living resources in any area of the high seas adjacent to its territorial sea.

Article 7 states:

> 1. Having regard to the provisions of paragraph 1 of Article 6, any coastal state may, with a view to the maintenance of the productivity of the living resources of the sea, adopt unilateral measures of conservation appropriate to any stock of fish or other marine resources in any area of the high seas adjacent to its territorial sea, provided that negotiations to that effect with the other states concerned have not led to an agreement within six months.

Therefore, we are not now placed in a hazardous position.

Hon. Mr. Burchill: Would the honourable gentleman tell us what he is reading from?

Hon. Mr. Kinley: I am reading from the Convention on Fishing and Conservation of the Living Resources of the High Seas.

Hon. Mr. Burchill: Dated when?

Hon. Mr. Kinley: 1957.

Hon. Mr. Hollett: May I ask the honourable senator a question? Is it not a fact, under that particular annex, that if other nations should disagree with the unilateral action to which he has referred, it would be necessary to place the matter before a committee of five other nations for decision? If the honourable senator will continue, I think he will find that.

Hon. Mr. Kinley: It is not stated in this article.

Hon. Mr. Hollett: Yes, it is.

Hon. Mr. Kinley: In any event, there will be an opportunity to discuss these matters in committee. What I wish to point out is that Article 1 says:

> 1. The sovereignty of a State extends, beyond its land territory and its internal waters, to a belt of sea adjacent to its coast, described as the territorial sea.
>
> 2. This sovereignty is exercised subject to the provisions of these articles and to other rules of international law.

Now, with regard to the Americans: I had an opportunity to speak on this subject last session during the debate on the Speech from the Throne; I regard it as a subject of importance, and therefore concentrated my remarks on it. At that time I read an article from the New York *Times* reprinted in the Halifax *Chronicle-Herald,* in which approval was given of what is being done. There is no difference in principle between their country and Canada on this matter. In fact, the Americans intimated that they should be doing something for themselves.

May I read from a striking article in *Time* magazine of October 11 last, entitled "Fishing":

> In the midst of all its other problems—from the tax cut to civil rights—the Senate of the U.S. last week found time to take up two bills that are essentially wartime measures. Wartime, that is, for the U.S. fishing industry. Across the world's oceans in recent months, dozens of fishing nations have battled in a series of "fish wars"—usually nonviolent but sometimes under gunpoint—that have important economic and political consequences for the nations involved. As one of the participants, the $381 million U.S. fishing industry has turned to the Government for help that most of the world's other fishing fleets already receive.

As we know, the fishing industry in Canada is subsidized to the extent of 35 per cent. This has had a powerful effect on the fishing and marine industry in the Maritime provinces, and I think accounts for much of our prosperity at the present time; we hope it will continue. The United States has taken notice of it, and feels something should be done about the industry in that country.

> Spurred by the presence of Russian trawlers that have invaded traditional U.S. fishing areas off the Northeast coast, the Senate passed a bill empowering the Administration to penalize foreign fishing vessels that venture into U.S. territorial waters, and extending U.S. jurisdiction to include the waters of the continental shelf.

That is a long way out. One should bear in mind that this magazine is regarded as one on which one can rely.

Continuing:

> The next day the Senate approved a bill granting a 55 per cent Government construction subsidy for the U.S. fleet, which is woefully antiquated in comparison with the fleets of other major fishing nations. The U.S. industry, warned Senator Warren G. Magnuson, "is caught in a cold and losing wet war with Soviet Russia, Japan and other foreign nations."
>
> Antitank Guns. Moving onto Georges Bank off Cape Cod and the Grand Banks off Newfoundland, proliferating Russian trawlers snag American nets, ram smaller boats in the fog and often force fishermen right off the banks; in Alaska, fishermen recently became so furious about Russian trawlers pulling their crab pots that they began ordering antitank guns to mount on their decks, were dissuaded only by a flying visit from Alaska Governor William A. Egan. Texas shrimpers have to deal with Mexican gunboats that wait to pounce on them over western Gulf of Mexico shrimp beds; and San Diego tuna men are still bitter about last spring's capture of two of their boats by Ecuador, which assessed $26,000 in fines.
>
> U.S. fishermen are not the only ones whose tempers have been rubbed as raw as a seaman's salt-sanded hands. The Brazilians and the French have vied with gunboats over Brittany lobster—boats working in traditional Brazilian fishing waters. Icelandic gunboats chased British trawlers from Iceland's cod grounds, and the Danes are shooing them away from the Faroe Islands. Norway is chasing Swedish fishermen from grounds that the Swedes have fished for hundreds of years. Japanese boats are barred from South Korea, badgered by the Russians in the North Pacific. Irish corvettes have scattered Dutchmen and Belgians from Ireland's herring grounds, and Canada last year ordered a Russian fleet out of the Bay of Fundy. Even the conference table can become chilly; last week in Tokyo, Japanese, U.S. and Canadian delegates labored through the fifth week of a conference stalemated by a U.S.-Canadian refusal to let Japanese fishermen fish for trout, halibut and salmon east of the 175th longitude.

That shows that the United States is taking action unilaterally, and that it has its problems. If it is against conservation on the North Atlantic coast for the fisheries on which it depends so much, I do not see how it can reconcile that attitude with the interest it has shown. As I have stated, Japan is the biggest producer of fish in the world. Over 25 nations have adopted a 12-mile limit. Africa has decided to do so. Russia has adopted a 12-mile limit on both the Pacific and Atlantic coasts. Norway also has a 12-mile limit. I am glad to see that Parliament is taking some action with regard to the adoption of a 12-mile limit for Canada on the North Atlantic.

Three things are needed: first, orderly fishing for the shore fishermen, and protection of their activities; secondly, safety for their gear; and, thirdly, conservation. These are mutual needs, both of our people and the Americans. We are the two nations that must agree, and I think if we can agree with the Americans we shall have very little trouble with anyone else.

Honourable senators, I am pleased to see this bill before this house and to see that everyone is in favour of it. We all talk a little politics at times and try to make our story sound good; and I do not blame our friends for doing that. However, the people of the Maritime provinces know this story well, and you cannot tell them anything they do not know about the 12-mile limit and the troubles they have. The deep-sea fishing fleet is very prosperous in the Maritime provinces. It is a mass-production unit, catching a lot of small fish, and while the nets are large in the mesh to let the small fish out, once you get to the bottom layer of the net the top fish get very little chance. However, we are getting to the stage where the small fish are becoming of increasing value. They are called "scrods". The Americans advertise them as quite a delicacy. They are appearing frequently on the menus of American hotels, and the price is becoming sufficiently high that they can now be sold advantageously on the market.

I know that the Banking and Commerce Committee is a good body, and included in its membership is splendid legal talent. I have no doubt there is similar talent in the membership of the External Affairs Committee. At the moment I do not know who is the chairman of that committee.

Hon. Mr. Choquette: Senator Thorvaldson.

Hon. Mr. Kinley: Well, he comes from Manitoba. Only 9½ per cent of the world's fish are caught in inland lakes and rivers. It is not much, but it represents quite a large amount in Canada. The Leader of the Government no doubt has some view as to which committee he thinks this bill should be referred. It is my impression that of all the

committees of the Senate, the Banking and Commerce Committee represents the widest experience and the greatest variety of talent. I believe this bill would receive careful consideration in that committee. I may add that it is a splendid and interesting committee, and we learn a lot when we attend its meetings. I hope we will give this bill our best attention.

Hon. Mr. Hollett: Honourable senators, if we are all agreed that we have had enough fish for one day, I beg leave to move the adjournment of the debate.

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

DIVORCE

RESOLUTIONS ADOPTED

The Senate proceeded to the consideration of Resolutions numbered 219 to 251, inclusive, which were presented on Thursday, April 30.

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved the adoption of the following resolutions:

Resolution 219, for the relief of Shirley Ann Hinman Charlow.

Resolution 220, for the relief of Bernice Boyce LeBlanc.

Resolution 221, for the relief of Geraldine Edith Joan Girouard Gagne.

Resolution 222, for the relief of Connie Cohen Caplan.

Resolution 223, for the relief of Joan Hilda Holgate Murray.

Resolution 224, for the relief of Constance Lorraine Brown Jackson.

Resolution 225, for the relief of Shirley Christina Anne Rose Stamper.

Resolution 226, for the relief of Eileen Owens Parent.

Resolution 227, for the relief of Earl Hayward Coveduck.

Resolution 228, for the relief of Genowefa Czernianin Delego.

Resolution 229, for the relief of Barbara Schultz Dumansky.

Resolution 230, for the relief of Mary Astrakianakis Kardaras.

Resolution 231, for the relief of Helen Miriam Simond Selby.

Resolution 232, for the relief of Nina Bruneau Choquette.

Resolution 233, for the relief of Wasyl Kaprian.

Resolution 234, for the relief of Joseph Hilderic Albert Joffre Vachon.

Resolution 235, for the relief of Henri Verrier.

Resolution 236, for the relief of Margaret Alguire Mallette.

Resolution 237, for the relief of Elizabeth Anne Walford Wood.

Resolution 238, for the relief of Joseph Jean Plante.

Resolution 239, for the relief of Louisa Greig McAleer.

Resolution 240, for the relief of Micheline Deyglun Holowaty.

Resolution 241, for the relief of Marie Catherine Beaubien Frances Drumm Mathieu.

Resolution 242, for the relief of Jean Zalloni.

Resolution 243, for the relief of Hans Ulrich Lewin.

Resolution 244, for the relief of Andrew Sallai.

Resolution 245, for the relief of Lionel Samuel Tiger.

Resolution 246, for the relief of Louisa Simard Flynn.

Resolution 247, for the relief of Cacilie Johanna Friederike Hagedorn Kaat.

Resolution 248, for the relief of Marion Daphune Cormier Armour.

Resolution 249, for the relief of Joseph Alfred Michel Andre Pierre Mercier.

Resolution 250, for the relief of Neilson Harold Dowsley.

Resolution 251, for the relief of Richard Wilfrid Earl Hogan.

Resolutions adopted, on division.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Tuesday, May 5, 1964

The Senate met at 3 p.m., Hon. Arthur L. Beaubien, Acting Speaker, in the Chair.

Prayers.

PRIVATE BILL

LES SCOUTS CATHOLIQUES DU CANADA—FIRST READING

Hon. Jean-François Pouliot presented Bill S-19, to incorporate Les Scouts Catholiques du Canada.

Bill read first time.

Hon. Mr. Pouliot moved that the bill be placed on the Orders of the Day for second reading on Thursday next.

Motion agreed to.

CANADA SHIPPING ACT

BILL TO AMEND—AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. A. K. Hugessen, Chairman of the Standing Committee on Transport and Communications, presented the following report of the committee on Bill S-7, to amend the Canada Shipping Act:

> Your committee recommend that authority be granted for the printing of 800 copies in English and 300 copies in French of their proceedings on the said bill.

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

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

Report adopted.

HARBOUR COMMISSIONS BILL

REPORT OF COMMITTEE

Hon. A. K. Hugessen, Chairman of the Standing Committee on Transport and Communications, reported that the committee had considered Bill S-10, to provide for the establishment of harbour commissions, and had directed that the bill be reported with the following amendments:

1. Page 7: Strike out subclause (2) of clause 17 and substitute therefor the following:

"(2) All books, accounts, records and documents of the Commission shall be at all reasonable times open for inspection by the Minister or by a person authorized by the Minister for such purpose, or, in the case of a municipality having a substantial interest in the harbour, as determined by the Minister, by the auditors of such municipality."

2. Page 9: Srike out clause 27 and substitute therefor the following:

"27. The Governor in Council may order any Commission established pursuant to this Act to wind up its affairs and may by proclamation dissolve any Commission in respect of which such an order has been made: Provided that such order or proclamation shall become effective only upon the expiration of ninety days from the date of the publication thereof in the *Canada Gazette.*"

3. Page 9: Strike out subclause (2) of clause 30 and substitute therefor the following:

"(2) No proclamation shall be issued pursuant to subsection (1) unless the Governor in Council has received
(a) a by-law passed by the Commission requesting the Governor in Council to declare the Commission to be established pursuant to this Act; and
(b) a resolution or resolutions approving such by-law, passed by the council of any municipality having power to appoint or to participate in the appointment of a member of the Commission, or where there is more than one such municipality, by the councils of a majority of such municipalities."

Hon. Mr. Hugessen: Honourable senators, these are three fairly substantial amendments to this bill. I would suggest that we allow consideration of the report to stand until tomorrow, and I could then explain the amendments. In the meantime the amendments will be printed and the item will appear on the Order Paper.

Hon. Mr. Brooks: I should think that would be very satisfactory.

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

Hon. Mr. Hugessen moved that the report be placed on the Orders of the Day for consideration at the next sitting.

Motion agreed to.

DIVORCE

NOTICE OF MOTION FOR AMENDMENT OF STANDING RULES AND ORDERS

Hon. Arthur W. Roebuck: Honourable senators, as Chairman of the Standing Committee on Divorce, I give notice that on Thursday next I will move for an amendment to

the Standing Rules and Orders of the Senate of Canada relating to Resolutions for the Dissolution or Annulment of Marriages as follows:

1. Immediately after paragraph (g) of clause 1 of Rule 162 insert the following:

"(h) a statement of all previous proceedings instituted with reference to the marriage or to any children thereof, including applications to the Parliament of Canada, petitions and writs for divorce actions, alimony or maintenance, separation from bed and board and the custody or maintenance of any children of the marriage, and the results of any such proceedings; and a statement of any agreements or financial arrangements between the spouses with reference to the marriage or any children thereof;"

From time immemorial—at least, since I have been a member of the committee—petitioners have always been required to include this information in their petitions, but when the new rules were drawn, for some unaccountable reason which I cannot explain this clause was not included, although this practice is being continued now in the taking of evidence.

The amendment continues:

2. Re-letter paragraph (h) of clause 1 of Rule 162 as paragraph "(i)".

3. Immediately after paragraph 5 of Form C-1 (General Form of Petition) insert the following:

"6. That the following is a statement under Rule 162 of all previous proceedings instituted with reference to the marriage or to any children thereof, including applications to the Parliament of Canada, petitions and writs for divorce actions, alimony or maintenance, separation from bed and board and the custody or maintenance of any children of the marriage, and the results of any such proceedings; and a statement of any agreements or financial arrangements between the spouses with reference to the marriage or any children thereof. (*If no previous proceedings, so state*)."

4. Re-number paragraphs 6 and 7 of Form C-1 as paragraphs 7 and 8.

We are now about to print a second edition of the Standing Rules and Orders, and these changes should be incorporated in it.

EXTERNAL RELATIONS

NOTICE OF MOTION TO EMPOWER COMMITTEE TO STUDY REPORT—ORDER STANDS

On the Notice of Motion of Hon. Mr. Thorvaldson:

That the Fifty-Fourth Report of the Department of External Affairs, covering the calendar year 1963, laid before the House on February 25th, 1964, pursuant to section 6 of the External Affairs Act, be referred to the Standing Committee on External Relations for consideration.

That the Committee have power to send for persons, papers and records, and to report from time to time.

Hon. Gunnar S. Thorvaldson: Honourable senators, I just wish to say that I am ready to proceed with this motion today, or at any other convenient time, but I understand that the honourable Leader of the Government (Hon. Mr. Connolly, Ottawa West) would like the debate on the second reading of Bill S-17 to continue this afternoon. Consequently, I am content that my motion should stand.

Order stands.

TERRITORIAL SEA AND FISHING ZONES BILL

MOTION FOR SECOND READING—DEBATE CONTINUED

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Cook, for the second reading of Bill S-17, respecting the Territorial Sea and Fishing Zones of Canada.

Hon. Malcolm Hollett: Honourable senators, I am very glad to note that at last the Government has seen fit to present Bill S-17, respecting the Territorial Sea and Fishing Zones of Canada. You all remember of course that it was an election promise made prior to April 8. Now we have it. I believe it was understood that this bill would be brought in and passed at least before the fifteenth day of this month, so I shall do nothing to tie it up.

Since the United Nations Conference on the Law of the Sea, held at Geneva in 1958, the fishing limits as they apply to us in Canada, and particularly to the province from which I come, Newfoundland, have been very much under discussion. The more I study the matter, and in particular the United Nations conference of 1958, and also the conference which took place in 1960, the more dubious I am as to whether or not a bill such as this, which would supposedly allow Canada to act unilaterally on the limits of the territorial sea and the fishing limits, is likely to give us a workable solution of the problem.

I would like it clearly understood that I am entirely in favour of a 12-mile limit—a little more if we could get it—but I wish it

just as clearly understood that I have grave doubts as to this method of procedure to obtain it.

The big question which confronts my thinking on the subject is this. Have we as a single nation the right to assign to ourselves any portion of the high seas? Honourable senators will remember that all the seas outside the territorial limits are the high seas. In 1958 at Geneva certain resolutions were passed and became international law as they apply to us. For instance, in Annex I we find described and defined in certain instances the territorial sea, which extends beyond its land territory and its internal waters to a belt of sea adjacent to its coast. It does not there definitely state the extent of this territorial sea.

Under Article 3, section 2, the normal baseline for measuring the breadth of the territorial sea is the low water line along the coast as marked on large scale charts officially recognized by the coastal state.

Honourable senators, you will agree that this is not very definite. In the first place, the baseline from which the territorial sea of any state is measured outwards certainly does not appear to be clearly defined. If you will read Article 4, Annex I, of the 1958 convention you will understand exactly what I mean. However, a method is defined which states that the drawing of such baselines must not depart to any appreciable extent from the general direction of the coast.

At this point I should like to take the opportunity to congratulate honourable Senator Cook, who explained the bill, on the able manner in which he spoke on this troublesome subject. Senator Cook spoke of the geographical co-ordinates of points from which baselines may be determined. These points may be described and issued by the Governor in Council. In other words, even yet we do not know where our baseline can be found. It has to be found and described by the Governor in Council.

Honourable senators, as most of you know, we have in Newfoundland several large indentations or bays. If you take for instance Placentia Bay, the district in which I was born, you will realize it is important for us to know just how the baseline will be described by these co-ordinate points. I would like to point out that Placentia Bay is a particularly good fishery area. If the baseline goes down on the east side of the bay and then the territorial sea goes out three miles and the fishing limits a further nine miles, we just have 12 miles on each side of this bay, which leaves a vacant area down through the centre, through which foreign vessels may come in and do their trawling.

Having spoken of Placentia Bay, I could also speak of the Gulf of St. Lawrence. We all know the distance between North Sydney and Port aux Basques, and if we have a 12-mile limit on either side, there is ample space to fish there, and space in the gulf for foreign trawlers. There are similar bays in Newfoundland. In that particular bay there is considerable inshore fishing. If the baseline runs down the shore, along the eastern side of the Burin Peninsula, as I pointed out, it would leave an opening for foreign fishing vessels.

Section 5 says:

> The Governor in Council may—

I draw attention to the word "may".

> —by order in council, issue one or more lists of geographical co-ordinates of points—

Under the present international law, in localities where the coastline is deeply indented and cut into, as it is in Newfoundland, the method of straight baselines joining appropriate points may be employed in drawing the baseline from which the breadth of the territorial sea is measured. The whole value of this, of course, depends upon the interpretation of the words "appropriate points." If it were from cape to cape, or from headland to headland, it would be clear. I take it that the Governor in Council will have this in mind when issuing the lists of the geographical co-ordinates. However, it is most important, not only in Newfoundland but all along the east coast of Canada, to make the correct decision when defining the baseline. In this connection they will have to be guided by Article 7 to the annex, which I quoted a moment ago, where it states that an indentation shall not be regarded as a bay unless its area is as large as, or larger than, that of the semi-circle whose diameter is a line drawn across the mouth of that indentation. I am quite sure that is quite plain to everyone here.

Here again, I should like to refer to the convention of 1958, and the international law as laid down by that convention, with reference to the high seas. It will be noted that under this bill now before the Senate, the territorial sea will extend only three miles from the baseline; but if you will refer to Article 1 of Annex 2 of the aforementioned convention, you will find the following:

> The *high seas* means all parts of the sea that are not included in the territorial sea or in the internal waters of the state.

In other words, the high seas include all waters outside of the territorial sea here in Canada.

In Article 2, we see the following:

> The high seas being open to all nations, no state may validly purport to subject any part of them to its sovereignty. Freedom of the high seas is exercised under the conditions laid down by these articles and by the other rules of international law. It comprises, *inter alia*, both for the coastal and non-coastal states:
>
> 1. Freedom of navigation,
>
> 2. Freedom of fishing—

In my opinion, we have jurisdiction over the territorial sea which extends outward only three miles; but as far as I can see, for fishing purposes we have no jurisdiction whatsoever outside that three-mile line, which is described as the high seas. That is why I have some doubt as to whether we are approaching this in the correct manner. Under this bill we propose to take possession, for the purposes of fishing, of an area of the high seas which extends outwardly nine miles from the territorial sea. I sincerely hope we can do this. However, I feel that unless we can get agreement internationally, either at the Geneva conference of the United Nations, or in consultation with the other states of the world, which have been fishing for a number of years within that particular area, then I am afraid we are going to run into serious difficulties. I do feel that it would be much better for us to risk running into these difficulties than to do nothing whatsoever.

I should like to point out, however, that there seems to be an "out" for us under Annex III, where it was agreed that, in consideration of the development of modern techniques for the exploitation of the living resources of the sea, which has exposed some of these resources to the danger of being overexploited and, considering also the nature of the problems involved in the conservation of the living resources of the high seas, there is a clear necessity that they be solved whenever possible on the basis of international co-operation through the concerted action of all states concerned.

Taking that into consideration, the 86 nations assembled in Geneva in 1958 laid down certain methods whereby conservation measures might be carried out, and a method was declared under Article 9 of said Annex III whereby any disputes arising between states—and I anticipate some disputes after this bill becomes law—as to conservation measures could be peaceably settled. I will not go into these methods, but I do feel that they will have to be employed in certain instances where fishing vessels of other nations, in times past, have been accustomed to fishing just outside our territorial sea.

It will be remembered that at the first convention, general agreement seemed to be reached as to the defining of our territorial sea but no agreement could be reached relative to fishing limits.

At the second Geneva Convention, which was held from March 17 to April 27, 1960, there were times when it appeared that the nations could come to some terms on the definition of fishing limits for the various nations but, in spite of many compromises, not only by Canada but by the United States and other nations, the conference broke up without coming to any understanding as to what should or should not be the fishing limits of the various nations.

At this stage I should like to point out that the last previous Government of Canada during that period made every possible effort to secure the 12-mile limit. In that connection I should like to quote from the foreword of a pamphlet put out by the Secretary of State for External Affairs in December 1959, which reads as follows:

> The second United Nations Conference on the law of the sea, which is to be held in Geneva next spring, provides the nations of the world with a second chance—possibly the last for some years to come—to reach agreement on the breadth of the territorial sea and on fishing limits. The impressive achievements of the First Conference give encouragement for the prospect of reaching a solution of the two remaining areas of disagreement. The goal of a complete code of international law is so close at hand that the nations which will participate at the next conference cannot afford to let the opportunity pass.

I cite this to show again how difficult the problem is; and I, at any rate, appreciate this special effort which is now being made by the present administration to raise some hope for those of our men who go down to the sea in ships to earn their livelihood, even though I doubt that it is the best method of approach.

Also, I should like to refer you to an address delivered at the annual meeting of the United Maritime Fishermen, held at Amherst, Nova Scotia, on February 14, 1962, by Mr. S. V. Ozere, our present Assistant Deputy Minister of Fisheries. Mr. Ozere, who, in my opinion, has a thorough knowledge of our fishery problems, clearly pointed out to his audience on that occasion the efforts which had been made and which were in contemplation, and also the difficulties to be encountered. In that address he stated:

> It was evident the only way that restrictions on fishing could be imposed

> on fishermen of all the countries participating in the exploitation of particular resources of fishing in a particular area, was by agreement between the governments of the countries concerned.

We are not doing it that way.

He also pointed out that, until recent times, the fisheries resources of the seas were exploited without any thought being given to their depletion, and the freedom of navigation of the seas included the freedom of unrestricted fishing, except within the narrow strip known as the territorial sea. At that time he also pointed out that the two subjects of greatest importance to us are the development of international rules for the conservation of the sea fisheries and the breadth of the territorial sea.

Further, I should like to bring to your attention—for I know each of you is interested in the problems facing the Government and the whole of Canada—an article appearing in the *American Journal of International Law,* of October 1960, by Arthur H. Dean, who was chairman of the United States delegation in that year. It carries the heading, "The Fight for Freedom of the Seas."

I should like to quote several of the statements made by Mr. Dean, but I do not wish to weary you. I merely point out that if you will take the trouble to read Mr. Ozere's speech and the description of the Second Geneva Conference on the Law of the Sea by Mr. Dean, you will have a clear idea of the problem facing us. However, I do hope the Government can persuade the Russians, Japanese, Portuguese and Spaniards, who are fishing off our coasts—and when I say "our coasts" I mean our Newfoundland coasts, our Canadian coasts, if you like—that the regulations which will be brought into force by this bill will be in their interests as well as ours.

Last year Japan took nearly six million metric tons of fish from the ocean, and some of it came from the seas surrounding Newfoundland. The Russians took nearly as great a quantity, and the Spaniards and the Portuguese fared very well. I am thinking particularly of Newfoundland because I was born and bred there, and as a boy, I fished there, in Labrador, 55 years ago. So I do have some idea of the need for conservation and freedom with regard to our fishing.

It will be seen, therefore, that if we are to preserve our fisheries and our fishermen, we must leave no stone unturned to bring in this 12-mile limit for conservation purposes if for no other. I wish, however, to express again certain misgivings about this approach to the fishing limit problem.

The first paragraph of the final act and annexes of the United Nations Conference on the Law of the Sea held at Geneva in 1958, reads as follows:

> The General Assembly of the United Nations by Resolution 1105 (xi) of the 21st of February, 1957 decided to convene an International Conference of plenipotentiaries to examine the law of the sea, taking account not only of the legal but, also, of the technical, biological, economic and political aspects of the problem, and to embody the results of its work in one or more International Conventions or such other instruments as it might deem appropriate. The General Assembly also recommended that the Conference should study the question of free access to the sea of landlocked countries as established by international practice or treaties.

Does not this assume the jurisdiction of the United Nations over all matters relating to the high seas? If it is otherwise, why should they bother their heads about it? If they have the jurisdiction, can we pass this bill? And, if we pass this bill, can we enforce it? I raise the question.

As you know, some 87 nations met and were in session from February 24 to April 27, 1958. Canada was one of the 87 nations, all of which came to an understanding on well over 100 articles having reference to the high seas, the territorial sea and contiguous zones, and the continental shelf, as also fishing and conservation. They may not have had the right to do it, but they reached agreement on all but two items.

Since they did not resolve all the problems relating to coastal fisheries, they passed the following resolution which is headed:

> Special Situations Relating to Coastal Fisheries

This was adopted on April 26, 1958. I quote:

> The United Nations Conference on the Law of the Sea,
>
> Having considered the situation of countries or territories whose people are overwhelmingly dependent upon coastal fisheries for their livelihood or economic development,
>
> Having considered, also, the situation of countries whose coastal population depends primarily on coastal fisheries for the animal protein of its diet and whose fishing methods are mainly limited to local fishing from small boats, recognizing that such situations call for exceptional measures befitting particular needs,
>
> Considering that because of the limited scope and exceptional nature of those

situations, any measures adopted to meet them would be complementary to provisions incorporated in a universal system of international law,—

Not the Canadian system, or Russian or American or French, but a universal or international system.

Believing that states should collaborate to secure just treatment of such situations by regional agreements or by other means of international co-operation,

Recommends:

1. That where, for the purpose of conservation it becomes necessary to limit the total catch of a stock or stocks of fish in an area of the high seas adjacent to the territorial sea or a coastal state, any other states fishing in that area should collaborate with the coastal state to secure just treatment of such situations by establishing agreed measures which shall recognize any preferential requirements of the coastal state resulting from its dependence upon the fishery concerned while having regard to the interests of the other states;

In the case of foreign vessels fishing in our area, they should co-operate with us, and if we are fishing in their areas we should co-operate with them.

2. That appropriate conciliation and arbitral procedures shall be established for the settlement of any disagreement.

I think if honourable senators will peruse that resolution, having in mind all the other articles with reference to the high seas which were decided at that conference by the General Assembly, they will agree with me that by passing this bill as it is here outlined, we are attempting to take away the jurisdiction of the United Nations in this particular matter. Of course that is only my own point of view. If we do not recognize the jurisdiction of the United Nations, then whose is the jurisdiction? Does it belong to Canada, or Russia, or the United States, or Great Britain, or are we going back to the Middle Ages or to the days of the "Spanish Main"?

As I have said before, I want, as much as anybody else, the 12-mile limit for the protection of our fishermen, but I do believe that when this bill goes to committee we should take a very careful look at its international implications.

As has been stated here, the United Nations agreed to call a second conference in 1960 on this matter. That conference met, and again there were 86 or 87 nations attending, and they endeavoured to resolve the two problems left unsolved in 1958, namely, the breadth of the territorial sea and fishery limits. You know the result of that conference.

I merely wish to stress the point that, in my opinion, a 12-mile fishery limit, or a 200-mile fishery limit as is claimed by Costa Rica and El Salvador, is a question for international agreement under the jurisdiction of the United Nations. If by the passing of this bill we can hasten such an agreement between Canada, the United States, Spain, Portugal, Russia and Japan—and all these nations are fishing off our coast—then I am all in favour of it. But if there is any likelihood of antagonizing any of the international friends which we had at that conference in 1960, when we all but won out, then I doubt the wisdom of this approach.

If you read Articles 6, 7 and 9 on fishing and conservation agreed to at the convention in 1958, you will notice that there is a method by which problems concerning the living resources of the high seas may be solved. I would like to point out that the method is not by unilateral action but by negotiations between the states involved, and, when such negotiations break down, Article 9 outlines a method of resolving the differences.

Honourable senators, as I said before, I was a fisherman, as were my people for many generations before me, and I know the damage that foreign trawlers do to the fishing gear of our inshore fishermen. I have known fishermen to set their fishing gear in the evening with bait and hooks, only to go out the following morning to find the whole thing had been swept away by foreign trawlers—and sometimes inside the three mile limit.

I have come across an article in the *Daily News* of St. John's dated April 8, 1963—that was an important date, I believe—entitled "12-Mile Limit Needed Save Seal Fishery."

Sealing captain Guy Earle says only a 12-mile territorial limit can save the rapidly declining Newfoundland seal fishery.

He was out at that particular time last spring.

Capt. Earle, managing director of Earle Freight Services, Carbonear skippered the sealer *Kyle* to the hunt this spring and returned home Saturday with about 18,000 pelts...

Capt. Earle said should the 12-mile limit be applied to Canadian waters "we would have the seal hunt to ourselves".

That would be a little bit selfish, I suppose.

The captain, who completed his second spring at the ice with the coal-burning *Kyle*, said too many foreign boats are

> operating inside 15 miles and are consequently reducing the catch of the Newfoundland fleet.
>
> A large Russian vessel and several Norwegian ships had been in the area of the *Kyle* since the hunt began. Capt. Earle said nine of the foreign ships appeared to break the present three-mile limit.

I want to point out that I am very much concerned about this. I want the 12-mile limit. In fact I would like to have a 20-mile limit, but I think we are not going about it the right way by passing this act and by trying to do the thing in a unilateral way. I hope we are right, but I am afraid we are wrong.

This is a very important bill because it may involve the livelihood of millions of people around the world and many thousands here in Canada. I hope when we go into committee we will be able to get the advice and opinions of the best authorities available on the subject.

Hon. Donald Smith: Honourable senators, after having listened to six or seven excellent speeches on this subject there is not as much for me to say as there would have been had I had the opportunity of speaking a little earlier in the debate. However, I wish to make a few remarks which cover ground a little different from that which has been covered already. If in the process of reaching the point I wish to make I repeat something that has been said before, I hope I will be forgiven.

I must begin by joining with the honourable Leader of the Opposition (Hon. Mr. Brooks) in extending congratulations to the Leader of the Government in the Senate (Hon. Mr. Connolly, Ottawa West) in having a bill such as this introduced in this house. Perhaps I can do no better than adopt these words of Senator Brooks and bring them once again to the attention of the house:

> This is not run of the mill legislation; it is important legislation, of concern not only to Canada but to many other countries and states throughout the world.

I join with Senator Brooks in hoping that the Leader of the Government in the future will be able to continue to bring such legislation as this to us in the first instance.

Honourable senators, I would like to comment on Senator Cook's introduction of this bill. Senator Cook may be a freshman here, but he is certainly not a freshman in introducing a subject before judges, and he displayed that gift on Thursday last. I was most interested in his talk on the early history of the rights of the sea. I had not realized that as far back as 1493 this was a very lively subject.

In the course of his presentation, Senator Cook pointed out what the present situation is, which seems to be something that has escaped the minds of some of those who have spoken in this debate. He pointed out that today more than a dozen countries—I have not consulted the records—claim a wider limit than three miles for territorial waters and fishing rights, and that these wider limits vary from four miles to 200 miles. The countries which have claimed jurisdiction over fishing rights to the extent of 200 miles are Peru and the Central American states, and I believe that that was because of an attempt on their part to reserve their rights to the rich tuna fishing that extends almost to the continental shelf off that part of the world.

I remember there was a little fuss in the newspapers when Peru, or one of those other countries, asserted that right, but my impression is that no serious argument resulted and that eventually a compromise was worked out with those nations which had some historic rights. I have been unable to find any serious situation which continues to exist to this time.

More importantly, I want to remind honourable senators of something Senator Cook said, that all these wider limits were imposed unilaterally. Canadian attempts to deal with this question go back quite a long time. To my memory since I have been concerned with affairs in Ottawa, they go back to discussions held at the United Nations at least 15 years ago. Those discussions at the United Nations indicated that Canada's policy at the time was to deal with this subject on a multilateral basis, and through the organization of responsible states in the world.

The first Conference on the Law of the Sea, which has been mentioned a number of times since the beginning of this debate, was set up after the prolonged and frustrated representations I have referred to, at least 15 years ago at the United Nations. I think it is of more than passing interest to note that the person who headed the Canadian delegation which discussed this matter at the United Nations in those earlier years was the present Prime Minister of this country.

As has been mentioned several times, some progress was made at this first conference, but the matter of extending fishing zones was not dealt with, and I believe the extension of fishing zones has been a prime objective of Canada from the beginning.

It was a disappointment to all those of us who have any knowledge of the effects of a narrow territorial limit that the 1960 conference failed by one vote to pass the resolution. I have referred to that before in this chamber, as have other honourable senators, and I need say no more about it except that if

that resolution had passed we would today be operating under a multilateral agreement with a six-mile limit for territorial waters, plus an additional six-mile fishing zone, and the fishing zone would have been subject to a gradual withdrawal by those nations which had historic and treaty rights. It has continued to remain a puzzle to a great many people, and is still rather puzzling to me, that those nations which supported the so-called six-plus-six resolution could not be persuaded by the Canadian Government long before now to agree bilaterally to establish what would be in effect a 12-mile fishing zone under Canadian control.

While I was making some notes on this subject the other day, I recalled that I had mentioned this subject in the Senate just before the visit of the late President Kennedy to Ottawa. As a result, the late Senator Brunt, who will remain vividly in our memory for a long time, undertook to inquire whether this subject might be added to the agenda of those high-level meetings that were being held at that time. However, we never received any indication that he was successful in his endeavours, and no mention was made of the subject in the statement that was issued at the end of President Kennedy's visit.

In the meantime, honourable senators, the situation seems to have become worse so far as we on the Atlantic coast are concerned. I should mention that all I have to say today will have no reference to the Pacific coast because I have no knowledge of the local situation there. I enjoyed listening to the remarks of Senator Reid, and I consider him quite capable of looking after his own part of the country. Foreign draggers in increasing numbers have continued their operations up to the three-mile limit without restriction or control and, indeed, without competition from Canadians. They have swarmed in on the coast near Yarmouth—this is the latest report that I was able to get from the Department of Fisheries—they have been off the tip of Cape Breton, and as everyone has heard—and it was mentioned years ago in the House of Commons—they have been very close to the cost of Newfoundland. My honourable friend Senator Hollett referred to that today. Russian vessels have been observed very close indeed to our coast line, and some fishing friends of mine have observed them from time to time very close to the south coast of Nova Scotia where I make my home.

I cannot help but feel, honourable senators, that this legislation, which is after all, enabling legislation, will be welcomed by those who know anything about the effects of the situation which has been allowed to continue for so long. When this legislation becomes law the Canadian 12-mile fishing zone will place important areas of living resources under the jurisdiction and control of Canada. Perhaps the most important aspect of it concerns conservation practices in general, and I believe it concerns the protection of certain fishing grounds and the reservation of them to Canadian inshore fishermen.

Honourable senators may recall that several years ago Parliament passed enabling legislation to permit the licensing of large Canadian draggers to fish alongside foreign draggers within the 12-mile limit. But the government of the day never carried out the terms of that legislation because they found, and it was quite understandable, that it was very difficult to indicate and to mark out the inshore grounds which, if they were permitted to be dragged over by Canadian draggers along with those who were there because of treaty or historic rights, would not seriously reduce or reduce even further the stocks of fish which the smaller fishing vessels had available to them.

Honourable senators, it is my hope that under this legislation Canadian jurisdiction over fishing resources within the 12-mile limit will also not lead to the wholesale replacement of foreign draggers by those registered in Canada. I believe that any decision on this point should be made only on a basis of sound conservation practices and the effect on the economic position of the inshore fishermen.

I might be permitted to make a passing reference to conservation in general, by saying that I hope that more rapid progress can be made through the International Commission for the Northwest Atlantic Fisheries with respect to conservation practices beyond the 12-mile limit.

The heavy concentration on certain offshore grounds is creating an alarming situation. What has been done by international agreement with respect to the halibut and salmon fisheries of the west coast is a model which may be capable of being copied on the Atlantic coast.

There is at present some concern that the point of over-exploitation of stocks of scallops and swordfish through the use of new methods of taking these species will soon be reached. In this connection, it is noteworthy that some of the best catches by Canadian vessels have been taken from fishing grounds off the coast of the southern Atlantic states of the United States, as well as off the New England coast. This is a subject of international concern, particularly in so far as the United States interests are involved.

Scientific knowledge is greatly needed in this field, and I hope that it can increase at a fast rate and lay the foundation for effective international conservation practices. The restriction on the size of the mesh of nets is

one of the few accomplishments of the International Commission in the Atlantic and is generally regarded by the fishermen as a small contribution to conservation. However, it is a step which many hope will be followed by more important steps.

One particular phase of conservation which many would like to see investigated is the possibility of international agreement to periodic closed seasons on certain offshore banks. The opinion is held by some that this step would periodically provide for undisturbed spawning areas which would increase the stock of fish, not only for the large draggers in the future but also relieve the fishing pressure so that migration from these closed grounds could replenish the stocks of fish available to the inshore fisheries.

I know that such a proposal will not be readily acceptable by all. However, since I was a little boy and engaged in some trout fishing, I have always known of fishing "hogs". They were amateurs in those days. There are fishing hogs today on the high seas. I do not think that any country is exempt in this regard.

I followed the contribution to the debate by honourable Senator Brooks very carefully yesterday, and I find myself in agreement with most of what he said. He did mention the difficulties which will be faced by the Government in trying to enforce regulations under this act. To sum up his speech, it seemed to be one in which he was urging caution. I agree with that, too.

I listened carefully also to the contribution by honourable Senator Phillips, who also comes from a maritime province. I believe he listed about all the difficulties of enforcement there might be. Some of course were real, but others he listed were in a realm closely approaching imagination.

The attitude that things are too difficult and that if you try to do them you may run into problems is an attitude that has very little place today, even in dealings between nations. Perhaps this is why we have to wait all this long time to get something which has more hope of reaching a conclusion that will be beneficial to the Canadian fishermen.

I think we have all been worried and overly cautious. It seems to me that this is the proper time to put this bill on the Order Paper and to have it discussed and passed, and I am convinced that it should be passed in its present form.

I took the inference from some of the remarks made, that Canadians are hotheads. I do not think we ever had a reputation of being international hotheads. We have been going at this matter very cautiously.

One phrase used by one of the honourable senators opposite was "gunboat diplomacy". I do not think that this has been established as a Canadian technique for getting things done that would be for the benefit of this nation or other nations. That this legislation will be followed by responsible action, I am really quite confident.

I want to tell honourable senators that the Fisheries Council of Canada—which is an organization with members coming from all provinces of Canada, representing fishermen and the industry in general, as well as those concerned with marketing—is in favour of this present legislation and have so indicated publicly. I think the time has arrived to go ahead and declare a 12-mile fishing zone under Canada's control. Therefore, I would assume that the Fisheries Council of Canada shares the confidence that I have. We must not forget that few nations have either historic or treaty rights. I am indebted to Senator Kinley for clearing up some doubts in my mind on this subject. Those nations which have those historic or treaty rights are nations which have already indicated, by their vote at the international meeting four years ago, that they are in favour of a 12-mile Canadian fishing zone. So happily, they have already shown support for this proposition.

The Canadian negotiating team—if there is a group that could be so designated which has been carrying on some kind of negotiations with other countries for quite a long time now—has the favourable prospects which any sound proposition should have.

In the first place, the United States, for example, in 1960 not only supported this resolution to which reference has been made but was a co-sponsor of the resolution for a 12-mile fishing zone.

I think we should consider what I believe to be a fact, that the American people have a sense of fair play which will make it very difficult to refuse agreement at this time for eventual Canadian control and regulation, particularly if Canadian reasons are based on conservation. We have a long history of having refused Canadian draggers access to these inshore grounds, and the Americans know that in the past our reasons have been very good indeed.

Again, advance notice of the Government's intention in this matter was given almost one year ago to all nations concerned. To deal otherwise than cautiously with this subject might have jeopardized our position in the markets of the United States. By "markets", I mean markets for fish, for 75 per cent of the Canadian production is sold in the United States. This is a large and fast growing market, due to population growth.

I saw an item in a publication a few days ago—I believe it was the *Christian Science Monitor*—which indicated how big that market is. The latest report is for 1963. There are 4.5 billion pounds of fish consumed by human beings in the United States annually. That is a lot of fish. It must be remembered that the population of that country is growing rapidly. The item leads me to believe that at the rate of growth in population, it will not be many years before that figure will have increased to nine or ten billion pounds of fish. So the United States may be glad to have Canadian fish available. Of that huge amount of fish consumed in the United States, their domestic catch last year was 55 per cent. Therefore, they will have to look to foreign countries to supply them.

Everything is in our favour to conclude negotiations amicably. I think we have been cautious enough, and that not many weeks or months will elapse before a protective 12-mile limit will be declared in this country.

In conclusion, I want to say, with regard to the other nations without historic and/or treaty rights, that the fishermen from Nova Scotia tell me that if this legislation is passed, they are expecting that very early notification will be given to those other nations that they must from that time on "keep off." Many of them have felt strongly, for example, that the hammer and sickle have been riding the seas in large numbers, too close to our shores for too long. We sometimes wonder what kind of fishing some of them really are interested in.

Honourable senators, I take great pleasure in supporting the motion for second reading of the bill.

Hon. Gunnar S. Thorvaldson: Honourable senators, perhaps I should ask to be pardoned for having anything to say on this bill, considering the fact that every previous speaker has, or has had, salt water in his nostrils, and I have not. Indeed, a few moments ago one of my colleagues from Manitoba asked me if I was going to speak on this bill. I remarked that I might say a few words, and he said, "Why, man, don't you realize you were born just beside Lake Winnipeg, which is an inland water?" I replied to my colleague, "Have you forgotten that Manitoba is a maritime province, bounded by no less than 500 miles of salt water?" I refer, of course, to that great body of water, Hudson Bay.

Hon. Mr. Reid: After all, we who are interested in fisheries also discuss wheat.

Hon. Mr. Thorvaldson: That is right. One reason I rise to say something is that the problem envisaged in this bill is, to the extent of about 90 per cent of its depth, an international problem, and consequently I think it is most essential that there be unanimity, both in this body and in the other house, in regard to this bill. It has been a pleasure indeed to find so far that there has been agreement in all essential particulars concerning it. I for one certainly hope that continues. I say this because it is a very simple matter for us to pass Bill S-17, dealing with this problem; but what has not been done to any great extent yet is to predict what the future holds in regard to the results it hopes to achieve.

Senator Hollett referred to some extent to what must be done in the future, namely, the negotiation which has to take place with many countries, particularly with the United States, with France, and also with Portugal and Spain, and probably to a less degree with the U.S.S.R.; and that is all on the east coast. Then there are the negotiations which must take place, referred to by honourable Senator Reid yesterday, in regard to the fisheries on the west coast, involving, to a large extent, entirely different interests. I wonder if we ever recognize, and this fact has not been stated before, that Canada has a coast line of 60,000 miles. I understand that Japan is the only other country with a coastline of similar length. Also, Canada is the only country in the world which borders on three oceans, namely the Atlantic, the Pacific and the Arctic. In addition, Canada harvests from its waters the sixth largest quantity of fish of any country in the world. I cite these facts to indicate the tremendous importance of this bill to Canada and its future.

I do not want to cover points which have been so ably dealt with by other speakers. Senator Cook, in presenting this bill with a clarity which was indeed praiseworthy, dealt with some of the international problems involved, as did other speakers who followed him. Consequently, I am not going to discuss those matters, but I am going to deal with two or three points which come to mind and which have not yet been dealt with, although one of them was touched on briefly by Senator Hollett this afternoon.

On that particular point, fortunately, I find myself able to disagree with Senator Hollett, for reasons I shall indicate in a few moments. One of these points is: Why did we not attempt to enact legislation such as this before now, because I believe we shall find it very easy to pass this bill now through both houses of Parliament? Indeed, I shall be very surprised if any senator or member of the other house will oppose it. Consequently, why did we not try to enact the legislation before?

The second point which occurred to me, and which was touched upon by Senator Hollett was this: Is this the correct way to deal with this particular problem? In other words, what is the right thing to do—to pass our legislation first and then negotiate—or should we negotiate first and then pass our legislation?

There is also a third point which has not been touched upon to any extent, and that is, how soon can we expect a favourable result from this legislation? I must say that if anyone here thinks we are going to achieve our desired results in a few weeks or months, or even in anything less than five or ten years, then indeed I would be very surprised. In due course I will comment on why I hold this belief.

Honourable senators, the main reason that I am presuming to say anything on this bill is that a few years ago I had a peculiar relationship with this problem. I had the honour of being one of the Canadian delegates to the United Nations in New York in 1958, when I had the privilege of representing Canada on the legal committee, which is the so-called Sixth Committee of the United Nations. One of the problems before the legal committee in 1958 was to make a determination as to whether or not there should be convened a second Conference on the Law of the Sea. There have been many references made in this house to the first Conference on the Law of the Sea which was held in Geneva in 1958 and which was attended by delegates from over 80 countries. That conference sat for many weeks, and I think it is true to say, as I believe the honourable Senator Brooks stated yesterday, that Canada took a leading part in it. I recall various members of the Sixth Committee of the United Nations in 1958, most of whom were distinguished international lawyers, telling me that the Honourable George Drew was really the leading figure at that whole conference, and that the success achieved was due in large measure to the leadership he displayed at the conference.

Hon. Mr. Reid: Would the honourable senator allow me a question?

Hon. Mr. Thorvaldson: Yes.

Hon. Mr. Reid: Would you agree with me that steps should be taken to allow only those nations that border on the sea to make decisions, rather than all 88 nations, half of whom do not border on the sea at all?

Hon. Mr. Thorvaldson: That is a good question, but I think the honourable senator will find that although some nations which do not border on the sea were in attendance at the first conference in Geneva, there are actually very few countries which do not border on the high seas. It is true a few such countries did send delegations, but they had the right to be there as members of the United Nations, for this was a conference convened by the United Nations.

Honourable senators, I am making these remarks because those two conferences really form the background of this bill. If it had not been for those conferences and the work done at them and in the Sixth Committee of the United Nations in 1958, the presentation of such a bill in this house would be very premature, if not impossible.

Returning to that 1958 conference, it has been said by many to have been the most successful conference on international law ever held up to that time. I believe that is true. Indeed, it dealt with the most important fact in international affairs, the sea and the Law of the Sea. As has been said before, finally a large measure of agreement was reached at that conference. In fact, there were over 100 articles upon which agreement was reached, and the only major disagreement was in regard to what is called the territorial sea and the contiguous fishing zones. I may say with regard to these other resolutions which were passed and which, of course, became framed in conventions later accepted by a large majority of the nations, that in order to pass they had to receive 75 per cent of the vote. At that first conference those 100-odd resolutions carried, and this one was the only resolution that failed to carry, failing by only eight or nine votes.

At the end of that conference in which Canada played such an important part, a resolution was presented by Canada, Australia, Ceylon and Ghana calling for the convening of a new conference at an early date in order to deal with this unsolved problem. That resolution was partially passed in that it was decided to refer to the United Nations the problem of convening a new conference. The Geneva conference having closed on April 17, 1958, the question as to whether a second Conference on the Law of the Sea should be held was in fact referred to the United Nations. As a result of that resolution the matter came before the United Nations General Assembly in September 1958, and then the assembly referred it to the legal committee where it was debated for a period of approximately four weeks. Finally, the question was decided in the affirmative.

As a result, the second Conference on the Law of the Sea was held in Geneva in 1960, at which additional nations were represented over and above those attending the 1958 conference. I think it can be said that again the Canadian delegation played a leading role. Of course, we should take a leading part in such conferences, because our interests are not identical with those of the United States or, in this regard, of Great Britain or France. Consequently, those countries were more or less antagonistic to our point of view and naturally so, because passing this final resolution would be contrary to their best interests. So it was a very hard fight, but, as I say, Canada again

led the way. The result was most unfortunate, in that we lost out by only one vote.

Let us consider this bill for a moment. It provides for a territorial sea of three miles and a contiguous fishing zone of nine miles. The resolution before the second conference on the Law of the Sea was for a territorial sea of six miles and a contiguous fishing zone of six miles, which would actually make the fishing zone 12 miles. Such is, of course, proposed in this bill, but in this bill it is three and nine miles whereas the conference resolution provided the six-and-six mile rule. Be that as it may, the resolution failed to carry. Perhaps the reason it failed to carry by just one vote was that the resolution, although providing for the six-plus-six rule, also provided for a phasing out period of 10 years. Two or three countries which would have supported the six-plus-six resolution without the addition were too impatient to accept the phasing out period of 10 years.

You will recall that at that time Iceland—which is an important fishing nation despite its small size—was engaged in what might be called "gunboat" diplomacy with the United Kingdom. As everyone knows, that was a most unfortunate situation. You will recall having read about it. Canada had worked very closely with all Scandinavian countries in the legal committee. We worked harmoniously together because our interests were identical, and consequently I and others had hoped that Iceland would cast her vote in favour of adopting the six-plus-six rule at the Geneva Conference. However, their problem was the 10-year phasing out feature, and Iceland decided it could not afford to wait that long for a final solution. In the result, however, you may recall that an amicable solution was subsequently reached between that country and the United Kingdom. In other words, after the conference the United Kingdom—largely, I presume, through considerations of friendship and good will for another NATO country, and also because it was a very small country which was dependent to the extent of 90 or 95 per cent of its foreign trade on its fisheries—came to an agreement with Iceland to recognize the 12-mile limit which had been unilaterally legislated into effect by that country.

But I want to make this point, that in that case no solution was possible without negotiation between the United Kingdom and Iceland. Indeed, Iceland was in the identical position that Canada is in today. No agreement was possible without negotiations which they successfully conducted with the United Kingdom after the failure of the 1960 conference.

That is generally the background of those two conferences; the second one having failed by, as we all know, one vote to secure the 75 per cent majority. Consequently, we are here with this bill.

I come now to the first question I posed: Why did we not attempt to enact this legislation before now? Well, the reason is that international law in fishing matters had not developed to its present extent until very recently. The fact is that although it is perhaps not international law, as such, that every nation must accept a 12-mile limit in respect to other nations, nevertheless there is a tremendous moral and persuasive force in the fact that 74 per cent of the nations of the world have decided that this should in fact be international law. I repeat that while that has now no legal effect, it has a moral effect.

Another point raised by Senator Cook is as to whether the 3-mile limit has legal sanction. For many hundreds of years it was deemed that the three-mile limit had legal sanction in international law, but it is doubted now whether that is in fact the case. Indeed, the vast majority of nations say it is not international law, and that it was simply the larger maritime nations of the past—Portugal, Spain, Great Britain and the United States—that tried to make it international law. However, I do not think any court of international jurisdiction has accepted the three-mile limit as being international law as such.

Anyway, the state of the world's political situation concerning fisheries has now come to a point where I think it is a correct thing for Canada to take the step we are now taking in this bill.

The second question that I asked myself is this: Is this the correct way of dealing with the problem? My friend Senator Hollett had the same query; in fact, he considered that this was not the way to deal with it but that we should negotiate first. In that regard I want to refer to one of the most famous legal cases in maritime history regarding fisheries, known as the Anglo-Norway case of 1951, which was heard and decided upon by the International Court of Justice.

Hon. Mr. McCutcheon: That was dealing with the baseline?

Hon. Mr. Thorvaldson: It was dealing with baselines. That was one problem it settled. This decision of the International Court of Justice pretty much settled the law in regard to baselines, thus making the problem easier of solution for the two Geneva conferences.

Hon. Mr. Hollett: Who made the law?

Hon. Mr. Thorvaldson: It is a decision of the International Court of Justice. It was a most important legal case between England and Norway. The facts were that Norway had legislated to increase the breadth of its

territorial seas and fishing limits and had also made some change in the former practice concerning baselines. The matter was brought before the International Court of Justice, and I now read to you one short portion of the judgment of that court. It is as follows:

> The delimitation of sea areas has always an international aspect; it cannot be dependent merely upon the will of the coastal state as expressed in its municipal law.

Here is the important part of that decision so far as the bill now before us is concerned.

> Although it is true that the act of delimitation is necessarily a unilateral act, because only the coastal state is competent to undertake it, the validity of the delimitation with regard to other states depends upon international law.

I repeat that to me the important part of this statement of the court is that it is appropriate that each state which claims to extend its fishing limit should first pass its own legislation. That is what we are doing here. Then it adds that the validity of the delimitation with regard to other states depends upon international law.

Hon. Mr. McCutcheon: If we have an opportunity to pass the bill it may subsequently be declared invalid by an international court. Is that what my friend is saying?

Hon. Mr. Thorvaldson: It may be declared invalid, but then again it may not be. I say this for the reason that I do not think any court of international justice has decided that there is a valid doctrine of a three-mile territorial sea, and no more binding on all nations. That is the point I was trying to make a little while ago, namely, that none of the great powers of the world, such as the United States, Great Britain, France, or the other seafaring powers who have been fishing off other people's coasts for generations and indeed for centuries, have been able to convince an International Court of Justice that the so-called three-mile limit is a part of international law.

Indeed, this matter might eventually go before the Court of International Justice for adjudication. If we fail to reach agreement with the United States, France, or these other countries that are involved in our fisheries, I admit it may be necessary at some future time to have the matter adjudicated by a court. On the other hand, I think there is tremendous moral persuasion inherent in the fact that such countries as the United States, Great Britain and, I believe, France, all voted in an affirmative way for the six-plus-six proposal in the 1960 convention, subject only to the consideration that there should be a 10-year phasing-out period.

Therefore, while I am quite aware of the fact that we may have great difficulty in negotiating our way out of this situation, nevertheless, I, for one, shall continue to have high hopes for an eventual successful conclusion.

We can point to the fact that at this very important international conference in 1960, the United States, Great Britain and France—I am not sure how Portugal and Spain voted on the resolution—showed at least a willingness to adopt the six-plus-six rule. Whether it be the six-plus-six rule or the three-plus-nine rule, does not matter very much to me. Indeed, I have been wondering why we had not adopted the six-plus-six rule in this legislation instead of the three-plus-nine rule. There may be reasons for that. However, these countries at Geneva agreed to this 12-mile total limit, subject to a ten-year phasing-out period.

I realize, of course, honourable senators, that we would like those countries to accept the law we are trying to create without delay, and perhaps no one here or in the other house should even suggest that there be a phasing-out period. Nevertheless, I think we have always to face the fact that it may be some years before this legislation becomes effective.

Honourable senators, I intended to speak on this subject for only about five or six minutes, and I have now spoken for far too long a time. I have done so because I had occasion to listen to some of the great legal minds of the world speaking on this problem in the Sixth Committee of the United Nations in 1958. That in itself was an interesting personal experience. It was there that the decision was made to call the second Conference on the Law of the Sea, which came so close to producing the result that Canadians want and which, indeed, produced a result which makes possible the presentation and enactment of this bill with the reasonable hope that it may become effective sometime in the future—the sooner the better.

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

TOURIST TRAFFIC

MOTION TO EMPOWER COMMITTEE TO MAKE INQUIRY—DEBATE CONTINUED

The Senate resumed from April 30 the adjourned debate on the motion of the Honourable Senator Isnor:

> That the Standing Committee on Tourist Traffic be empowered to inquire into and report upon the activities of the

various agencies concerned with promoting tourist travel in Canada and that the committee be authorized to send for persons, papers and records.

Hon. Mariana B. Jodoin: Honourable senators, permit me to address you in French. I believe you will understand me better than if I speak English.

(Translation):

This being the first time I have spoken since the beginning of the present session, I should like to extend my most sincere congratulations to our honourable Speaker for the dignified and competent manner in which he presides over the proceedings of the Senate.

So that my comments may not be too protracted, I shall merely say that I associate myself with the tributes paid to the mover and the seconder of the address in reply to the Speech from the Throne and to Senator A. J. Brooks for his speech that was so deservedly well received.

I salute our new leader, Senator John J. Connolly (Ottawa West), whose competence cannot be questioned, and I bid welcome to our new senators.

May I express my special gratitude to Senator W. Ross Macdonald (Brantford) for his courtesy towards everyone and especially for his very special tactfulness by always speaking to me in French.

Honourable senators, I am pleased to second the motion moved by Senator Isnor, Chairman of the Senate's Tourist Traffic Committee, because I consider that tourism is an enrichment for a country, both from the cultural and financial points of view; moral enrichment which is an appreciation of the special beauty of each nation of the world; financial enrichment which is the result of the prosperity brought about by industries related to tourism. Under the able management of Senator Isnor, I am sure this committee will contribute to a tremendous development of the tourist industry in Canada. In order to help tourists, there are in our large towns tourist agencies, trained guides and a number of easy and adequate transportation facilities.

The beauties and wonders that you will see cannot be described in a few pages, but you will keep impressions of them that will remain as your most precious memories. Let us attempt to describe a few beauties peculiar to the Province of Quebec.

Although I had the opportunity to admire from a tourist's point of view the eastern and western parts of Canada, it is only natural that I should speak particularly about my own Province of Quebec, the largest province of Canada. With its six million people, the province presents to its visitors ancestral treasures inherited from its first settlers and still jealously kept in villages where the scenery is wonderful and the sunsets splendid. The province is bounded to the north by our Laurentian mountain range extending over miles and miles and the peaks of which stand out against the sky while at its base crystal clear waters from more than six thousand lakes and streams wind their way through numerous quaint villages.

If we take a look at the documentary publications concerning that province, we find that its real face reveals something or other that is different from its sister provinces, something that seems to have survived the past while adapting itself to present needs.

There is Levis and, on the cliff opposite, Quebec, the capital city, an historical city known for its legendary hospitality, for the friendliness of its inhabitants, for its basilicas and its archaic treasures, and which has a very particular character: Bois-de-Coulonge, the lieutenant-governor's residence, which in 1648 was so named by Louis d'Ailleboust de Coulonge, the third governor of New France; the Parliament buildings where so many serious matters are settled; its unique winter carnival, its historical gates, and so forth.

Then, you have the eastern townships with their queen, Sherbrooke, the ingenious Mauricie and Sorel, the riding I am trying to represent as best I can. Closer at hand, there is Hull, a busy town located along the shores of the Ottawa River.

If we follow the majestic St. Lawrence River across our province, our tourist's admiration is only increased when we get to the Saguenay, when we pass Bonaventure Island and its myriads of white birds, Percé and its sea gulls, Gaspé and its bold cliffs; everything is different and attractive. Our curiosity is also attracted by handicrafts, brought to a degree of perfection by old artisans: ceramic work of art, famed carpetry. All that in a beautiful scenery, where wonderful landscapes prevail, and scattered in its cities oratories and century-old sanctuaries.

This French land, almost four centuries old, is still defending its ancestral way of life. That heart is still beating, jealous of its rights, but respectful of both cultures which co-operated hand in hand to the establishment of a bicultural Canada.

Of course, I would not like to conclude those few observations, the scope of which could cover several pages, without mentioning Montreal, my native city. It is only a few miles from here; you all know it, but with the progress under way, with its gigantic projects, it is undergoing a face lifting at the present time. Everything is on the march in our metropolis: arts, science, industry and trade.

For those who witnessed the first years of this century, who lived through the pre-war quiet days, during which this unique city, located at the foot of a mountain of greenery, was the meeting place of people thirsty for natural beauty, no doubt, it is hardly recognizable. However, it still remains a city with a hundred steeples and domes whose musical bells fill the air. It is also, with its old section, the second largest French-speaking city in the world. But it is obvious that tremendous changes are taking place due in part to the Great World Exhibition of 1967, to be held on St. Helene Island. Montreal knows no limits to its development, and everybody, in a not too distant future, will find in it the satisfaction provided by innovation, renewal, and hope. This exhibition will show to all foreign visitors the possibilities of advancement of the province of Quebec, especially if both cultures present remain united.

(Text):

It is also my sincere hope that Quebec will receive our Queen, this admirable woman who is an example for all the women of Canada, in fact of the entire world.

(Translation):

In conclusion honourable senators, may I extend to you a very special invitation to visit the Province of Quebec. You will be received with courtesy in Montreal as well as in the whole of "La Belle Province."

(Text):

On motion of Hon. Mr. Fournier (Madawaska-Restigouche), debate adjourned.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, May 6, 1964

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

Prayers.

DOCUMENTS TABLED

Hon. John J. Connolly tabled:

Text of Canada-United Kingdom Cereals Arrangements: Special Arrangements for Canadian Wheat Flour, dated April 15, 1964. (English and French texts).

Text of the Speech by U.S. Under Secretary of State George W. Ball, delivered April 26, 1964, at Harriman, New York, entitled "Interdependence: The Basis for U.S.-Canada Relations". (English text).

Copy of Report by Dr. C. J. Mackenzie, dated January 28, 1964, entitled "The Organization of Government Scientific Activities". (English and French texts).

Copy of Communiqué issued by the Joint United States-Canadian Committee on Trade and Economic Affairs following ninth meeting held at Ottawa on April 29-30, 1964. (English and French texts).

Copy of Report by the Secretary-General to the Security Council on the Organization and Operation of the United Nations Peace-Keeping Force in Cyprus, dated May 2, 1964. (English text).

PRIVATE BILLS

BANK OF BRITISH COLUMBIA—FIRST READING

Hon. J. W. de B. Farris presented Bill S-20, to incorporate the Bank of British Columbia.

Bill read first time.

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

Hon. Mr. Farris: With leave of the Senate, I would ask that this bill be placed on the Order Paper for second reading tomorrow. I have two reasons for making that request. First, I am told the temperature will be 85 degrees tomorrow, and higher after that; so the sooner we get rid of this the better. My second reason is that I cannot be here again until next Wednesday. It was my understanding that this bill would have been introduced earlier. However, it is entirely up to the Senate.

Hon. Senators: Agreed.

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

Motion agreed to.

ALLSTATE INSURANCE COMPANY OF CANADA —REPORT OF COMMITTEE ADOPTED

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill S-12, respecting Allstate Insurance Company of Canada, and had directed that the bill be reported without amendment.

Report adopted.

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

Hon. Mr. Thorvaldson moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

NEW SCOTLAND SAVINGS AND MORTGAGE COMPANY—REPORT OF COMMITTEE ADOPTED

Hon. Mr. Hayden, Chairman of the Standing Committee on Banking and Commerce reported that the committee had considered Bill S-15, to incorporate New Scotland Savings and Mortgage Company, and had directed that the bill be reported with the following amendments:

1. Line 14: Strike out "New Scotland" and substitute therefor "Evangeline".

2. In the title: Strike out "New Scotland" and substitute therefor "Evangeline".

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

Hon. Mr. Hayden: With leave, I move that the report be adopted now.

Honourable senators, the reason for the proposed change in name is that a long-established Nova Scotia company known as Nova Scotia Savings and Loan Company, which proposes to apply to this session of Parliament for federal incorporation superseding its provincial incorporation, made some objection to the proposed name New Scotland Savings and Mortgage Company. The petitioners in this bill were perfectly happy in the circumstances to agree to a change, and they adopted the name "Evangeline" in place of "New Scotland".

Report adopted.

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

Hon. Gordon B. Isnor moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

TERRITORIAL SEA AND FISHING ZONES BILL

SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Cook, for the second reading of Bill S-17, respecting the Territorial Sea and Fishing Zones of Canada.

Hon. Allister Grosart: Honourable senators, I have listened with interest and admiration to the discussions so far on this bill. We had a clear, succinct, though I think rather short, explanation from the sponsor, Senator Cook. We have heard from two honourable senators, namely, Senator Brooks and Senator Thorvaldson, who have actually taken part in negotiations in this difficult field. We have heard from Senator Reid, whose intimate knowledge of the entire problem extends over many years. Senator McCutcheon addressed the house on a very important aspect. We also heard from Senators Kinley, Hollett and Phillips, all of whom have had intimate knowledge of and close experience with the problem of our fisheries and are aware of the urgent necessity of action to protect this great resource, which directly affects the livelihood of thousands of Canadians.

I would say at the outset that I agree entirely with the necessity for action. I can only hope that before this legislation progresses much further the Government will provide us with the kind of information which will convince me that this is, if not the only method, at least the best possible method of achieving this very desirable objective.

After listening to senators with far more knowledge than I have, I presume to offer a few thoughts today only because I have been interested in the subject matter of the bill for a very long time. As a matter of fact, as far back as 1928, in my salad days, I devoted a year of post-graduate work to a study which resulted in a treatise entitled *The International Law of Territorial Waters.* Whether it was of any significance, I do not know; I can only say that it appears to be impossible now to find a copy of it. I undertook that task under the guidance of a highly distinguished scholar, Dr. Norman A. M. MacKenzie, of the University of Toronto, who later became President of the University of British Columbia.

Hon. Mr. Brooks: He was also President of the University of New Brunswick.

Hon. Mr. Grosart: That is true—all of which adds to his distinction as a scholar, and points up the fact that as I go along I shall be citing him as my leading authority on one of the two viewpoints which I shall put before the Senate as to the legality or otherwise of the legislation before us, under existing international law.

That there are two viewpoints, I think no one who has seriously studied the authorities will doubt for a moment. One viewpoint is widely held, particularly by some of the scholars and statesmen of the nations who are involved and who will be directly affected by this bill. It is that the territorial waters of any nation today are, and can only be, those extending from the line of the mean low-water mark spring tides three miles seaward, and that any action by any nation further extending that territorial sea is in violation of the law of the nations.

The scholars who take that position make some exceptions, of which I think many senators are aware. There is general recognition of certain consequential rights out to the 12-mile limit, but these are limited today, in the opinion of these scholars, to such matters as customs, sanitation, and certain fiscal requirements of domestic laws. Of course, there is some recognition, very important to Canada, of the doctrine of exceptionality, by which there is recognition of the special position of certain nations, particularly Norway, which has a heavily indented coast, and regarding which there has been acceptance, if not full recognition, of the decision of the Royal Norwegian Government some years ago to base their territorial waters on a new kind of base known as the baseline, which in general effect is a line extending from headland to headland rather than following the coast line at its low-water level. Also there would appear to be general recognition or acceptance of the Norwegian claim to a four-mile limit.

However, leaving aside those qualifications, there is the strongly-held view that the territorial waters of any nation may not, except in violation of the law and comity of nations, extend beyond the three-mile limit. I think it important that that view be kept before us, because if it is an accepted principle of international law, then I am sure honourable senators would hesitate before taking steps here which would lead to unilateral action on the part of Canada in defiance of international law, which would amount to Canada taking the law into its own hands.

However, I am glad to say there is another view, sometimes called the Canadian view, which is that since the war certain events have taken place—international cases, action by various nations, treaties between nations

—which have so modified the once universal recognition of the three-mile limit that no longer can it be regarded as a universally accepted or established law of the sea binding on all nations.

The first and narrower view is well set forth in one of the accepted texts, known as the *International Law of the Sea*, fifth edition, which I have here, by C. John Colombos, an eminent scholar. The year 1962 is important because it is subsequent to some of the events or developments which have been mentioned by honourable senators, and it is also subsequent to the Geneva sea conferences of 1958 and 1960, of which we had such an excellent and inside account by Senator Thorvaldson yesterday.

The so-called Canadian view is well expressed, should any honourable senators be interested in looking it up, in a small pamphlet under the title, *International Law, Rivers and Marginal Seas*, published by the University of British Columbia in 1956. It includes an article entitled, "A Canadian View of Territorial Seas and Fisheries," written by Professor Jacob Austin and Dr. N. A. M. MacKenzie of the University of British Columbia. Again, the date is important because the view put forward by these eminent scholars antecedes some of these events, particularly the Geneva sea conferences, and I am sure both authors would feel that what took place there gave added support to their argument.

May I summarize what these two learned Canadian authorities say? First of all, they refer to the old law, going way back to Grotius in 1609, to the doctrine of *mare liberum*, the open sea, and to another great international law scholar, Selden, seven years later, who published the more or less opposite view, *mare clausum*, the closed sea. These scholars say, in effect, that the *mare liberum*, the open sea doctrine of the inviolability of the high seas, was accepted for many years, and that it is only since the end of World War II that the doctrine of *mare clausum*, the right of nations to close the seas off their coasts, has come into general acceptance.

As evidence of this change—and I think it is important if such a change has taken place that it be established in our minds—they instance six important examples some of which have already been referred to.

The first is the famous Anglo-Norway Fisheries case. The second is the agreement reached between the United Kingdom and Iceland following the dispute over fisheries. The third is the very summary exclusion of the Japanese from hundreds of square miles of high seas by the unilateral action of the U.S.S.R. The fourth is what is called the Truman Doctrine, enunciated by President Truman in 1945. The fifth is the claim of a number of South American countries to extend their territorial waters and the action they have taken to enforce that claim. The sixth is the current Canadian pressure for protection of our fisheries beyond the present three-mile limit and up to a suggested 12-mile limit.

I would like to summarize these cases very quickly, since they bear on the legality of the action we are now being asked to take.

The Norwegian case was a reference to the International Court of Justice by the United Kingdom of its dispute with Norway following a Royal Norwegian decree, a unilateral decree, which extended Norway's territorial waters. By virtue of this decree they set up these new baselines, and claimed full territorial jurisdiction four miles beyond the baseline. The reference to the court was couched in these words:

> . . . whether the method employed for the delimitation of the fisheries zone by the Royal Norwegian Decree of July 12, 1935 and the baselines fixed by the said decree in application of that method, was contrary or not to international law.

The majority opinion of the court, which divided ten to two, was that the baseline method was not contrary to international law, but the court reaffirmed the generality of the three-mile low-water limit. However, it is said that Norway is an exceptional case, and under the circumstances and because of its having this highly indented coast line, the baseline method was not a violation of international law.

The question of the four-mile limit did not come before the court because, in effect, the United Kingdom had agreed to it. It is interesting to note that the Norwegian baseline consists of 48 fixed points, some of them 10 miles apart, and in one case two of the coordinates are 44 miles apart. The words used by the court are important to the present Canadian case, because in approving the doctrine of exceptionality as applied to Norway they said they did so on the basis of what they called "geographic realities" and "great economic interests peculiar to a region, the reality and importance of which are clearly evidenced by long usage." This again is a decision of prime importance to the present Canadian case.

Oddly enough, Mr. Justice Reid, one of the two dissenting judges, was a Canadian, and he asserted very strongly the inviolability of the old three-mile low-water mark rule.

In the case of Iceland, the newly independent nation extended its territorial waters in 1958 to the 12-mile limit. The United Kingdom in a very sharp note refused to accept

this, and used these words that they regarded it as their "duty to prevent any unlawful attempt to interfere with British shipping outside the normal limits of territorial waters," by which, of course, they meant the old three-mile limit. There were some gunboat incidents, and finally a truce was arranged in the hope that the matter might be settled before the 1960 Geneva conference. As we all know, it was not; finally, it was settled by an exchange of notes. Iceland won its point, although the United Kingdom was careful to point out that it was only because of the exceptional circumstances due to Iceland's dependence for its economic welfare on its fisheries. They insisted that they were not conceding the fundamental point of the three-mile limit. Nevertheless, this exception had the effect of denying the United Kingdom fishing rights in two-thirds of the entire fishing area within the 12-mile limit, and completely within the three-mile limit.

The Russian exclusion of Japanese fishing vessels had little legal effect and was purely a dictatorial act, and no explanation has been given and no attempt made to defend it. The Truman Doctrine of 1945 made extraordinary claims of exclusive United States rights in the continental shelf far out to sea, but did not claim exclusive sovereignty or general jurisdiction over the waters above the shelf beyond the three-mile limit. Nevertheless, they still insist that the three-mile limit is the existing international law.

Following the Truman Doctrine a number of South American countries claimed extension of their territorial maritime jurisdiction, in some cases up to 200 miles, and they acted accordingly in support of their claim because in one case the Peruvian authorities seized a United States ship 160 miles from their coast, brought it into port, and the captain and owners were fined $5 million, with five days to pay.

The sixth item in this list of cases cited by eminent Canadian authorities is before us today, the Canadian position.

At this stage I would like to read the general conclusion of the argument of these two eminent professors, Professor Austin and Dr. MacKenzie. They say:

> Canada, then, until the end of the second world war adhered to the three-mile rule and to the rule that the baselines should follow the sinuosities of the coast. It was believed that these rules were principles of international law. However, since 1945 it has been demonstrated that neither practice nor theory demands that these rules be adhered to. Agitation in Canada has long existed for an extension of her territorial seas to a breadth of twelve miles and such a claim does not seem unreasonable or exaggerated in the light of recent state practice. The decision of the International Court of Justice in the Anglo-Norwegian Fisheries case has strengthened these demands. Both the Atlantic and Pacific coasts are irregular in shape, the Pacific coast in particular bearing a great similarity to the coast of Norway; and it cannot be denied that fisheries are of the utmost importance to the British Columbia economy. International law, it seems, does recognize a straight baseline system so long as it is reasonable and follows the general direction of the coast; and Canada would, therefore, be acting in accordance with international law if she were to re-draw her baselines in the Norwegian manner along the west coast of Vancouver Island extending north to the west coasts of the Queen Charlottes and then to the Alaskan boundary. This would preserve Queen Charlotte Sound and the Hecate Straight as Canadian waters where no foreign vessel could fish. Further, it would be in accordance with the draft conventions of the International Law Commission if Canada, having sought in vain to reach agreement with interested states, were to regulate fisheries on the high seas contiguous to her coasts for conservation purposes, so long as aliens are treated in the same way as Canadians.

Now, it should be said that there are many nations, some of them very directly concerned in the action contemplated in this bill, who do not agree with that position. The difference between the viewpoints is summed up in two headings that appear in these two sources. In the Colombos book there is this heading:

> The Three-mile limit is the proper limit of Territorial Waters

In the Canadian source the heading reads:

> Former general adherence to the three-mile rule.

It should also be noted that the textbook, while insisting that the three-mile rule is still the law, and citing statements made officially by the United Kingdom and the United States following the 1960 Geneva Conference on the Law of the Sea, does concede this:

> There is not in existence a universally recognized rule of international law as to the extent of territorial waters but the limit most generally accepted is the marine league.

And that is, of course, three nautical miles. So there does appear to be a basis in inter-

national law for Canada's claim to a fishing limit extending nine miles beyond the outer limit of the territorial waters measured three miles from the baseline.

However, I am concerned as to whether that legal basis necessarily justifies unilateral action to enforce our claim. I do not say it does not, but I do not think that Canadians at this time should be put in a position, without a clear statement from the Government, of taking the law into their own hands. Most of us at one time or another while reading world news have deprecated the unilateral action of any one country, particularly when that country has failed in its claim before such an organization as the United Nations.

That, by and large, has not been the Canadian way, and students of history might well argue that we have suffered considerably on that account. However, I am sure that few Canadians would want to think that we are without justification, and that without stating the grounds for our justification we are now taking the law into our own hands merely because in 1960 we were not able to get recognition of our claims.

For that reason it is regrettable that when this bill was introduced there was not a fuller explanation of some of these matters. I should have liked to have known what our position is. Are we resting on the Canadian view of international law? Are we saying that the three-mile rule does not exist? Are we saying that we have done our best to reach agreement and that under another principle of international law, which I will not elaborate, we feel we are now entitled to go ahead on our own? Perhaps it is not too late for such a statement to come from the head of the Government, the Prime Minister.

This legislation is now before the Senate, having been introduced first into this branch of the Canadian Parliament. This is unusual, exceptional and internationally controversial legislation, and I say again that I would hope there will be shortly a full statement made. I suppose it would be too much to hope that that statement might be made by the Prime Minister before the committee of the Senate to which this bill is referred. If the Prime Minister graced our committee meeting with his presence it would add, I think, to the prestige of that committee and of the Senate.

We presume, of course, there were negotiations before this somewhat precipitous action was taken, particularly in respect to the drawing of the baselines. Senator Brooks made the point that we should have these baselines before us, and implied that it is really not possible to discuss this bill intelligently unless we know what the policy in regard to the baselines is going to be. I agree with that, because the baselines are an integral part of the legislation. The legislation has no effect at any time unless section 5 is implemented, because the other lines have to be drawn from the baselines.

In that connection I am surprised—although I think I can guess the reason—that in section 5 it is stated that the Governor in Council "may" proceed to settle these baselines. Surely, from the point of view of those who are hoping for relief from some of their problems—people interested in fishing, and others—they would want some assurance that if this bill is passed there will be some responsibility upon the cabinet to implement it. I think Senator Phillips, and perhaps others, made that suggestion, and I would hope it is given serious consideration.

It is easy, of course, to think that the Government did not put the word "shall" in because they wanted to think of this as merely enabling legislation; to make it easier to persuade some other nations that we are not at this moment going ahead unilaterally; that we were merely passing enabling legislation. I submit that we should do one thing or the other. If we can justify this action, then surely we should go ahead as quickly as possible in bringing it into effect.

The suggestion that it is only enabling legislation would, of course, mollify some others outside our borders, but I doubt whether it would be received with satisfaction by the Canadians most interested in this matter. It is also to be noted that the baselines have not been made a schedule to the bill. I suppose that is more or less for the same reason.

It is fair to say, I think, that the Government found itself faced not with the three-mile or the 12-mile limits, but with a time limit—a one-year time limit. I do not want to be misunderstood in this, because we are all aware that the exigencies of political democracy are part of the problems of government, but it is just as important that the Government move cautiously in this as it is that it moves speedily. The reconciliation of those two viewpoints is, of course, much of the whole skill of politics.

I would certainly hope that we are not being asked, with this bill before us, to pass mere token legislation. I would hope that we will have assurance that this is not token legislation, that in due course a schedule comprising the baselines will be added to the bill, because in the bill as it now stands not only is there no requirement on the cabinet to draw up these baselines or to reach agreement on them, if that is necessary, but the Governor in Council may also act at any time without reference to Parliament. I very

much doubt, in a situation fraught with international problems such as this, if it is wise that the essential and operative part of a bill of this kind be left to the discretion of the cabinet.

It is for these reasons—they may appear on the surface to be contradictory, but fundamentally they are not—that I suggest that from the Canadian point of view the bill should be made more explicit, and that from the international point of view there be an immediate statement, here or elsewhere, to explain and justify in the eyes of the world this Canadian decision to proceed in this way in order to arrive at a solution of what is unquestionably an international Canadian grievance. There is, I think, most general agreement that such a grievance exists, and that in the interests of Canada and of thousands of Canadians it should be removed. So, the question we are asked to consider is really whether this is the best and, indeed, the only method by which this desirable end can be achieved.

Many questions in that connection arise at once. Was any effort made prior to the introduction of this bill, or the decision to introduce it, to arrive at a bilateral or a multilateral agreement with these nations who have direct interest in our fishing areas? I am not aware whether that has been done, but I believe that information should be before us, before this bill proceeds much further.

This is particularly important, as I indicated earlier, because there is a principle in international law that a state may be justified in taking measures such as this only after it has exhausted every possibility of reaching agreement with the nations most directly affected. One would like to know, of course, whether other nations have made any objections to this bill or whether any nations have been assured that there will be no action on this bill, and no action to implement section 5, unless agreement is reached with other nations.

Above all, many Canadians will want to be assured that if we are taking the law into our own hands we are doing so on sound legal and moral grounds and that the Government is fully aware of the possible consequences, including retaliation in the United States and other of our fishing markets. I respectfully suggest, therefore, that these and other matters inherent in this legislation should be fully disclosed and explained before we are asked to proceed any further in implementing this bill.

Honourable senators, I presume that a motion will be made that this bill go to a committee. I wish to make a strong plea that the committee chosen be the Standing Committee on External Relations. There is a motion on the Order Paper which indicates that that committee is to be re-activated. I believe the sponsor of the bill earlier suggested that the bill might go to the Standing Committee on Banking and Commerce. If there is any reason why a bill dealing so completely and absolutely with external affairs should go to the Banking and Commerce Committee rather than to the External Relations Committee, the chamber is entitled to a very full explanation.

I would urge honourable senators—and I pass the thought along to the sponsor of the bill—that the proper place to discuss it in detail is in the Committee on External Relations.

Hon. Frank C. Welch: Honourable senators, I also take this opportunity of discussing with you Bill S-17, regarding the 12-mile fishing limit. Having lived down by the Bay of Fundy for many years, I will confine my remarks to that area. This bill, as I see it, has two features.

At the present time our three-mile limit follows the coast line and takes into consideration every bay and cove. Under the proposed bill, the coast line will run from headland to headland, without reference to any indentations. From this, our territorial waters will extend for three miles as at present. Then, in addition to that, we will receive control over the next nine miles for fishing and customs patrols.

On May 12 last year the Prime Minister stated that Canada would have a 12-mile limit within one year. He apparently hopes that this bill will be enacted by May 12 of this year. However, the Minister of Fisheries admitted to the house that there were many negotiations yet to be carried out before the bill could be effective.

The bill provides that it shall come into effect upon proclamation by order in council. Therefore, although Parliament may pass it, it will not become effective until such time as it is proclaimed, and that may be at some indefinite time in the future.

The bill could, of course, become effective immediately as far as Russia is concerned, and I think everyone would welcome that. However, Portugal, France and the United States have, or claim to have, historic fishing rights in many waters adjoining our coast. They are not going to give them up without a struggle. It probably will work out in such a way that a long period of years will elapse before these treaty rights are extinguished.

The Americans also claim historic fishing rights in the Bay of Fundy. This has been denied by the Canadian Government, but the fact remains that the Americans are there

and will probably continue to stay there. I would think we might work out an agreement whereby, over a period of some years, they would agree to withdraw from most of these waters. But the Americans, of course, are subject to a great deal of pressure from the New England fishermen. They will not want to see their rights extinguished and will not willingly give up fishing grounds in which they have been operating, even if they have no legal right to them. This will be a matter of negotiation, and it has to be a very careful negotiation, because our Atlantic coast fishermen are absolutely dependent upon the American markets for a large proportion of their sales, and any restriction upon our fish entering the American market could be disastrous to the Nova Scotia fishing industry.

As you know, this is a very involved question, not only politically as far as the Conservative party is concerned, but more important in so far as the industry is concerned.

During the 1963 election, the present Prime Minister said that he was in favour of Canada making an unilateral decision for a 12-mile limit. The Right Honourable John Diefenbaker, Mr. Crouse, who is himself a fisherman, the Honourable George Nowlan, and all the other members from Nova Scotia, said that this was very poor judgment. They pointed out that the Maritime fishing industry was dependent for survival on the market of the New England states.

They suggested that, unless some agreement was reached with the Americans, our fishing industry might well be prejudiced by the imposition of increased duties and/or the reduction in the quotas of fish allowed into the markets.

More than that, one should bear in mind that Canada is dependent upon the American market for more exports than fish. For instance, the plywood industry, particularly that of British Columbia, might well be prejudiced by a reduction in quotas applicable there. Therefore, it is essential that whatever course of action is decided upon, it should be by agreements with the American authorities, and not by flaunting in their faces policies which would endanger our exports to that country. Applying this to our own local situation the Bay of Fundy, the Americans claim that they have treaty and historic rights in the Bay of Fundy. We dispute that they have any treaty rights, but we admit that they have been fishing there for many years. In other words, they might have a possessory title.

What does this bill mean in so far as the Bay of Fundy is concerned? Do we recognize the treaty rights of the Americans? If so, we have to renegotiate the treaty? Do we recognize the historic rights of the Americans? I cannot see how we can question these, because they have been there for many, many years.

If there are treaty rights, what are we doing with respect to them? Are we renegotiating a new treaty, or what? If there are no treaty rights, and I understand there are not, or at least this is questionable, what do we do about historic rights? How many years are we going to give the Americans to get out of the Bay of Fundy? This is the $64,000 question in so far as we are concerned in the Bay of Fundy coast of Nova Scotia. In the meantime, we are worried about the Government playing a dangerous game because of a rash promise of the Prime Minister that on or before May 12, 1964, Canada would have a 12-mile fishing limit.

Ask the fishermen in the Bay of Fundy on May 13 what difference there has been as a result of this bill, assuming that it has been enacted. And if it is not enacted today, tomorrow or the next day, what will be the effect on Canadian fishermen generally?

Hon. M. Wallace McCutcheon: Honourable senators, this debate commenced last Thursday afternoon, and is still continuing. By and large, there has been an expression of favourable opinion on the part of all who have participated. They are in favour of morality and of protecting our fishermen, and I am completely in favour of that. If I may use the metaphor, "Everybody has been in favour of motherhood." I, too, am in favour of motherhood, honourable senators, but I have a strong objection to illegitimate children. I think that is what we have before us this afternoon. I am afraid that I may have to descend from the high level of the debate that we have had to date, and talk about a few mundane things.

I have a photostat of a document entitled, "Notes for Address by Honourable Lester B. Pearson, Leader of the Liberal Party in Canada"—dated March 1, 1963, Sydney, one paragraph of which contains these words:

> Now, so far as the 12-mile limit is concerned, our policy is this. As we have not been able to do this by international agreement, then we as a Canadian government will declare a 12-mile limit by national action. I think the time has now come for such action. I am sure that if Norway and Iceland can do this, so can we, and in a way which will not cause difficulties with our friends. I'm not afraid of this step—the present government is—and it is a government that talks about much standing up for Canadian rights; not buckling down to Washington and all that.

We have been gathered here since Thursday afternoon to redeem that political promise. I think it should be put on the record that what we are engaging in will not redeem that promise, because if it is not put on the record a great many people in this country will feel that that promise has been carried out. I have been unable to find that a time limit was put on it, although it is an occupational hazard on the part of this Government to put on time limits. The press had said the time limit was May 15. I have been unable to find anything to document that. However, there is the statement.

So, since last Thursday afternoon there has been a certain sense of urgency about getting this bill through, and I sense that that urgency has nothing to do with the effect the bill will have on the fishermen or on anyone else in this country; because, honourable senators, this bill does nothing. Section 1 gives the title. Section 2 of the bill says that every provision of this act shall apply to certain other bills; then there are some consequential amendments to other bills. Section 3 says that subject to any exceptions with regard to certain baselines described in section 5, baselines to be established shall define the outer limit line of the territorial sea three miles distant from the nearest point of the baseline. Section 4 says we can go nine miles beyond the territorial sea for our fishing zone.

Section 5 reads:

> (1) The Governor in Council may, by order in council, issue one or more lists of geographical co-ordinates of points from which baselines may be determined and may, as he deems necessary, amend such lists.

The section then goes on and provides for exceptions, and so on. Finally, we end up with section 13, which provides:

> This Act or any provision thereof shall come into force on a day or days to be fixed by proclamation of the Governor in Council.

What we are being asked to do is to issue a blank cheque which will entitle people to say, "But we have asserted our rights. We are as big as Norway; we have done exactly what Iceland did. We are a great country, and we have asserted our rights to these extraterritorial waters." However, we should read the fine print, that the bill does not become effective except when fixed by proclamation.

We are now being asked to pass on the principle of this bill, because on second reading we discuss the principle. I propose to vote against this bill, because I object to the principle by which you allow the executive to take the very important decisions which they are authorized to take under section 5 of the bill.

What salt water is going to be declared an inland sea? What is going to be the effect on our relations with other countries? Are we going to draw a line across the mouth of the Bay of Fundy and upset our friends in Washington, who have historic rights and, I suggest, also have treaty rights? What are we going to do about Queen Charlotte Sound and Hecate Strait? If my recollection is right, one of my colleagues suggested that we would draw a straight line from the top of Vancouver Island to the most westerly point of Alaska. It seems to me that that would create a situation—and this is the baseline for territorial waters—which would be unfavourably regarded not only by our friends in Washington, but by many other people. If we establish this principle, what will be the effect around the world? How many other nations can draw long lines and include great bodies of the open sea as their inland waters, and regulate international shipping, fishing and other matters within those waters?

We have heard about the Norwegian case —and I am not going to bore honourable senators by discussing it. I simply say that the Norwegian case is a very special one. It is the type of case with which every lawyer is familiar. It deals with its own particular facts, and it deals with a discussion between two parties. No precedent can be taken from it. It was a private transaction between the United Kingdom and Norway. As a lawyer, I would say it is not binding on any other nation in the world.

I would say the same thing about the Iceland situation. Frankly, I do not like Canada being equated with Iceland by the present Prime Minister, but that is what he did in his speech. Nor do I like Canada being equated with Norway, because its problems and circumstances are far different from ours.

As Senator Reid said, and I am sure Senator Smith (Queens-Shelburne) will agree, you do not solve the problems of west coast fishermen by anything that is in this bill. Even if everything that is in it were implemented, you still do not solve the problems at all. The salmon run can still be killed by the Japanese out on the high seas. You solve these things by negotiation and by agreement. But I do not like to go into a negotiation with a gun in my pocket or a loaded stick. That is all we are authorizing the Government to do because, let us be frank about it, we must realize that we cannot denounce international treaties unilaterally. We do not do that, and I have no idea that the present Government is going to do it. We

are not to denounce the historic rights of some of our NATO partners and other friendly nations with whom we have dealings unilaterally.

There is no tradition, there is no basis in international law, for baselines from headland to headland, except in a very narrow sense. Undoubtedly, there are people who will read this and be deceived. They will think we can strike off—without any objection from our friendly allies in the western world—great bodies of the sea and say, "These are our exclusive waters." There is no foundation that I know of in international law for that. There are many better qualified than myself to talk on that, but with the research I have done, that is the conclusion to which I have come.

So I simply say that I object to being asked to pass a blanket bill to redeem a political promise which merely says, "Well, we will let the executive do it all." I would like to know where they are going to draw the baseline in the Bay of Fundy; I would like to know where they are going to draw the baseline in Placentia, and I would like to know where they are going to draw the baseline in many of the places with which I am familiar on the west coast. I am not satisfied to give my approval to this sort of blanket authority, this open power of attorney.

Hon. John J. Connolly: Honourable senators, it is not my desire to weary the house this afternoon in respect of this debate. In the first place, it should be said that we have had a good debate. We have had wide participation in it by honourable senators from the Maritime regions of our country, both east and west. I gather that, generally speaking, those who are close to the problems of the fishery on both coasts are in favour of taking some kind of action which would have the effect of helping preserve a great resource which has meant so much to this country and to these Maritime peoples.

I do not want to suggest that this bill answers all the problems of the fishery. Certainly, the things that Senator Reid said about the problems facing the halibut and salmon industry far beyond the reaches of the 12-mile limit are not to be solved by the passage of this bill or by its complete implementation. That is another matter, and I believe it is one which can only be solved by co-operative action by the countries primarily concerned with that problem.

I have been much impressed by the fact that members of the Opposition have been a little concerned as to which side to come down on. Some of them have come down strongly on the side of the bill; others expressed serious doubt.

Hon. Mr. McCutcheon: There is no doubt where I stand.

Hon. Mr. Connolly (Ottawa West): There never is, and for that we greatly admire the honourable senator.

Generally, however, people are in favour of taking some appropriate action. Senator McCutcheon has said this is a blank cheque to the executive, that this is going to authorize action by order in council. I certainly agree with every word of that. But honourable senators will remember that no more was claimed for this bill than that it should be enabling legislation.

A good deal has been said too about the wisdom of legislating before we negotiate. In a certain sense, in the sense that negotiation means discussion, I believe there has been a great deal of discussion and negotiation about the matters with which we are concerned as we contemplate this measure. I give credit to the former Government, and for their participation in this debate I give credit to honourable senators opposite like Senator Brooks and Senator Thorvaldson, both of whom spoke extremely well and most informatively.

When the bill comes to committee I believe there will be a good deal of talk about the discussions which took place, particularly in Geneva in 1958 and 1960, when many of the nations of the world met there. True, they did not reach complete agreement, but certainly there were many points of agreement regarding a new and emerging doctrine on territorial waters, fishing zones and the conservation of the living resources of the sea.

So, honourable senators, no one can say that Canada is legislating before negotiation or discussion. There has been discussion for a great many years. Because we are so vitally concerned, I believe that Canadians will generally approve the proposal that Canada do now take a stand and try to move forward. There is no suggestion there should be any "gunboat" diplomacy over implementing the provisions of this bill.

Hon. Mr. McCutcheon: There is no suggestion they will be implemented.

Hon. Mr. Connolly (Ottawa West): The very fact the measure is now before us is suggestion enough that the Government proposes to implement the provisions. However, I say that it will implement with due regard to the rights, whether they be treaty or historic, of our friends and associates on this continent and, indeed, on other continents.

I do not think it is a question, as honourable Senator McCutcheon said, of equating Canada to Norway or Iceland, both fine countries. If there are points of comparison,

as there are bound to be, between the peoples of those countries and this, the people on both sides benefit. But the fact of the matter is that Canada, like Norway and Iceland, has a vital interest in the fishery, not only on the east but also on the west coast. So, in that respect, there is a basis for comparison between the Norwegian and Icelandic situation on the one hand and the Canadian situation on the other.

I say the doctrine which has emerged from the Geneva conferences of 1958 and 1960 with reference to the drawing of baselines, territorial waters and fishing zones, is a doctrine which in time will be generally accepted. This is new law which is now emerging. There is no area of law which is more indefinite, as every honourable senator who is a lawyer knows, than the law of nations—the international law.

I do not think that, following the passage of this bill, Canada will enter into negotiations with a loaded stick or gun any more than she has done in the negotiations which have already taken place with many of the affected countries. Canadian diplomacy has not been conducted on that basis, nor will it be so conducted under the aegis of the present Government.

Where are the baselines to be drawn? Who can say? I think honourable senators will benefit greatly from the information which will be made available when a committee of this house studies these problems, as is done in the normal course in the Senate. The committee will have the opportunity of hearing the experts and the ministers concerned, and will have the opportunity of asking such questions as the members feel should be asked.

In conclusion, I repeat that this is enabling legislation. It can be useful legislation. The Government desires it to be legislation helpful to the country, to the fishing industry, and to the maritime people who have contributed so much to the development of all regions of this country.

The Hon. the Speaker: I must inform honourable senators that if the honourable Senator Cook speaks now it will have the effect of closing the debate.

Hon. Eric Cook: Honourable senators, when I was endeavouring to explain this bill I said it was a privilege, but now that we have had such an excellent debate, I should have been much happier explaining the bill after the debate instead of before it. I now realize all the things I should have said.

It seems to me that nearly all honourable senators spoke in favour of the principle of the bill. It is true some questions were asked and some doubts were expressed. As to the questions, I do not think it would serve any useful purpose for me to attempt to answer them now. They are all on the record and have been drawn to the attention of the minister concerned. No doubt they will be answered and discussed during the committee stage.

As to the doubts expressed, I cannot understand why it should be right for Denmark, Norway and Iceland, to mention only three nations, to establish a 12-mile fishing limit, while it is wrong for Canada to do so. Is it right for the United States and for Canada to have a 12-mile zone for customs but wrong to have the same zone for fishing? I cannot agree that international law is at all settled on the point of the breadth of the territorial seas, or on the breadth of the waters over which a country claims jurisdiction for various purposes. Indeed, at the 1958 Geneva conference the following proposals were advanced by various countries advocating the 12-mile limit. I refer honourable senators to an excellent pamphlet entitled "The Law of the Sea, A Canadian Proposal," and in the annex thereto are outlined the several proposals advanced.

The Canadian Proposal:

1. A State is entitled to fix the breadth of its territorial sea up to a limit of six nautical miles measured from the baseline which may be applicable in conformity with articles 4 and 5.

2. A State has a fishing zone contiguous to its territorial sea extending to a limit twelve nautical miles from the baseline from which the breadth of its territorial sea is measured in which it has the same rights in respect of fishing and the exploitation of the living resources of the sea as it has in its territorial sea.

The United States Proposal:

1. The maximum breadth of the territorial sea of any State shall be six miles.

2. The coastal State shall in a zone having a maximum breadth of twelve miles, measured from the applicable baseline, determined as provided in these rules, have the same rights in respect of fishing and the exploitation of the living resources of the sea as it has in its territorial sea; provided that such rights shall be subject to the right of the vessels of any State whose vessels have fished regularly in that portion of the zone having a continuous baseline and located in the same major body of water for the period of five years immediately preceding the signature of this convention, to fish in the outer six miles of that portion of the zone, under obligation to observe therein such conservation regulations as

are consistent with the rules on fisheries adopted by this conference and other rules of international law.

3. Any dispute with respect to the interpretation or application of this article shall, at the request of any party to the dispute, be submitted to arbitration unless the parties agree to another method of peaceful solution.

4. For the purpose of this convention the term 'mile' means a nautical mile (which is 1,852 metres), reckoned at sixty to one degree of latitude.

5. As respects the parties thereto, the provisions of paragraph 2 of this article shall be subject to such bilateral or multilateral arrangements, if any, as may exist or be entered into.

Note: It is proposed that this article be entered into with the express understanding that each party to the convention undertakes to consider sypmathetically the request of another party to consult on the question of whether the rights granted by the article are being exercised in such manner as to work an inequity upon one or more of the other parties and, if so, what measures should and can be taken to remedy the situation.

The U.S.S.R. Proposal:

Each State shall determine the breadth of its territorial waters in accordance with established practice within the limits, as a rule, of three to twelve miles, having regard to historical and geographical conditions, economic interests, the interests of the security of the coastal State and the interests of international navigation.

The Eight-Power (Burma, Colombia, Indonesia, Mexico, Morocco, Saudi Arabia, United Arab Republic and Venezuela) Proposal:

1. Every State is entitled to fix the breadth of its territorial sea up to a limit of twelve nautical miles measured from the baseline which may be applicable in conformity with articles 4 and 5.

2. Where the breadth of its territorial sea is less than twelve nautical miles measured as above, a State has a fishing zone contiguous to its territorial sea extending to a limit twelve nautical miles from the baseline from which the breadth of its territorial sea is measured in which it has the same rights in respect of fishing and the exploitation of the living resources of the sea as it has in its territorial sea.

As pointed out by many speakers at the 1960 Geneva conference, the six-plus-six formula lost by only one vote.

Some honourable senators seem to feel that Canada should make firm agreements before taking any steps to protect her own interests, while those who support the bill as it now stands feel we should, if necessary, act first and seek agreements afterwards. The problem here is like the old conundrum: which came first, the chicken or the egg? I would stress that the Government's decision to proceed unilaterally is not an arbitrary decision. Negotiations have been and still are being carried on with many countries in an effort to satisfactorily settle these difficult problems.

One of the strongest arguments in favour of passing the bill is that it would declare Canada's national policy, and would supply a firm legal foundation on which and from which to conclude these negotiations. In doing so we are following the procedure adopted by other countries, which is to act unilaterally and to negotiate afterwards. For example, in 1959 Denmark extended its exclusive fisheries zone around the Faroe Islands to 12 miles, but by agreement vessels registered in the United Kingdom were permitted access to certain waters within the outer six-mile zone.

Other important agreements were concluded by the United Kingdom with Norway and Iceland. The agreement with Norway, signed November 17, 1960, was based upon the United States-Canadian compromise proposal at the 1960 Geneva conference. The United Kingdom promised not to object to exclusion of its fishing vessels from a six-mile fishing zone, measured from the baseline for the territorial sea. The United Kingdom agreed that after October 31, 1970, it would not object to exclusion from a 12-mile fishing zone, similarly delimited.

The British agreement with Iceland declares that the United Kingdom "will no longer object to a 12-mile fishing zone around Iceland." British rights to fish within that zone are limited to certain areas and to certain periods of the year and in any case cease after three years, that is, in 1964. The agreement also provided for submission to the International Court of Justice of subsequent disputes should Iceland promulgate a further extension of the exclusive fishing zone.

It should not be forgotten that at the second Geneva conference in 1960 the United States not only voted for the six-plus-six formula, but indeed, with Canada, was a co-sponsor. It does not seem likely to me at any rate, that the U.S.A. would now feel so differently as to threaten reprisals should Canada find it necessary for her own protection to decide unilaterally upon a plan very similar to that sponsored by both countries in 1960.

Finally, I would once again emphasize that the bill will be simply an enabling measure, and the times when, and the manner in which, Canada will act will be left to the discretion of the Governor in Council acting on the advice of the appropriate ministers, who in turn will have the benefit of the advice and experience of the permanent officials of the departments of which they are the heads.

The Hon. the Speaker: Honourable senators, it is moved by Honourable Senator Cook, seconded by Honourable Senator Lang, that this bill be now read a second time. Is it your pleasure to adopt the motion?

Hon. Mr. McCutcheon: On division.

Motion agreed to and bill read second time, on division.

REFERRED TO COMMITTEE

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

Hon. Mr. Cook: Honourable senators, I move that the bill be referred to the Standing Committee on Banking and Commerce.

Hon. A. J. Brooks: Honourable senators, it will be recalled that when I spoke on this bill a few days ago I expressed surprise that it should be referred to the Standing Committee on Banking and Commerce. This bill, as was pointed out again today by Senator Grosart, is concerned essentially with external affairs. Its subject has been treated as an external affairs matter by other nations at the United Nations and at Geneva. So why it should be sent to the Banking and Commerce Committee of the Senate is more than I can understand, especially when we have a Standing Committee on External Relations which is, I might say, a very fine committee. Anyone who reads the list of members of that committee will appreciate that it is extremely capable of doing this work.

I note also that the honourable Leader of the Government (Honourable Mr. Connolly, Ottawa West) is anxious to activate the various standing committees of the Senate. I know that he has requested the chairman of the External Relations Committee to try in some way to provide work for that committee. Here we have a matter which belongs essentially to that committee. Why this bill should be sent to the Banking and Commerce Committee, I do not know.

What I am saying is no reflection at all upon the members of the Banking and Commerce Committee, because anyone who knows anything about the work of the Senate and its committees could not cast reflections upon that particular committee. I have said before, and I repeat, that I have been a member of a great many parliamentary committees, and never have I sat on one that was more efficient than the Standing Committee on Banking and Commerce of the Senate. But, to my mind, that is no reason why this bill, or any other bills that perhaps embrace matters belonging to other departments, should be sent to the Banking and Commerce Committee.

The honourable Leader of the Government has expressed the hope that representations with respect to this bill will be received from all parts of Canada. This is a most important bill not for what it does, perhaps, but for what we hope it will do. There will be representations from fishermen from the east and west coasts, and from many other interested bodies. The Banking and Commerce Committee is a busy committee. It is presently dealing with a bill to incorporate a bank, and very likely will be dealing with two similar bills; in addition, practically all other committee work of the Senate is sent to it.

I say that in justice to this bill it should be sent to the External Relations Committee, and not to the Banking and Commerce Committee which has all the work it can do. This bill does not really belong to it at all.

Hon. John J. Connolly: Honourable senators, I appreciate what the honourable Leader of the Opposition (Hon. Mr. Brooks) has said. First of all, I wish to say that he shares with me a desire of activating as many of our committees as is possible. The chairman of the External Relations Committee has a motion now on the Order Paper which would activate his committee by referring to it the annual report of the Department of External Affairs. This has not been possible for the last couple of years because of unusual circumstances. I hope this will mark the beginning of very active days for that committee. As many honourable senators have taken part in international conferences and meetings, there is a great facility in this house for dealing with international problems.

The honourable Leader of the Opposition says that this bill is primarily a bill for that committee. Frankly, I think it is primarily a commercial bill. It deals with an industry; it deals with fisheries. It has very important legal implications, and the lawyers, for the most part, are members of the Banking and Commerce Committee

I am giving you, honourable senators, the points that went through my mind long before this question arose as to what committee this bill should be sent to.

I say also that most of the senators who have participated in this debate, and who have shown an active interest in it because they

come from those parts of the country to which the fishing industry is very important, are members of the Banking and Commerce Committee. Moreover, that committee has 50 members, and the External Relations Committee has 35 members. There will be plenty of opportunity as this session continues for the External Relations Committee to become very active and to do a great deal of work.

In the circumstances, I hope that the motion moved by the honourable sponsor of this bill (Hon. Mr. Cook) will be adopted by the house.

Hon. M. Wallace McCutcheon: Honourable senators, the fact that the Banking and Commerce Committee has many lawyers among its membership is something with which I cannot disagree. I think there are certain virtues in lawyers, and I have thought that for some 34 years. But when I see the work that is coming before the Banking and Commerce Committee—and I need not enumerate it because every honourable senator knows about it—then I consider that a matter which is essentially one of external affairs should be dealt with by the External Relations Committee.

If one could see the telegrams that may have passed between Ottawa and Washington, I think it would be apparent that the Secretary of State for External Affairs was taking a greater interest in the problem before us than was the Minister of Fisheries.

Be that as it may, we are dealing here with something the implications of which are in the external affairs field and, accordingly, I move that the motion be amended by striking out the words "Banking and Commerce", and substituting therefor "External Relations".

Hon. Norman P. Lambert: Honourable senators, I am impelled to say a word or two at this time on the question as to which committee this bill should be sent.

It is almost impossible to discuss this issue, if it can be dignified by that name, without invidious references to the personnel of the respective committees involved. As a former chairman of the Standing Committee on External Relations I am quite frank to say that I think there is as much ability represented in the present personnel of that committee as in any other standing committee of this house.

Hon. Mr. McCutcheon: If you say anything else you will reflect on your deskmate.

Hon. Mr. Lambert: I am a member of the External Relations Committee, and I am sure there are other members of that committee who are also active members of the Banking and Commerce Committee. I refer particularly to the chairman of that committee, who is also a member of the External Relations Committee. However, I refrain entirely from making comparisons on that basis.

As far as I am personally concerned, I can see that this bill has many international implications which can be considered from the point of view of a piece of diplomatic legislation. On the other hand, there is also a good deal to be said for what the leader on this side has referred to as the commercial and business aspects of the fishing and shipping industries.

Hon. Mr. McCutcheon: If it had no international implications, we would not have debated it.

Hon. Mr. Lambert: There are implications; no question about that. But my point is this, that the means of dealing with this important bill in committee is of secondary importance, in my opinion, to the whole purpose of the bill and the objects which are supposed to be achieved by it. The term "enabling legislation" has been used here to describe this bill. I have not quite grasped just what is involved in that term; I suggest that possibly it is dependent on what the Governor in Council will do. It is enabling legislation so far as it goes.

The analysis of the provisions of this bill has been done in the house as a whole most effectively by those who have spoken, and the doubtful features of the bill have also been emphasized in the most broadminded way.

I do not think it matters much whether the bill goes to the External Affairs Committee or to the Banking and Commerce Committee. The main thing is, what will be done with the legislation after it has been analysed and discussed in committee, where the important aspects of it will be determined and probably decided upon more thoroughly than they have been here?

Hon. M. Grattan O'Leary: Honourable senators, surely some relevant questions here are: Where was this bill drafted? Does it come from the Department of External Affairs or from the Department of Trade and Commerce? Has it anything to do with banking? When we come as a committee to consider this bill, whom do we call? Surely we call the officers, the experts, from the Department of External Affairs to explain to us why this bill was drawn in this way.

I think it is obvious that this is an External Affairs matter, and that the bill was conceived and drafted by that department. Consequently they are the people, and almost the only people, who should be consulted by us when we come to examine the reasoning behind this bill.

I think it is nonsense to suggest that this bill should go to the Standing Committee on Banking and Commerce. Obviously, it deals almost completely with matters of external concern.

Hon. Allister Grosart: Honourable senators, it is not very often I disagree with a point of view taken by the honourable Leader of the Government on a procedural matter. However, I should like to say this to him. This is an important bill. It is one of the comparatively few which have been introduced first in the Senate. The Senate has a Standing Committee on External Affairs. The eyes of many people all over the world will be on the progress of the bill.

I would in all sincerity ask the Leader of the Government to reconsider the decision, so as not, in these important circumstances, to begin the passage of this bill through Parliament with what would have to be regarded as an utter fiasco.

The Hon. the Speaker: Honourable senators, it is moved by honourable Senator McCutcheon, seconded by honourable Senator Flynn:

> That the motion be amended by striking out the words "Banking and Commerce" and substituting the words "External Affairs".

Is it your pleasure honourable senators, to adopt the amendment?

Those in favour of the amendment will please say "Content".

Some Hon. Senators: Content.

The Hon. the Speaker: Those against the amendment will please say "Non-content".

Some Hon. Senators: Non-content.

The Hon. the Speaker: In my opinion, the Non-contents have it.

Hon. Mr. Brooks: Mr. Speaker—

The Hon. the Speaker: Call in the senators.

Amendment of Hon. Mr. McCutcheon negatived on the following division:

CONTENTS

Honourable Senators

Aseltine	Horner
Beaubien (Bedford)	Irvine
Belisle	Macdonald (Cape Breton)
Blois	MacDonald (Queens)
Brooks	McCutcheon
Buchanan	Methot
Choquette	Molson
Flynn	O'Leary (Carleton)
Fournier (Madawaska-Restigouche)	Pearson
Gladstone	Quart
Grosart	Robertson (Kenora-Rainy River)
Haig	Sullivan
Hnatyshyn	Thorvaldson
Hollett	Walker
Welch	White
	Willis—31

(*See P. 413 for correction*)

NON-CONTENTS

Honourable Senators

Baird	Isnor
Beaubien (Provencher)	Jodoin
Boucher	Kinley
Bouffard	Lambert
Burchill	Lang
Cameron	Lefrançois
Comeau	Leonard
Connolly (Ottawa West)	McGrand
Cook	McLean
Croll	Paterson
Denis	Pouliot
Dessureault	Rattenbury
Dupuis	Robertson (Shelburne)
Farris	Roebuck
Fergusson	Smith (Kamloops)
Fournier (De Lanaudiere)	Smith (Queens-Shelburne)
Gershaw	Stambaugh
Hayden	Taylor (Norfolk)
Hugessen	Vaillancourt
Inman	Woodrow—40.

The Hon. the Speaker: I declare the amendment lost.

It is moved by the honourable Senator Cook, seconded by the honourable Senator Lang, that this bill be referred to the Standing Committee on Banking and Commerce. Is it your pleasure, honourable senators, to adopt the motion?

Some Hon. Senators: On division.

On motion of Hon. Mr. Cook, bill referred to the Standing Committee on Banking and Commerce, on division.

PRIVATE BILL

LAURENTIDE BANK OF CANADA—ORDER FOR RESUMING DEBATE STANDS

On the Order:

> Resuming debate on the motion of the Honourable Senator Cameron, seconded by the Honourable Senator Stambaugh, for second reading of Bill S-13, intituled:
>
> "An Act to incorporate Laurentide Bank of Canada".—(Honourable Senator Blois).

Hon. Fred M. Blois: Honourable senators, it has been suggested that I ask that this order stand. However, because I would prefer to have it stand beyond the next sitting, possibly I should give my reasons for making the request.

In the first place, I have not had an opportunity completely to read the report of the Royal Commission on Banking and Finance. I have gone over certain parts of it, but by no means a large proportion of it. In fact, I have serious doubts that many honourable senators have had an opportunity so to do.

My second reason for suggesting that this order stand concerns an article that appeared in the Montreal *Gazette* of this morning on an interview with the Minister of Finance, Mr. Gordon, in which he is reported to have indicated that the three proposed banks must wait until the fall for their federal charters to be granted. According to this article, he said in an interview that the Government hopes to amend the Bank Act this fall, after studying the recently received report of the Royal Commission on Banking and Finance. If that is correct, I see no urgency for further debate on this matter at this time.

On the other hand, if any honourable senator is ready and wishes to go on today, I would be quite willing for him to do so, and I would move the adjournment of the debate after he is through. If no one wishes to speak, I would move that the debate be adjourned until two weeks from today.

Hon. Donald Cameron: Honourable senators, that is a rather long adjournment, in view of the fact that we have interested people coming here at considerable expense in time and money. I am sure Senator Blois is not the only one who has not completely digested the report of the Royal Commission on Banking and Finance. I thoroughly agree with the position taken by Senator Crerar in commitee this morning, that there is nothing in that report which should prevent action being taken on these charters now.

Personally, I think it would cause considerable inconvenience to delay this matter for that length of time, and I hope that Senator Blois will agree not to ask for such an extended adjournment of the debate.

Hon. Mr. McLean: Honourable senators, I would like to say a few words on these banking bills today.

The Hon. the Speaker: Honourable senators will appreciate that I cannot permit debate on a motion to adjourn. Does the honourable Senator Blois wish to withdraw his motion?

Hon. Mr. Blois: Perhaps it would be more agreeable to honourable senators if I were to move that the debate stand adjourned until one week from today.

The Hon. the Speaker: Instead of making a motion for one week's adjournment, would the honourable senator just ask that the order stand until one week from today?

Hon. Mr. Blois: I agree.

Hon. Senators: Agreed.

Order stands.

MARRIAGE AND DIVORCE ACT

ORDER FOR SECOND READING STANDS

On the Order:

Second reading of Bill S-16, intituled: "An Act to amend the Marriage and Divorce Act".—(Honourable Senator Pouliot).

Hon. Jean-François Pouliot: Please let the order stand until Tuesday of next week.

Order stands.

HARBOUR COMMISSIONS BILL

REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the report of the Standing Committee on Transport and Communications on Bill S-10, to provide for the establishment of harbour commissions, which was presented yesterday.

Hon. A. K. Hugessen moved that the report be adopted.

He said: Honourable senators, this report makes three amendments to the bill in the form in which it was originally introduced, and perhaps it would be of assistance to honourable senators if I were to explain what the amendments are.

We had a long meeting of the committee one morning last week at which were present the Minister of Transport, some of his officials, and various representatives of private organizations which might be affected by this measure. It was agreed during the course of the morning that these three amendments should be proposed, and they were drafted during the course of a short luncheon interval by our Law Clerk in conjunction with the officials of the Department of Transport.

The three amendments are the following. Clause 17 of the bill requires a harbour commission to keep account of all its moneys and transactions, and that the books and accounts shall at all reasonable times be open for inspection by the minister. One of the municipalities affected, the municipality of Oshawa, said that under their present act they are empowered to examine the books of the commission dealing with the harbour of Oshawa. As a result of that representation we drafted an amendment to section 17 to the effect that all books and accounts of any particular harbour commissioners should be open for inspection, in the case of a municipality having a substantial interest in the harbour, as determined by the minister, by the auditor of such municipality. That amendment was quite agreeable to the representatives who made the suggestion to us.

The second amendment was to section 27 of the bill, which provided in its original form

that the Governor in Council might order any commission established pursuant to the act to be dissolved, and by proclamation to dissolve it. It was thought that in some cases there might be a local interest in determining whether or not a harbour commission should be dissolved, and that some reasonable notice should be given of the intention of the Governor in Council to proceed to dissolution of a harbour commission before it actually came into effect. So we amended section 27 by inserting a provision that such order or proclamation only becomes effective upon the expiration of 90 days from the date of publication of notice in the *Canada Gazette*.

The third amendment has relation to section 30 of the bill which allows the Governor in Council to bring under the provisions of this act any one of a number of existing harbour commissions, of which eight are listed in the schedule, which had been incorporated by special act of this Parliament. In its original form section 30 provided that this should not be done by the Governor in Council unless he had received from the local commission in question a by-law requesting the Governor in Council to bring the said commission under the provisions of this act.

Representations were made to us that there were some municipalities which had interests in some of these harbour commissions, and in fact in some cases had turned over property to the commissions, and that in the case of these particular commissions the municipalities have a right to appoint a member to the harbour commission. We felt, therefore, that it would be only fair if the Governor in Council wishes to take over one of these harbour commissions that he should receive a request not only from the harbour commission itself, but also from the municipality interested in that commission. That is the purpose of the third amendment to the bill.

With these amendments, the bill appeared to meet the requirements of all parties who appeared before us as witnesses.

Hon. Mr. McCutcheon: Do I understand, Senator Hugessen, that these amendments have the approval of the Minister of Transport?

Hon. Mr. Hugessen: Yes, he approved them during the course of the representations, and after the sitting was adjourned the amendments were drafted and the committee met again in the afternoon and adopted them.

Hon. Allister Grosart: Honourable senators, because I spoke rather critically in this chamber and in committee on the bill as originally drafted, I think I would be remiss if on this occasion I did not commend the committee on the bill as it is now before us. The purpose of the bill as originally drafted, and as it still is, is to set a uniform basis for the establishment of harbour commissions. This is quite a proper object.

A number of large municipalities found that the provisions of the bill might not suit their circumstances and asked that the committee amend the bill to exclude them, and the committee accepted those representations. The City of Oshawa, while not asking to be excluded from the bill, did ask for an amendment to subclause 2 of clause 17 and to subclause 2 of clause 30, and the committee has acceded to this request in some of the amendments now before us.

It has been a long process, extending over several months. There have been some misunderstandings along the way, but the process has been marked above all else by the patience and consideration given by the committee to what I think can properly be described as the minority interests of certain municipalities.

The process in committee has been more than mere routine. The Chairman, Senator Hugessen, the Acting Chairman, Senator Connolly (Ottawa West), and the sponsor of the bill, Senator Leonard, have gone far beyond their normal responsibilities in making sure that the viewpoints of these municipalities, particularly the City of Oshawa, were given the fullest possible consideration. The handling of this bill in committee reflects great credit on the committee, and on the Senate, because it is an example of how the Senate discharges that responsibility which has been attributed to it by learned writers from time to time, of protecting minority interests. I believe that is what has been done in this case.

Honourable Senator McCutcheon asked if these amendments had the approval of the minister. I am glad to commend the minister in that regard. He came to the last committee meeting, where once again representations were made by the city solictor for the City of Oshawa, and almost immediately the minister said that in general he would accept those amendments.

Hon. Arthur W. Roebuck: Honourable senators, I too would like to say a word in connection with this bill, because honourable senators will remember that I attacked it very bitterly in its original stage, and I moved that it be referred back to committee in order that it might hear further representations from those municipalities seriously affected. The bill as it stands before us today is very different from that which came before us last session.

I would like to acknowledge the time, the effort and the reasonable thoughtfulness of the

chairman of that committee and of the sponsor of the bill in bringing about a compromise with the parties involved. I was unable to be present at the last meeting, but I congratulate the committee on what it has done; I agree with my friend Senator Grosart that it is a credit to the Senate, and is another illustration of the usefulness of this body in dealing with complicated legislation of this kind.

Report adopted.

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

Hon. T. D'Arcy Leonard moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

PRIVATE BILL

THE MONTREAL BOARD OF TRADE—SECOND READING

Hon. Hartland de M. Molson moved the second reading of Bill S-18, respecting The Montreal Board of Trade.

He said: Honourable senators, this is a very simple bill, and I think most of the explanations required appear in the explanatory notes. Perhaps, however, honourable senators would like me to give a background to the bill, and in doing so I assure them that I will be brief.

The Montreal Board of Trade had its inception in a committee of trade which was founded on April 11, 1822, in an effort to bring some sort of order into the chaotic conditions which then applied to the commerce and trade of the country. It should be remembered that at that stage many of these matters had to be referred to a government across the sea, and at that time the return mail period was approximately 90 days in summer and possibly considerably longer in winter. Conditions must have been very bad indeed, because the principal resolution passed by the group of merchants to set up this committee in 1822 was as follows:

> That the ruinous consequences now apprehended from the growing embarrassments of Canadian commerce can no longer be averted, or even delayed by the solitary exertions of individuals, or by the occasional hasty and inadequate deliberations of public meetings, and that the present alarming crisis demands the establishment of a Standing Committee of Merchants, to be authorized by their constituents to watch over the general interests of the trade of the country.

The struggle of those merchants composing the committee must have had some measure of success, because the committee was later incorporated as The Montreal Board of Trade, by Act of Parliament of the Province of Canada, 4-5 Victoria, chapter 90, which received royal assent on March 19, 1842.

The board has had a continuing history since 1822, in the course of which it has made a vast contribution to the trade of this nation in a variety of forms which naturally have changed with the passage of time.

It is obvious from the original legislation that in the early days the greatest problems were to do with commercial arbitration and the maintenance of standards of quality of the principal articles of commerce, because they were given both the powers to establish boards of arbitration and also to appoint examiners to examine applicants for the offices of the "Inspector or Assistant Inspector for or within the City of Montreal, of flour and meal, or of beef and pork, or of pot and pearl ashes, or of any other article subject to inspection." It is obvious that the duties of the members of the council of the Board of Trade were sufficiently onerous, because they were exempted by statute from serving as jurors.

The history of the board is another example of where private initiative outpaced government action in filling needs which had become important or imperative in the society of the time.

During long years of history the Board of Trade has made tremendous contributions to many of the things which we today take for granted, such as an adequate ship channel to Montreal, the development of a canal system to the Great Lakes, improved municipal government, and the creation and maintenance of the highest possible standards in all forms of trade, both domestic and external.

In more recent years, and particularly since 1939, many of the earlier functions are no longer necessary because they are being taken care of by other means; some by legislation, some by government agencies, and some by the course of natural development over this period.

Today the Board of Trade is more of a service organization for its membership, which includes over 2,800 firms with a total of some 5,700 individual representatives in the board's membership. There is an international trade section for importers and exporters which provides complete information and assistance in matters of tariff rates, documentation, reference books, legislation, taxation and so on, without which a company engaging in foreign trade would be severely handicapped. It also has been a leader in educational activities which have provided services for its membership touching on all the facets necessary for the maintenance, growth and prosperity of a society.

Since its original incorporation the Montreal Board of Trade has progressed from the most modest financial requirements to a situation where it now needs the power to acquire and hold property in excess of the sum of $1 million, which was given to it in an amendment to its act passed 70 years ago.

In 1841 the property limit was set in the terms "clear annual value . . . shall not exceed two thousand pounds currency." In 1875 an amendment raised the "clear annual value of the real and personal property" which might be held by the corporation to a maximum of $16,000 currency. In 1886 further amendment provided that the "clear value" should not exceed $500,000, and in 1892 the last amendment set the maximum at $1 million.

With changes and modern developments occurring in the City of Montreal, the board now feels that its present building on St. Sacrament Street which was erected in 1903, is no longer adequate for its needs. It wants to be free to rebuild or to move, and to have the freedom to act in this respect which its long history of responsibility would recommend.

This bill, then, is to amend the charter of the Montreal Board of Trade so as to permit it to hold all the property, real and personal, it requires for its corporate purposes without any specific dollar limitation.

Honourable senators, if this bill receives second reading I will move that it be referred to a standing committee, preferably the Banking and Commerce Committee.

Hon. Mr. McCutcheon: Oh, no—External Relations.

Hon. Arthur W. Roebuck: Honourable senators, I am not a member of the Bar of Quebec so I am not familiar with the rules of mortmain in that province. Is there a mortmain act in the Province of Quebec?

Hon. Mr. Flynn: Yes, there is.

Hon. Mr. Roebuck: If there is such an act I would like to know whether this bill complies with it, because the Board of Trade is asking the power to hold as much property as it desires without limitation in either amount or time, unless it be in the phrase

> may deem necessary for attaining the objects for which the Montreal Board of Trade is constituted.

That might be very wide. As I say, I am not familiar with the rules in the Province of Quebec.

Hon. Mr. Molson: In reply to Senator Roebuck I must say that this bill parallels almost precisely the bill that was passed with respect to the Board of Trade of the City of Toronto about a year ago. I do not know about the mortmain law in the Province of Quebec. I would have to ask one of my legal colleagues from that province about it, but I had always understood that we did not have such an act.

Hon. Jacques Flynn: I know there are some provisions concerning mortmain in the Province of Quebec, and I intend inquiring about them when the bill is before the committee. If my memory is correct there has been a recent amendment to the Mortmain Act in the Province of Quebec. Perhaps we shall be able to determine this in committee. I presume the Montreal Board of Trade will be represented by a lawyer?

Hon. Mr. Molson: Yes, it will be represented by its counsel; and if honourable senators would ask this question in committee I shall be very grateful.

Hon. Mr. Choquette: They call it *mainmorte* in Quebec—dead hand.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Molson, bill referred to the Standing Committee on Banking and Commerce.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, May 7, 1964

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

Prayers.

TERRITORIAL SEA AND FISHING ZONES BILL

CORRECTION OF DIVISION LIST IN MINUTES OF PROCEEDINGS

The Hon. the Speaker: Honourable senators, it has been drawn to my attention that the name of Honourable Senator Phillips was inadvertently left off the division list printed at page 272 of the *Minutes of the Proceedings of the Senate* of Wednesday, May 6, 1964.

Therefore, it is ordered:

That the division list printed in the *Minutes of the Proceedings of the Senate* of Wednesday, 6th May, 1964, be corrected by the Clerk as follows:

1. In the list of CONTENTS on page 272, immediately after the name of the Honourable Senator Pearson, insert the name of Honourable Senator Phillips.

2. At the end of the list of CONTENTS on page 272, strike out the number "31" and substitute therefor the number "32".

CUSTOMS TARIFF

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-92, to amend the Customs Tariff.

Bill read first time.

Hon. John J. Connolly moved that the bill be placed on the Orders of the Day for second reading on Tuesday next.

Motion agreed to.

DOCUMENTS TABLED

Hon. John J. Connolly tabled:

Consolidated Index and Table of Statutory Orders and Regulations published in the *Canada Gazette*, Part II, for the period January 1, 1955 to March 31, 1964. (English and French texts).

STE-FOY—ST-NICOLAS BRIDGE BILL

FIRST READING

Hon. John J. Connolly presented Bill S-21, to authorize the construction and maintenance of a bridge across the St. Lawrence River between the City of Ste-Foy, in the County of Quebec, and the Municipality of St. Nicolas, in the County of Levis, both in the Province of Quebec.

Bill read first time.

Hon. Mr. Connolly (Ottawa West) moved that the bill be placed on the Orders of the Day for second reading on Tuesday next.

Motion agreed to.

COMPANIES ACT

BILL TO AMEND—FIRST READING

Hon. John J. Connolly presented Bill S-22, to amend the Companies Act.

Bill read first time.

Hon. Mr. Connolly (Ottawa West) moved that the bill be placed on the Orders of the Day for second reading on Tuesday next.

Motion agreed to.

TERRITORIAL SEA AND FISHING ZONES BILL

AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Arthur L. Beaubien for Hon. Mr. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the following report of the committee on Bill S-17, respecting the Territorial Sea and Fishing Zones of Canada:

Your committee recommend that authority be granted for the printing of 800 copies in English and 300 copies in French of their proceedings on the said bill.

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

Hon. Mr. Beaubien (Provencher): I move. with leave of the Senate, that the report be adopted now.

Report adopted.

ADJOURNMENT

Hon. John J. Connolly: Honourable senators, I move, with leave of the Senate, that when the Senate adjourns today it do stand adjourned until Monday next, May 11, 1964, at 8 o'clock in the evening.

Motion agreed to.

GOVERNMENT PRINTING BUREAU—TRANSLATORS AND INTERPRETERS

NOTICES OF INQUIRIES NOS. 3 AND 4—ORDERS STAND

On the Notice of Inquiry of Hon. Mr. Pouliot:

That he will inquire of the Government:

1. What reports and other publications were published during the last fifteen months by the Printing Bureau for each house of the Parliament of Canada and for each one of the various branches of each department, each commission and each agency of the Government of Canada and what are those which have been printed only in English or only in French, or in both English and French languages?

2. What reports and periodicals are being published daily, weekly, semi-monthly, monthly and yearly by the Printing Bureau in English or in French or in both languages?

3. What aforesaid reports and periodicals are edited by a French editor or by an English editor or by both an English and a French editor?

4. During the above-mentioned period, did the Printing Bureau print any books which had nothing to do with the Parliament or the Government of Canada, and, if so, what were their titles and the names of their authors?

On the Notice of Inquiry of Hon. Mr. Pouliot:

That he will inquire of the Government:

1. During the last fifteen months, how many translators and interpreters have been employed in each department, agency or commission of the Government of Canada,

(a) in Canada,

(b) in other countries?

2. What is the total number of translators and interpreters who have been, during the said period,

(a) employed and paid by the Government of Canada,

(b) appointed by the Civil Service Commission after examination, and belong to the Translation Bureau,

(c) appointed by Order-in-Council and do not belong to the Translation Bureau?

3. How many translators are employed for the translation of the correspondence of the departments, commissions and agencies of the Government of Canada?

4. How many books have been translated by the Translation Bureau during the same period,

(a) from English into French, and

(b) from French into English?

Hon. Mr. Connolly (Ottawa West): Inquiries stand.

Hon. Jean-François Pouliot: Honourable senators, when I drafted those questions I asked that the information be for a period of 15 months, three months more than was asked for in the questions which were put on the Order Paper last session. From what I have been told, Inquiry No. 3, concerning the Printing Bureau, has been answered, but I have not had time to check it. I ask that it stand.

With regard to Inquiry No. 4, I know that last year the Department of the Secretary of State got in touch with the diplomatic posts outside Canada to obtain the information concerning the translators. The length of time for which the information has been asked for has been reduced from 15 to 12 months in order to make the question similar to those that were on the Order Paper last year.

I am most interested to have as soon as possible an answer to Inquiry No. 4 concerning translators who do not belong to the Bureau of Translation in Ottawa, and I would ask the Leader of the Government to be kind enough to make representations to the department to that effect.

Hon. Mr. Connolly (Ottawa West): This I shall do.

Orders stand.

EXTERNAL RELATIONS

MOTION TO EMPOWER COMMITTEE TO STUDY REPORT—DEBATE ADJOURNED

Hon. Gunnar S. Thorvaldson moved pursuant to notice:

That the fifty-fourth Report of the Department of External Affairs, covering the calendar year 1963, laid before the House on February 25th, 1964, pursuant to section 6 of the External Affairs Act, be referred to the Standing Committee on External Relations for consideration.

That the committee have power to send for persons, papers and records, and to report from time to time.

He said: Honourable senators, this motion has now been on the Order Paper for some days, and has been allowed to stand in order that Bill S-17 might proceed to second reading. So perhaps it is appropriate that I proceed to speak to this motion now.

As we all know well, the expansion of Canada's international relationships, particularly since 1945, has been enormous. Indeed, I doubt if any other country has had such a high rate of expansion in these relations as has Canada. In my opinion this development has been so rapid that it has been difficult for the average person to follow what has been

happening in regard to them. As a basis for what I have to say in that regard I shall quote a paragraph from a chapter in regard to organization and administration of the Department of External Affairs, which appears at page 49 of the report referred to in the motion.

In the past decade—

That would be the years between 1953 and 1963.

> —the number of countries with which Canada maintains diplomatic relations has increased from 41 to 84. During this period, the number of Canadian diplomatic and consular posts abroad has risen from 53 to 77. Of these 44 are embassies, 12 are high commissioners' offices, six are permanent missions to international organizations and 16 are consulates or consulates general. In addition, Canada maintains a military mission in Berlin, which also performs consular functions, and three delegations on the international supervisory commissions in Cambodia, Laos and Vietnam.

I read that to indicate the tremendous part now played by this country in international affairs, and how this part has increased during the last 10 years. This increase really started in 1945, that is, immediately after the Second World War.

As these relationships have increased, our international responsibilities have increased at approximately the same rate. In other words we have assumed responsibilities which naturally we did not have many years ago, and I think it can be said proudly that Canada is playing a full and appropriate part in international developments throughout the world.

I should also like to quote the first paragraph of a very thoughtful article entitled "Canadian External Policies Since 1945", written in 1963 by Mr. John W. Holmes, who is president of the Canadian Institute of International Affairs, and formerly one of the senior officials of our Department of External Affairs, in the spring issue of the *International Journal*. Some may agree and others may disagree with the sentiments expressed by the writer, but I think the paragraph is reasonably accurate in regard to the matters I am now discussing, that is, the expansion of our foreign relationships.

> Until the Second World War, Canada's external relations were tentative and circumscribed, limited in later years not so much by colonial status as by a lingering colonial mentality—a mentality even more characteristic of Liberal nationalists like Mackenzie King than of the traditionally imperialist Conservative Party. Mr. King, having secured with disconcerting ease recognition of Canada's right to an independent role in the world, was left with undeveloped convictions about what to do next. He cherished the view that Canada was a remote and uniquely peace-loving area, too much burdened with domestic problems to be drawn into the struggles of an obstreperous world. Because his primary impulse was to keep out of trouble, he preferred that Canada's role in the world be a modest one. To satisfy a modest sense of mission the illusion was nourished that Canada was a linchpin which kept the United States and Britain in harmony, and Canadians lectured the League of Nations without pain or cost on the virtuous example of North America.

Honourable senators, my only remark in regard to that is that this condition was a very happy one for Canada to be in until 1945. Canada was kept out of too many embroilments in the foreign field except, of course, the two Great Wars. However, that did give Canada an opportunity to develop her own economy and her own system of living. The Second World War brushed all those things aside, as Mr. Holmes proceeds to indicate in this article from which I have just quoted.

Honourable senators, the intention of this resolution is to review the highlights of the 1963 report of the Department of External Affairs, which was recently submitted to Parliament. These reports are submitted annually to Parliament.

I express the hope that there might be a further debate or, shall I say, discussion in regard to this resolution, because I think we are all agreed that the Senate should play some part in at least thinking about the external relations of this country. Indeed, we might be helpful in providing solutions to problems which Canada must face in the months and years ahead. I will refer in a moment or two to what I think some of those immediate problems are. Furthermore, I want to express the hope that we may have sittings of the Standing Committee on External Relations. I realize that this committee was downgraded a little bit yesterday—

Hon. Mr. Connolly (Ottawa West): No, not a bit of it.

Hon. Mr. Thorvaldson: —but it may rise again and become worthy of the duties it is expected to perform in the Senate.

As I said, it is my opinion that the work of that committee might be useful in pointing to solutions to some of the difficult problems

we face in our international relationships. Let me refer briefly to the highlights of international affairs in so far as they concerned Canada in 1963.

The first of those highlights—and unfortunately I must refer to it as a failure—is the work of the 18-nation disarmament committee of the United Nations, which has now been sitting almost continuously for more than two years. It has been, unfortunately, a notorious failure. I refer to this because it must be admitted that Canada has taken a very leading part in the work of that committee.

We read frequently these days of the work being done by General Burns as Canada's representative. We can indeed be proud of the dedicated work General Burns has done on our behalf on the 18-nation Disarmament Committee, as well as in other matters of this kind.

The second item I wish to refer to can be deemed a very considerable success, namely, the partial nuclear test-ban agreement which was concluded first between the nuclear powers during 1963, and then signed by most of the countries in the world. I do not have to explain it. It is called the partial test-ban agreement because it bans all nuclear testing except that underground. It can be said, at least, that this was a major achievement in that it began the easing of tensions in the military sphere between East and West.

Another hopeful indication of the easing of tensions is displayed in the economic field. The U.S.S.R. has become more or less reconciled to the European Economic Community, which it had strongly opposed until it became an accomplished fact. We must recognize also that it was a great achievement that the West has started to trade more with the U.S.S.R. In this regard I refer particularly to the wheat agreements and wheat sales that Canada has made with that country in 1963, and is making now. An important outcome of those wheat sales is that the United States, which refused to deal with the U.S.S.R. in these commodities, has followed Canada's example in deciding to do likewise.

Those facts are all on the plus side of our relationships, and have helped in the process of easing tensions between East and West.

I want to say a few words with respect to the United Nations and the responsible role which Canada now plays in that body, and indeed since it was formed after World War II. In speaking of the United Nations I would mention what I deem to be three of the problems of most immediate concern—problems on which Canada must vote yes or no within the next short period.

One of those is the question of the membership of The People's Republic of China in the United Nations. I recall, as I said in another debate a few days ago, that I was privileged to be a member of the Canadian delegation to the United Nations in 1958. One of the most important debates on that occasion was the question of the membership of The People's Republic of China in the United Nations.

It was during that time that the then Secretary of State for External Affairs and head of the Canadian delegation to the United Nations, the Honourable Sidney Smith, told me in a casual conversation, "We Canadians have followed the lead of the United States in this matter for quite some years, but I am just wondering how long we can continue to follow that lead." I will say no more about that conversation, except that it indicated that the thinking of some of us even then was that perhaps we might not be right in excluding Communist China from the United Nations. I have no hesitation in stating my conviction in the matter. It is that Canada should play a part in bringing that country into the United Nations. I know there is a great deal of disagreement on this point, but it is my belief nevertheless that the majority of Canadians support this point of view.

One could, of course, make speeches both pro and con on this matter. I have no intention of doing so, but I do say that this problem must be dealt with in due course and that Canada must take her stand upon it. It is a problem to which we in the Senate of Canada can give some thought as time goes on.

Another problem at the United Nations which we are all aware of is the condition of the finances of UN. In that regard I refer particularly to the financing of the peacekeeping operations which we are finding so necessary and which are becoming an increasing burden on UN. When we realize that even a responsible country like France has refused to pay its share of the Congo operation, I think we can understand how serious this matter is and may become.

As everyone knows, the U.S.S.R. and the Soviet bloc have refused to pay their share of these costs. Indeed, of the arrears of over $100 million in the UN today, 65 per cent is owed by the Communist bloc.

I mention these points because they are important and everyone who is interested in the United Nations must give some thought to them.

A third problem which is rapidly coming to the fore in the United Nations is the question of the voting system. You will recall that in the early years of UN the membership started with 60 or 65. It is over 100 now. That membership which has accrued to it during the last few years consists virtually of those countries which we call underdeveloped—

generally African countries, with small populations. Nevertheless, each of those states has an equivalent political power in UN to that of the U.S.S.R., United States, Great Britain, Canada and so on. This is a problem which those who read the reports of UN observe is coming more and more to the front in these days.

Canada can be proud of the part it has taken in the peace-keeping operations. I do not have to tell honourable senators the history of that. I think Canada was the first of all countries to volunteer in those operations. We started in Kashmir a few years ago, then in the Middle East, then the Congo and we are engaged in this most unfortunate affair in Cyprus at the present time.

Furthermore, Canada has taken a leading part in these matters. The present Prime Minister should be congratulated for the fact that he has recently made speeches in regard to the development of a permanent United Nations peace-keeping force. As you all realize, these peace-keeping operations abroad are much of a hit-and-miss matter. These problems arise, and then there is a quick shuffle as to who is going to provide forces to put out the "brush fire" conflicts, wherever they may be. Most of us hope that some day there will be a permanent United Nations force to help keep peace in the world.

Honourable senators, I should like to make some remarks about the North Atlantic Treaty Organization. As is well known, NATO is the main element of Canadian foreign policy and is the most realistic guarantee of our national security. Nevertheless, I am sure all of us who read the press are concerned about what is happening in NATO today. Perhaps there should be changes.

I should like to refer to an article in the *Globe and Mail* of April 30, headed "Reform NATO Now—French Suggestion." We know that President de Gaulle of France is determined to change the basis of NATO: how radically, or to what extent, we do not know. This article, dated from Paris, says:

> The French Government last night proposed re-organization of the North Atlantic alliance.
>
> Foreign Minister Maurice Couve de Murville told the National Assembly that President de Gaulle's Government accepted Maurice Schumann's proposal that the North Atlantic Treaty should be reformed now. Mr. Schumann is chairman of the Assembly's Foreign Affairs Committee.
>
> No one will deny the "irreplaceable" character of the alliance, Mr. Couve de Murville told the Assembly.
>
> "But is the United States to be solely responsible for our security?" he asked. The question, he said, poses the whole problem for France and Europe.

I might add that the NATO treaty continues until 1969, that is, for 20 years from its formation in 1949. France says, in effect, "let us reform NATO now and not wait for the renewal date in 1969."

In any event, I am sure we are all concerned about the naval withdrawals which have taken French ships and officers from NATO commands in recent days. These things may be ominous for the future of this great alliance.

That is all I intend to say about NATO. I merely wish to pose those problems which face Canada and the other members of that alliance.

Honourable senators, another problem on which Canada must make a decision sooner or later is in regard to the Organization of American States. You all know the background of this organization. You have heard about the "vacant chair" which has existed in Washington, the headquarters of O.A.S. since 1913, the chair which at that time was intended to be occupied by Canada. You will recall that successive presidents of the United States from that time on opposed the entry of Canada into O.A.S. It was only in recent years that the attitude in Washington changed. The government of the United States now shows undeniable signs of a desire that Canada should join.

As is well known, Canada now has membership in various agencies of O.A.S. but we have continuously resisted full membership.

I think I can conclude by saying that during the last few years the pattern has been that when a party has been in power it has said no and the opposition has said yes; then when the opposition has come into power it has said no and the other party has said yes. Is not that the position today? I recall the honourable Paul Martin suggesting two or three years ago that we should join O.A.S., but the Government said "No, let us not go too hastily."

Hon. Mr. McCutcheon: Today the Opposition still says no.

Hon. Mr. Thorvaldson: The Government still says no. I am not saying that I advocate joining O.A.S. at the present time. I say it is one of the problems facing us and we are being subjected to considerable pressure from south of the line to become members of the organization, whether we like it or not.

I would like to say a word or two about the Commonwealth, which we all take for granted. Indeed, we take the Commonwealth so much for granted that I sometimes wonder if we ever take a real look at the tremendous

changes which have occurred in regard to the Commonwealth in the last five, ten, twenty and thirty years. I am aware of the existence of our Commonwealth Parliamentary Association. I had the pleasure of meeting Senator Hugessen in London, I think in 1961, at a meeting of that association when I was there to attend another meeting. Last year there was a meeting of the Commonwealth Parliamentary Association in Malaysia.

I sometimes wonder what they talk about at these conferences, because the Commonwealth has become so diffused during the past few years; and one wonders if there is any cohesion left, except for the basic fact of the Crown, which continues to unite us all. In 1931 there were only five members of the Commonwealth—Great Britain, Canada, Australia, New Zealand and South Africa. Of those countries, South Africa is no longer a member. Now there are 18 members. Let me recite to honourable senators when these other member countries came in: In 1947, India and Pakistan; in 1948, Ceylon; in 1957, Ghana and Malaya; in 1960, Nigeria; in 1961, Cyprus, Sierra Leone, and Tanganyika; in 1962, Jamaica, Trinidad and Tobago, and Uganda; in 1963, Zanzibar and Kenya.

Honourable senators, what a tremendous change there has been in the picture of the British Commonwealth in the past few years. It now includes only a few countries where the colour of the people's skin is white, and many more countries where the skin of the people is black, brown, yellow. However, all I want to do is to pose this problem so that we can give some thought to what the Commonwealth is today, what it means now and where it is going tomorrow. From my experience at the United Nations a few years ago, we had much less to do with the British Commonwealth of Nations in our day-to-day business than with various other nations. For instance, is there anything in common between Canada and some of these newer nations at the present time? That is the question I pose to you.

To turn to one other subject, I know that no review of the kind I am making is complete without reference to our relationships with the United States of America. Those run on pretty much like the proverbial brook. Indeed, I think we had quite an interesting debate on one phase of those relationships during the past few days while discussing the bill on the territorial sea and contiguous fishing zones.

Then, of course, there are our relationships with other countries in the world—economic relationships, both in Europe and elsewhere. I will refer briefly to the negotiations that are being carried on in Geneva, in respect to GATT—the General Agreement on Tariffs and Trade—and which indeed we hope will become of paramount importance, both to Canada and the rest of the world.

Honourable senators, I know I have spoken longer than I should on this report, but I want to say in conclusion that we Canadians sometimes fail to recognize the tremendous growth and development that has taken place in this country in the last 20 or 30 years, which has indeed made of Canada a giant, economically and politically, and potentially a giant in military affairs. In that regard, let me say this.

Take Brazil—with its population of 75 million—I cannot give you the exact figure, but I know that its gross national product is slightly more than one half that of Canada's. Canada, with a population of 19 million, has a gross national product today at the rate of $44 billion. That is why I say, do not let us sell ourselves short in our own minds, because Canada today is among the giant nations of the world. Furthermore, we have assumed greater and greater responsibilities and, if it can be said that one should be one's brother's keeper internationally, then Canada certainly has done a reasonable share in that regard in recent years.

Finally, honourable senators, let the Senate keep in touch with these international problems. I express the hope that there may be further discussion on this resolution, and that later we may study some of these problems in the Standing Committee on External Affairs.

Hon. Norman P. Lambert: Honourable senators, I am sure that the house is indebted to Senator Thorvaldson for the thoroughgoing review of the current international conditions in which Canada is playing such an important part.

In rising to support the resolution which stands in his name, I feel that one's observations at this time can be best expressed fairly briefly and in more or less general terms.

As honourable senators realize, it is customary for all of our Senate standing committees to meet only when definite legislative bills are referred to them. In the case of the External Relations Committee it is also customary to refer to it for examination and enlightenment certain international conventions which from time to time come before both houses of Parliament for ratification.

The resolution now before us is not dissimilar from others adopted by the Senate in the past, asking for information on some phase of external affairs. For example, one might cite the discussion that took place in this chamber prior to the meeting of the United Nations in San Francisco in 1945, and

also the discussion which took place both in the committee and on the floor of this chamber upon the return of our delegates from San Francisco, concerning the finished form of the United Nations Charter at that time.

References to the beginning of this committee might be of some interest to honourable senators in looking back over the period which has been emphasized so well by Senator Thorvaldson. The record reflects the expansion of its activities in external affairs.

It is of some interest to recall that in 1938, as recorded at pages 28 to 56 of Senate *Hansard* of that year, an interesting discussion took place. The gentleman who introduced the subject was none other than the late Honourable C. P. Beaubien, of honourable memory, the father of Senator L. P. Beaubien, who is now representing his province in this house.

In February, 1938 the late Senator Beaubien said:

> At a meeting of the members of all the committees of the House this morning it was suggested, and I think the suggestion was accepted almost if not quite unanimously, that it would be advisable for the Senate to create a new standing committee for the purpose of dealing with international affairs, so that all the members of the House could get first-hand information with respect to such matters as they concern Canada. I need not tell honourable members that we have in our midst, in the leader of this House, probably the best informed authority on all matters of that kind, and I feel sure that if he were protected, so to speak, by the secrecy which would be obtained in such a committee he would be only too glad to give information of great interest to each and all of us.

It is not necessary to say that the gentleman to whom he referred at that time was the late Senator Raoul Dandurand, who for many years had presided at the League of Nations, during which time he made his residence mainly in Paris.

I should now like to mention the names of the members of that committee. They were as follows: Senators Sir Allen Aylesworth, C. P. Beaubien, F. B. Black of New Brunswick, W. A. Buchanan of Alberta, J. A. Calder of Saskatchewan, Sir Thomas Chapais of Quebec, A. B. Copp of New Brunswick, Raoul Dandurand, J. W. de B. Farris, W. A. Griesbach, J. T. Haig, Arthur Hardy, H. H. Horsey, A. K. Hugessen, Dr. King, A. J. Léger, E. S. Little, C. MacArthur, W. H. McGuire, A. D. McRae, Arthur Meighen, J. E. Prévost, J. H. Rainville, C. E. Tanner and Gerald White.

I should also mention that in the report of the debate in the Senate in connection with the establishment of that committee there is recorded an appropriate speech by our friend Senator Aseltine of Saskatchewan, who later became a member of the committee but who was not a member of that first committee.

I think it is only fair to say that, as one contemplates the names I have just read, it is evident they represented qualifications which would be quite competent to deal with such a question as the "12-mile limit," or any other that might have come before them at that time. I was a junior member, by one year, to Senators Farris and Hugessen, who today are the only surviving members of that committee. We had the great advantage of the experience and wisdom of people of renowned standing such as Sir Allen Aylesworth who had given his services in the early experiences of this country in the Yukon Boundary Award and who was generally an authority on matters of international importance. I mention these names and dates of the beginnings of this committee to show it had some real background of historical interest.

The resolution which Senator Beaubien proposed at that time called for a committee on foreign affairs. Later that reference was amended, characteristically at the suggestion of Senator Meighen, the Right Honourable Arthur Meighen, who was then Senate Leader. He suggested that the resolution should read:

> That a new standing committee of this honourable House be created, called the Standing Committee on External Relations and all matters having to do therewith, to consider and report upon the same, and that the Rules of the House be amended accordingly.

Then he proceeded with these characteristic observations:

> I do not like at all the term "foreign affairs" in relation to Canada. Perhaps I am out of date, but it seems to me very presumptuous for us to be talking about a foreign policy. Professors write very learned books and magazine articles on the subject. I read a book a little while ago, before it was finally published, about the foreign policy of Canada. The term is altogether too embracing. If we are to have a foreign policy we must launch upon a course of conduct wholly different and mightily more portentous than we are embarked upon today. We have external relations, of course, but that is a less ambitious term. It does seem hard to comprehend how people take this country so seriously as a great, influential factor in world affairs. I do not want

to minimize our strength and our growing consequence, but this picture of Canada constantly assuming to lead democracies in matters of foreign affairs is really pretty tiresome. We had better realize just where we are and what we amount to, and behave accordingly.

I suggest that is an observation which might be read with some degree of application in these present days, particularly when we realize that in the revised estimates for this year we find assigned to the Department of External Affairs something over $95 million, which represents an amount easily three or four times what it was 10 or 15 years ago.

The first chairman of the committee was the late Senator Major-General A. D. McRae. Other illustrious names identified with the membership of the first committee might be quoted, in addition to the ones I have already mentioned. However, I think it sufficient at this stage, at any rate, to say that the impulse which led to the establishment of this committee in 1939 was a sound one, and subsequent events have certainly substantiated the rather prophetic considerations which were expressed at that time.

In the face of all that is going on today throughout the world, it is hardly necessary to stress further the desirability of an increased measure of activity on the part of the Senate's Standing Committee on External Relations. I shall not attempt to review or to cover the ground that has been so adequately covered by my friend from Winnipeg South, Senator Thorvaldson, but I would like to suggest certain topics that I consider proper to be referred to the committee on external affairs in the immediate future.

Senator Thorvaldson has referred at some length to our involvement in the United Nations, and chapter 3 of this report, which covers from page 10 to 16, gives a fairly comprehensive account and review of this involvement. The responsibilities for action by the so-called smaller nations, of which Canada is regarded as one of the foremost, is something we hear a great deal about from time to time, in a boastful way. But from the point of view of realism, I think one of the future sessions of the external affairs committee could well be devoted to summing up and giving an account, fairly succinctly but definitely, of what is involved in that pretension.

The distribution of financial support, which now has become of very immediate concern not only to Canada but to the other larger contributors, to the welfare of the United Nations, is of pressing importance. The increased membership since 1947, when I had the privilege of being in New York, to which increase my friend has referred, is largely the result of representation from former colonial areas with recently acquired self-governing status. That brings up the question of our Commonwealth status within the United Nations. It is a complicated position, as many measures that have arisen there, and on which resolutions were passed, will indicate.

There is the question of the advisability of closer association in the Western Hemisphere through the Organization of American States, to which my friend has referred. This, I would suggest, is another subject for inquiry and examination. Canada's orientation towards the Pacific and the Far East, including China, Japan and India, seems to me to be another phase of our external interests which could well be subjected to examination and inquiry in the committee. The strategic importance of the northern half of America during and since the last world war is another. Is Canada, with its vast area of varied wealth, and its relatively small and incompletely assimilated population, capable of dealing with its problems alone? The importance of a joint meeting with a similar committee of the House of Commons to discuss questions of international interest such as have been discussed in the past might well be considered again. There is surely a common ground of approach by the two branches of Parliament in this field.

One might by way of recollection refer to the joint committee that met in the large railway committee room at the time of the visit of Sir William and Lady Beveridge. They elaborated at that time their concept of a postwar area of social welfare which finally sparked the beginning of the present Department of National Health and Welfare in this country. I mention that purely as an example of the opportunities that should be taken to approach, and join with, the committee on external affairs in the other house. I think our common interests would be well served in so doing.

Sooner or later this country will be confronted with the enforced prospect of closer economic and financial relations with other countries, particularly with the United States. I think that is a matter which should be examined with all freedom and without prejudice, in the hope of pointing the way to a sane and more cordial relationship with the republic to the south.

The pending meetings in Geneva for the purpose of adjusting the terms of GATT by the proposed Kennedy "round," to provide for freer trade throughout the world, is another item which should occupy the attention of this committee at the earliest possible moment, when the reports of the latest developments in Geneva, which are none too promising for future satisfaction, are available. I think we should hear about them as soon as we possibly can. I remember very

vividly when the reports from the former meetings on GATT were given to us in committee by Mr. John Deutsch and Mr. Hector McKinnon, and other members whose names I do not recall at the moment. They were most enlightening and gave the committee a real appreciation of what was expected from those agreements.

With that rather scattered series of suggestions, I have much pleasure in supporting and seconding the resolution which my friend Senator Thorvaldson has covered so well.

Hon. M. Grattan O'Leary: Honourable senators, if it is the wish of the house I shall be glad to adjourn the debate; otherwise, I shall not take more than 10 or 15 minutes with what I have to say.

Some Hon. Senators: Go ahead.

Hon. Mr. O'Leary: I do not rise to oppose the motion of my distinguished colleague from Winnipeg South, Senator Thorvaldson. Indeed, it is my opinion that we should all feel indebted to him for his very informative and interesting discourse; and also to my friend Senator Lambert, for what he has told us.

But, I confess I could not remain silent here after Senator Thorvaldson had put on the *Hansard* of this house some words written by Mr. John Holmes, a gentleman for whom I have indeed the greatest respect, but who is one of those in this country afflicted with what Professor Creighton has called the "Liberal mythology" about the colonial position of this country prior to a certain year. In the words which Senator Thorvaldson placed on *Hansard*, seemingly with his benediction, there was the statement that prior to 1945 this country had what he called "a lingering colonial mentality."

I look across the floor of this house and I see my distinguished friend, Senator Crerar. I ask him if he had a "lingering colonial mentality" when he sat in the Union Cabinet of Sir Robert Borden.

Did this country have a lingering colonial mentality when Sir Robert Borden, in Paris, insisted that Canada sign separately the Versailles Treaty? Did we have a lingering colonial mentality when Sir Robert Borden insisted that Sir Arthur Currie, and he alone, should command a separate Canadian army corps? Did we have a lingering colonial mentality when Sir Robert Borden in fact told the British Government that unless certain things happened in France in regard to our forces he would bring back the Canadian troops to Canada? Did we have a lingering colonial mentality when Sir Robert Borden proposed a Canadian minister at Washington —for he was the first to propose it?

Honourable senators, I happen to be the proud possessor of the original memorandum about a Canadian minister at Washington, drawn up by Mr. Loring Christie, one of the very ablest of the men who have served Canada in the Department of External Affairs. I prize it, and I shall keep it with some other papers of a like character.

Did we have a lingering colonial mentality when Sir Robert Borden proposed a Canadian as Governor General? Did we have a lingering colonial mentality when Arthur Meighen went to the Imperial Conference of 1921 and there fought Churchill, Lloyd George, Birkenhead and Curzon, and compelled them by the sheer force of his logic to abrogate the Anglo-Japanese Alliance?

These things are part of the record. But there is a Liberal mythology in this country encouraged by people like Mr. Holmes and, I am sorry to say, given some credence by my friend, Senator Thorvaldson, who put those words on *Hansard* today. This is not history; this is not true.

We talk of the Statute of Westminster as if something new and wonderful had been born in this country by that statute. Honourable senators, the Statute of Westminster was a purely declaratory statute, and nothing else. It merely stated what was in existence before. In my opinion, it is a falsification of history and a wrong to this country to have it stated again and again, and accepted by people who ought to know better, that before 1945, before the advent of Mr. Mackenzie King, we had a "lingering colonial mentality." Was there anything in Canada that interfered with the freedom of a citizen, of a Canadian, before 1945 that did not exist afterwards? This is all nonsense. It is not true to the record. There was no constitutional development in Canada after 1945 that we did not have before.

It is true that certain things happened then; but we always had the power to make those things happen. There was no power in London or elsewhere to tell us we could not do some of the things we have done since. Why, away back in the days of Edward Blake, who proposed that the Supreme Court of Canada be the final court of appeal in this country, there was nothing in the law, and nothing in our relationship with Britain, to stop us making it so.

I do say that I, as a Canadian, can not stand in this house and abide people getting up and saying time and again how certain things have happened since 1945, and perpetuating what Professor Creighton has called the "Liberal mythology," that some new freedoms were vouchsafed us in the period when Mr. Mackenzie King was Prime Minister. This is not true.

Honourable senators, I do not wish to say more, but I cannot say what I have said without adding a few further words. I hope that when the External Relations Committee comes to consider the report of the Department of External Affairs, one of the questions it will take up will be the position of Canada today with respect to Cyprus. Some weeks ago when the honourable Leader of the Government (Hon. Mr. Connolly, Ottawa West) came into this house and announced that our troops were to be sent to Cyprus I ventured to ask him a question. I asked him then: What provisions are being made, if any, for the reinforcement of our troops on the Island of Cyprus, and are any other nations going to take part in this peace-keeping expedition? He answered, and quite properly, that the matter was then the subject of negotiations at the United Nations, between the Secretary of State for External Affairs and U Thant, and that he was not in a position to say anything more than he had said. But, he added—and I looked this up in *Hansard* the other day—that he would return to this house with further information as the occasion warranted. Well, he came to the house two days ago, I think, with a statement —a very vague statement—by U Thant.

Honourable senators, make no mistake about it, there is a great sense of unease throughout this country at the present time about the position of our troops in Cyprus. We do not even know what their mission there is, and in my judgment and that of many others it is pure make-believe to say that this force in Cyprus is a United Nations force. It is nothing of the kind. U Thant does not create a United Nations force by pasting a UN label on the arms of troops there that belong to the Commonwealth or to the other nations who have contributed.

Sweden has contributed but a token force; Finland a token force; Ireland a token force. The troops in Cyprus who are keeping the peace there today are troops of the British Commonwealth. They are British troops and Canadian troops, and U Thant who goes around talking about his United Nations force is not even paying for it. We are paying. He is talking.

Honourable senators, I doubt whether the Canadian people realize at this time that the commander of our troops in Cyprus is not even responsible in any way to the Canadian Government, the Canadian Parliament, or the Canadian people. He reports to U Thant. For all I know, U Thant may be a great general, although I have seen no evigence of it so far, but this, I say, is something that should be taken up by the External Relations Committee. It is something about which the Parliament of Canada should insist upon having more information.

More interest in this question must be taken by us as a body. If other troops had gone with our troops then I would say: "God speed them all." But, honourable senators, we were told, and given the impression, that this would be in truth a United Nations force, and it is not. Our troops are in Cyprus. They may be in peril. The United Nations talks about it, but does not even pay their way.

That, honourable senators, is all I have to say for the present.

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

DIVORCE

MOTION FOR AMENDMENT OF STANDING RULES AND ORDERS—DEBATE ADJOURNED

Hon. Arthur W. Roebuck moved pursuant to notice:

That the Standing Rules and Orders of the Senate be amended as follows:

1. Immediately after paragraph (g) of clause 1 of Rule 162 insert the following:

(h) a statement of all previous proceedings instituted with reference to the marriage or to any children thereof, including applications to the Parliament of Canada, petitions and writs for divorce actions, alimony or maintenance, separation from bed and board and the custody or maintenance of any children of the marriage, and the results of any such proceedings; and a statement of any agreements or financial arrangements between the spouses with reference to the marriage or any children thereof;

2. Re-letter paragraph (h) of clause 1 of Rule 162 as paragraph "(i)".

3. Immediately after paragraph 5 of Form C-1 (General Form of Petition) insert the following:

6. That the following is a statement under Rule 162 of all previous proceedings instituted with reference to the marriage or to any children thereof, including applications to the Parliament of Canada, petitions and writs for divorce actions, alimony or maintenance, separation from bed and board and the custody or maintenance of any children of the marriage, and the results of any such proceedings; and a statement of any agreements or financial arrangements between the spouses with reference to the marriage or any children thereof. (If no previous proceedings, so state).

4. Re-number paragraphs 6 and 7 of Form C-1 as paragraphs 7 and 8.

He said: Honourable senators, I gave a short explanation of this addition to the rules when I gave notice of the motion. This is a purely technical matter. The fact is that this subparagraph was dropped from the rules through sheer inadvertence. For some unaccountable reason it was not included in the original draft, and I did not notice it was missing. We have been carrying on as though that rule was there, and now that a new edition of the rules is being printed it is best that it be included. This clause was in the rules when Senator Aseltine was Chairman of the Standing Committee on Divorce, and for how long before that I do not know.

I do not think any further explanation is required.

Hon. A. J. Brooks: Honourable senators, it is not my intention to make any remarks on this motion. However, my deskmate, honourable Senator Choquette, is anxious to speak on it, and as he is unavoidably absent from the chamber I would ask that I be allowed to adjourn the debate in his name.

Hon. Senators: Agreed.

On motion of Hon. Mr. Brooks, for Hon. Mr. Choquette, debate adjourned.

PRIVATE BILLS

ALLSTATE INSURANCE COMPANY OF CANADA —THIRD READING

Hon. Gunnar S. Thorvaldson moved the third reading of Bill S-12, respecting Allstate Insurance Company of Canada.

Motion agreed to and bill read third time and passed.

EVANGELINE SAVINGS AND MORTGAGE COMPANY—THIRD READING

Hon. Gordon B. Isnor moved the third reading of Bill S-15, to incorporate Evangeline Savings and Mortgage Company.

Motion agreed to and bill read third time and passed.

HARBOUR COMMISSIONS BILL

THIRD READING

Hon. A. L. Beaubien, for Hon. Mr. Leonard, moved the third reading of Bill S-10, to provide for the establishment of harbour commissions.

Motion agreed to and bill read third time and passed.

PRIVATE BILL

BANK OF BRITISH COLUMBIA—ORDER FOR SECOND READING STANDS

On the Order:

Second reading of Bill S-20 intituled an Act to incorporate the Bank of British Columbia.

Hon. J. W. de B. Farris: Honourable senators, I will be some time with this bill. As you know, I am generally brief but on this bill I would like to have a little more freedom of time than is available at this hour. I feel we have had enough strong arguments this afternoon, and unless someone has serious objection I would ask that this order stand until Wednesday, May 13.

Hon. Senators: Agreed.

Order stands.

The Senate adjourned until Monday, May 11, at 8 o'clock in the evening.

THE SENATE

Monday, May 11, 1964

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

Prayers.

DOCUMENTS TABLED

Hon. John J. Connolly tabled:

Report of Operations under the Bretton Woods Agreements Act (International Monetary Fund, International Bank for Reconstruction and Development, and International Finance Corporation) and Report of Operations under the International Development Association Act, for the fiscal year ended March 31, 1964, pursuant to section 7 of the first-mentioned Act, chapter 19, R.S.C., 1952, and section 5 of the latter Act, chapter 32, Statutes of Canada, 1960. (English and French texts).

CUSTOMS TARIFF

TABLE OF RATES OF DUTIES PRINTED AS APPENDIX TO MINUTES OF PROCEEDINGS OF THE SENATE

Hon. John J. Connolly, with leave, moved:

That a table setting out the rates of duties provided for in Bill C-92, intituled: "An Act to amend the Customs Tariff", and the corresponding rates in effect prior to the 1964 Budget, be printed as an appendix to the *Minutes of the Proceedings of the Senate* of this day and form part of the permanent records of this house.

He said: Honourable senators, perhaps a word of explanation for this motion would be appropriate. As honourable senators know, in the other place when amendments are proposed to the Customs Tariff, the budget resolutions themselves contain tables showing the present rates and those which would be in effect assuming the resolutions passed. This is done in the other place at the time the budget resolutions are presented, at the resolution stage. But, as we in this house have no resolution stage for these measures, it has proven of convenience to senators, following the explanations given on the bill to amend the Customs Tariff, to have both sets of rates of duty—those before the budget and those which the budget proposes to implement.

For that reason, and in anticipation of the explanation which is to be given on the motion for second reading of this bill, this step was thought appropriate at this time.

Hon. Mr. Brooks: That is in addition to the schedule of the bill?

Hon. Mr. Connolly (Ottawa West): Yes.

Motion agreed to.

EXTERNAL RELATIONS

MOTION TO EMPOWER COMMITTEE TO STUDY REPORT—DEBATE CONTINUED

The Senate resumed from Thursday, May 7, the adjourned debate on the motion of the Honourable Senator Thorvaldson:

That the fifty-fourth Report of the Department of External Affairs, covering the calendar year 1963, laid before the House on February 25th, 1964, pursuant to section 6 of the External Affairs Act, be referred to the Standing Committee on External Relations for consideration.

That the committee have power to send for persons, papers and records, and to report from time to time.

Hon. Allister Grosart: Honourable senators, I rise at this time to make a few brief remarks in support of the motion which, I take it, is in effect a motion to reactivate our Standing Committtee on External Relations. I believe it is both expedient and in the public interest that this be done, mainly for the following reasons.

In the first place, as some honourable senators have already pointed out, we are living in a completely new era of international relations, one different in fact from any the world has ever known.

Secondly, the upper chamber of any legislature is in many ways a very appropriate place for discussion of the international relations of any country.

Thirdly, this chamber, which embraces the committee membership, has a wealth of talent which could well be applied to this subject matter, but which is, to some extent, at the present time being wasted.

Fourthly, I think it is true that Canada, unlike many other nations, does not have a comparable authority on international relations, fully activated, fully aware and carrying out its responsibilities, doing the job which, it seems to me, needs to be done in any nation, namely, the continuous examination and assessment not only of international policy but of the routine mechanism by which that policy is implemented at various levels of government.

Fifthly, I am sure all honourable senators will agree that we have in the chairman of this committee one eminently qualified to give leadership.

Now if I may, I shall say just a few words on each of those five points. In relation to the new era in international affairs I emphasize merely the one aspect, that we have in the world today more sovereign nations than ever before in the history of mankind. At the same time we have more international groupings of nations than ever before. I think there is a particular reason why these two facts emphasize the opportunity for Canada to play a much greater role in international relations in the future than we have done in the past.

In that connection one remembers the words of an eminent statesman of former years, as quoted by Senator Lambert at the last sitting. I think it is true that the march of events has, to a considerable degree, negated the validity of that statement, which was in effect that Canadians are perhaps too inclined to be self-important in the realm of international affairs. It is an amazing fact that the trend of recent times has been towards nationalism in the world, for over the previous centuries the trend had been the other way, that of the establishment of great empires. I think that any historian looking into the future at, say, the turn of the century, would have predicted that the organization and groupings of mankind would have been in the direction of more and greater integrated national groups rather than in the proliferation of individual nations, which was in fact taking place.

This emphasizes, I think, that, whether we like it or not, nationality and nationalism are here to stay. In some of my reading, particularly that by writers who would describe themselves as intellectuals, I find a tendency to denigrate nationalism. That is understandable, because many will feel that the more nationalism we have, the less likely we are to have the "One World" of popular fiction which was introduced, on at least one occasion, into more or less practical politics.

I think the historian of that day would have suggested, for example, that when Africa emerged from colonialism there would be three or four great African federations rather than the multiplicity of nations which have come forth. The significance of this to Canada is that in a world where there are going to be fewer and fewer great nations and more and more small nations, the position of Canada as one of the leading middle nations is inevitably going to become more important. I think we are going to be in a position of leadership, or at least have the opportunity to lead more nations than was ever the case in the past.

That is all I will say now on the subject of nationalism, though one could speak for a considerable time on the subject.

On the other hand, internationalism is also one of the phenomena of recent times. The United Nations alone has some 14 very active and important international agencies. It is rather interesting that on page 11 of the current issue of the Stateman's Year Book, the 100th issue, there is a chart setting out these 14 agencies, and starring those nations which participate in any or all of them. Canada is one of those nations which rates a star in the matter of participation in each, and therefore all of these important United Nations agencies.

Then there are of course all the other agencies, the other groupings, not too many of them fully international because even the United Nations itself, as has already been pointed out in this debate, is not fully international since it still takes upon itself—and I shall not express a view one way or the other on this—the right to exclude some nations that in its view cannot qualify under its charter.

So there is really no completely international organization, but there are many, as we all know, which accept international responsibilities over large areas. One thinks, of course, of our own Commonwealth, NATO, CENTO, SEATO, the Arab League and others.

Internationalism, like nationalism, is here to stay, and here again the opportunity for Canada to play an important part in the future of the world is greater than it was. In this realm of internationalism the great responsibility will fall upon those nations which are sometimes referred to as the more developed nations. The developing nations can be expected to be concerned more with their own national affairs. Surely, it is one of the responsibilities of national maturity that a nation looks to its responsibilities in the international sphere.

The second point I mentioned was the role of an upper chamber. It is a fact that more often than not upper chambers in other jurisdictions have distinguished themselves by participation in the development of national policy in the international field. The United States is an example that comes immediately to mind. In that country there is a specific constitutional responsibility on the upper chamber. Among other things, it must approve international treaties before they can be ratified. The Senate of the United States also has the right to approve or disapprove of the appointment of ambassadors. We, in this chamber, do not aspire to anything like that, but I think it is reasonable that we do aspire to a more important role than we

have at the present time in the assessment and examination of our national policy in the international field.

It is also a fact that national concern in international affairs—perhaps more than any other subject—lends itself to bipartisanship. I regret, as I am sure many honourable senators do, that while we in this chamber pride ourselves in, or at least talk a great deal about, our non-partisanship there are times when we do seem to lapse into partisanship, as we did the other day. I say that deliberately, because that was a lapse into the ultimate kind of partisanship—it was a partisan vote. However, we do pride ourselves on our being able to rise above partisanship. I think one or two of us occasionally do descend into the depths, and perhaps we should be heartened when it is demonstrated to us that partisanship has at some times at least a place in the deliberations of this chamber. I am sure that bipartisanship should have a place in discussions of the national policy of our country, and if the committee is given the authority asked in the motion we will have some very outstanding demonstrations of bipartisan judgment in its deliberations.

This brings me to the third point I mentioned, that of the wealth of talent here. The speeches of Senator Thorvaldson and Senator Lambert were but a mere surface indication of the tremendous talent, skill, experience and ability in this very important field that resides in members of this chamber. In my opening remarks I said that at the moment I felt that talent was being wasted. During the short time I have been a member here we have not had many debates on international affairs, but I am sure that if the committee is given the authority sought in this motion, one of the results will be that there will be brought to bear on these problems in international affairs the tremendous experience that exists here. I am sure also that no other body in Canada can offer such talent, skill, judgment and experience.

My fourth reason for supporting the motion is, therefore, that I believe there is no other national body conducting such an investigation. We are all aware that there are societies, seminars, groups in universities and such like that once in a while address themselves to a particular problem. The Standing Committee on External Affairs of the House of Commons meets from time to time and does an excellent job, but as one reads the reports of its proceedings over the years it does seem that there is no continuing assessment of our international policy, and certainly not very much of the mechanism of that policy. Of course, the motion would bring this very aspect definitely before the committee. It would allow the committee to examine at once the latest report of the Department of External Affairs. From such an examination, I hope the committee could make some valuable suggestions for improvement of that mechanism.

In saying that, I am not criticizing the department or its personnel. However, in all countries the personnel of the Department of External Affairs tends to become more removed from the main stream of the thought of the nation. Perhaps this is inevitable, as they are dealing with varied, detailed, and intricate matters and reports. I believe that some candid questioning of senior officials in such a committee would result in information which may be very much in the public interest.

For example, the weekend supplement of the *Globe and Mail* contains an article which calls attention to the fact that there are many international conventions and treaties in which Canada is interested but regarding which there appears to be no record of Canadian action.

Honourable senators, it is a fact also that we are committed internationally to some courses of action in international treaties, but in spite of that we have domestic laws which are of themselves a defiance of those treaties. Without particularizing at the moment, I say that is the situation. It is a matter which might well be examined in this committee.

Finally, honourable senators, we have in the chairman of the committee, honourable Senator Thorvaldson, one who is eminently fit to take the leadership such a committee requires if it is to discharge its duties efficiently. Most honourable senators are aware of Senator Thorvaldson's qualifications, so I will not go into detail. He has represented Canada and this Senate at international conventions in various countries. He has spoken eloquently here and shows a full knowledge of world affairs. That is my fifth and final reason for supporting this motion and suggesting to others that it is worthy of support.

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

TOURIST TRAFFIC

MOTION TO EMPOWER COMMITTEE TO MAKE INQUIRY—DEBATE CONTINUED

The Senate resumed from Wednesday, April 29, the adjourned debate on the motion of the honourable Senator Isnor:

> That the Standing Committee on Tourist Traffic be empowered to inquire into and report upon the activities of the

various agencies concerned with promoting tourist travel in Canada and that the committee be authorized to send for persons, papers and records.

Hon. Edgar Fournier: Honourable senators, it is a privilege to have the opportunity to say a few words about the tourist industry. I have listened with interest to the debates and note the general expression of agreement.

I should like to compliment honourable Senator Isnor on his work in this important matter. I also compliment honourable Senator Fergusson, who spoke for our province last week and covered the subject so well. Naturally, I should like to compliment also all those other senators who took part in the debate. All senators have talked at length on this subject, so I do not intend to repeat what has been said. I shall limit myself to a few minutes and make my humble contribution by trying to define or classify tourists.

Honourable senators, what is a tourist? Who are the tourists?

A tourist is someone travelling through the country for pleasure or for business. Tourists are people like you and me and they may be classified into two groups. For example, a person coming from and going to a specific point, say directly from Toronto to Halifax, is one type. Then there is the tourist at large, one who has no specific destination, who is travelling for adventure, visiting the countryside, vacationing. There is a wide difference between two classes of tourist.

In those two classes we find some people travelling through their own province, some going through several provinces, and others travelling from one country to another country. Among those varieties one finds distinctions, and each group deserves attention and service.

One can go further and consider the pocketbook of the tourist. That adds to the classifications. We have the wealthy tourist and the average tourist. Each one travels according to his ability to pay and expects service to be provided. This presents a problem for the tourist himself and for those who provide the services. The wealthy tourist is in a class by himself. The vacation of the average tourist calls for planning, budgeting, saving. There may be a year of planning before a trip takes place during the vacation. This group, which is by far the largest, comprises more than 75 per cent of the tourist traffic. Those groups patronize motels, highway dining rooms, recreation parks. They are the tourists looking for adventure. They have set aside a certain amount of money for the trip and they spend it before returning home.

Honourable senators, I have spoken so far of only half of the tourist industry, the visitor. The other half is that which has to provide the services. The person who caters for tourists must undertake some obligations in order to be successful. His service must be both acceptable and reasonable. Courtesy is the essence of success in the tourist industry. The caterer must understand the tourist and must realize that lack of courtesy and overcharging are the main enemies of the industry. Many tourist centres have failed because they have tried to recover their capital expenditure in too short a time from too few customers. Tourists dislike overcharges and abuses. Such things have driven thousands of tourists to camping grounds.

In itself, camping is a good thing, as it enables the tourist to have a family vacation. It is an education experience for the children, and deserves encouragement.

In Canada, the tourist facilities are unlimited. In the last 10 years the industry has been booming. Hotels, motels, dining rooms, highways, parks, recreation centres have been built beyond imagination. Our natural resources provide the best attraction in the world.

Honourable senators, what can we do to assist this industry? My first recommendation is that every Canadian should become a tourist for a few weeks each year. He should put aside his troubles, pack his luggage in the car, and take his family on a tour across Canada. By doing this he, the tourist, will learn three things without much effort. First, he will learn more about the tourist industry. Secondly, he will find that the troubles he has left behind are nothing compared to the difficulties of those who have to provide him with the tourist services he requires. Thirdly, he will appreciate his home much better on his return.

We heard last week the soft voice of Senator Jodoin in a masterful address on tourism. I wish to compliment her and support her appeal for visitors to the Province of Quebec. I would ask all western people to visit the Province of Quebec on their way to the Maritimes. The Maritimes has much more than beautiful Atlantic seas. No one need go to Bermuda to see miles of sandy beaches, blessed with beautiful sunshine. The handcraft work done in the Maritimes is some of the best in the world, and this industry can be increased to a high level.

Honourable senators, I should like to remark sincerely that in the Maritimes we have many Indian reserves, wherein are to be found some of the best people in Canada.

I regret very much the lack of interest in preserving Indian traditions and customs. Is there anything more pleasant and more appealing to a tourist than a visit to an Indian

reserve, where old native customs are preserved; to see the tents, the colourful dresses, the lively children, the Indian dances and the campfires, not to overlook the native handicraft which has reached world-wide reputation? We have many such Indian reserves. One may travel through the Maritime provinces and scarcely notice them, because our Indians are well looked after; their children go to the same schools as do the white children. We go to our various churches. There is plenty of employment. This is all well and good. However, I feel that Indian tradition should be preserved.

I should like the senators of New Brunswick to join together to do something to promote these things for the tourist industry, through the appropriate department in that province. We are spending a lot of money to provide Canada with tourist service, but do not give much attention to tourist attractions. There is practically nothing being done to revive the traditions of our Indians. I remember years ago that along the roadside Indians sold their handicrafts, such as baskets, shoes, fancy clothes, all made by themselves. In the last few years all that has disappeared, possibly because they are able to live better and more like the white people. I think those traditions could be revived, and they would be good for the tourist industry. I hope we can do something about it.

This branch of the tourist industry may be divided into two groups: the tourist service and the tourist attractions. Many Canadians are investing a large sum of money on tourist service, but not on tourist attractions. A tourist service without attractions is an invitation to move elsewhere; and while we may not all be in a position to provide the service, we can surely assist in promoting the attractions. This should be the duty of each locality and of each individual. As individuals, we can be salesmen. If we stop to think about it, we shall find that we have much to sell the tourist.

I have before me an example of how people in the Maritimes can become salesmen for the benefit of the tourist industry. I have two restaurant table mats, such as one finds provided in many restaurants in New Brunswick. These are very impressive. The first shows a map of Canada as seen by a maritimer. In the area of British Columbia there is marked "high hills." In the Prairie Provinces the notations are: "Wheat—Some oil here—Gas line here." In the area shown as "Upper Canada" there is, "Some industry here—Trono."

Then when you come to New Brunswick, and to the other maritime provinces, you see some real salesmanship displayed on this mat. Starting in the northern part the areas are identified variously as, "World's greatest pulp industry; Largest supply of dead bud worms in the world; World's longest village; World's best table potatoes; Largest Power Development in the world; Longest covered bridge in the world; World's most beautiful river; Greatest forestry training centre; World's largest sardine factory; World's longest village; World's prominent V.I.P.'s lived here." And that is the area where Senator Burchill lives.

In Prince Edward Island and Nova Scotia, areas are marked, "Millions of scallops; World's tastiest apples; World's finest oysters; Confederation started here; Very little Scotch; No hay fever here; World's fastest harness horses, and most beautiful women; World's best seed potatoes."

I have in my hand another table mat which is an attraction to tourists. It reads like this: Canada's Atlantic provinces are famous for many things, not the least of which are the famous people who originated from there, such as: Walter Pidgeon; Cyrus Eaton, Margaret Anglin; Lord Beaverbrook; Ruby Keeler (no relation to Christine) but the wife of Al Jolson; Albert Fuller; Sir James Dunn; Nathan Cummings; Robert Norwood; Bliss Carman; Hugh McLennan; R. B. Bennett; Dr. Robert A. Bartlett; L. M. Montgomery; Dr. J. C. Webster; Sir William C. Macdonald; Cardinal McGuigan; Joe O'Brien, and many others.

This sort of salesmanship costs little but means a great deal as a tourist attraction.

Some years ago, before I was in politics, I took a keen interest in the tourist industry. The local chamber of commerce was finally able to get the government to build a tourist bureau in the city of Edmundston. A keeper was appointed to operate it. He was surrounded with pamphlets for distribution. When tourists from the United States came they were first invited to see the Reversing Falls, 275 miles away, or the Magnetic Hill, 300 miles away. However, that was an invitation to leave the area, which was a bad thing for business. We had one of the world's famous pulp and paper mills, and we decided to give tourists an opportunity to see how paper is made. We got excellent results. First, we got in touch with the Fraser Company, which was very receptive and even provided guides and organized tours. Many people came from great industrial centres to see this mill, as well as others, and of course they stayed in the province and spent money there.

We also organized a trip through the vast forests, of which we have many hundreds of

square miles. We planned fishing trips, and we obtained qualified guides for visitors. I can assure you that the visitors will never forget their experience, for black flies and mosquitoes are always looking for new victims. However, that is an example of what can be done locally. I do not think that we give enough consideration to developing our attractions for tourists.

You will recall that last session I brought to the attention of honourable senators that we have in New Brunswick many historic sites. I referred to the old leper colony at Tracadie, which was going to ruin and nobody paid any attention to it. I visited there last year. The Department of Public Works expended some money and rebuilt the cemetery. They put a fence around it, lifted out the old stone, cut the old bushes. Now that it is to some extent restored, many tourists come to see it. Naturally, I should like to see a little more done, but that is a start. In New Brunswick we have many such places to be revived.

Tourists often travel as families on vacation, and they want to see something. Unless we have something to offer them, something to sell them or show them, they are going to by-pass us. This is the serious mistake many of us are making in the tourist industry. We do not generate enough interest in our local attractions, for every place could become a tourist attraction if a little effort were put into promoting it.

Je vous remercie de votre bonne attention.

Hon. Arthur W. Roebuck: Honourable senators, may I compliment the honourable senator who has just sat down, my friend Senator Fournier, for the excellent address he has just delivered. I compliment him on the enthusiasm he shows for the part of the country from which he comes. There is nothing like a little puffing if you want to sell something, and if you can do it with a certain amount of good humour, such as he has exhibited in his speech, no one is offended and frequently many are impressed.

We all recollect the old lines:

He who has something to sell
And goes and tells it down the well
Will not reap the silver dollars
Like he who climbs a tree and hollers.

Honourable senators, I too would like to say a few words in connection with this subject. My first words are in respect of our honoured and most effective chairman, Senator Isnor. He has told us that a member of his committee from each province is prepared to speak in connection with this motion, and therefore, of course, in his own support. That demonstrates 100 per cent co-operation of the chairman of this committee.

This does not surprise me in the least because, honourable senators, are not the members of this committee the best fed in the entire range of standing—or should I say "sitting"—committees of the Senate? I believe that most honourable senators present will agree with me when I make the comment that nothing assists or promotes more effectively good fellowship in a committee than a good, juicy steak. All those who have enjoyed the restrained conviviality of a dinner meeting of this committee will agree with me, I think, that we of the committee and the Senate itself are fortunate indeed in the chairman we have of the Tourist Committee. Nothing could have brought us together in one common object better than the leadership of the honourable chairman of this committee for many years past.

In addition, what could better inspire the speeches that we have heard during the last few days in connection with this matter than loyalty to his province, such as my friend Senator Fournier has exhibited? What could better inspire the literary gems to which we have listened in the immediate past than the dazzling glories of the Canadian scene? No discussion on tourist traffic would be complete or do justice to the subject which failed to pay a tribute to the work of the chairman, his business ability, organizing genius and devotion to any task to which he applies himself.

Honourable senators, apparently each one of us who speaks as a member of this committee is expected to extol the attractions of the province from which he comes. Of course, that would be easy on my part, for do I not come from the great province of Ontario—Ah yes, with its great cities, including Toronto with all its entertainment? I believe it was someone from down my friend's way who once said that he spent a week in Toronto one Sunday. Just how could anyone put in a better Sunday than that? I suppose what he meant was that in that one day he saw enough in tourist attraction and in the glories of nature that would ordinarily have filled an entire week.

We have our broad acres, fertile farming lands, thousands of scenic lakes, both great and small, our magnificent rivers, mountains, valleys and woodland slopes. If it is scenery that attracts tourists to a province, we in the province of Ontario certainly have it in abundance.

I suppose if a casual visitor listened, as we all have this evening, to the enthusiasm of the speakers from the various provinces in the course of this debate, it might sound a little like boasting. But, on the other hand,

do not forget that advertising is a prime implement of promotion, and you who have spoken so far in this debate are wonderful advertisers.

Honourable senators, I am becoming serious at this point. It seems to me that this committee has a more important function than huckstering or puffing the beauties of our own provinces or of the Dominion of Canada. Certainly, the provision of a forum for competition among the representatives of the different provinces in order to attract the tourist dollar is not one of the chief functions of this committee.

In my judgment, the tourist traffic is a very important industry in this country, and it seems to me that our job, as members of the committee, is to find a means, if we can, of smoothing the channels through which the tourist traffic comes to our country, the channels through which the traffic flows; of increasing the number of our visitors, if we can; and of making the trade even more lucrative than it has been in the past.

It has been said in this debate, and on many other occasions, that our roads are excellent—and they are. I am sometimes impressed by the thought that we of this generation in America have interlaced a whole continent with hard-surfaced and very expensive roads. We have done something in building roads we can leave to the generations which will follow.

We are told, and I think it is true, that the service stations along our main highways are good and helpful. It has been said too—and I think my friend repeated it just now—that the hotel and motel accommodation along the way is of the best. Well, I would like to be a little more sure about that last statement; and I would like to have some assurance that at all times and in all conditions the charges made are right and reasonable.

I notice in the British tourist advertising that great emphasis is laid on the moderate cost of travel and accommodation in Great Britain. I would like to see something done to assure accommodation of the highest class, at least along our main highways, that it is uniformly satisfactory, and that proper rates are charged. I would like to see lists published of the places at which to stay and their charges. I would like some assurance as well that these published prices would never be exceeded under any circumstances. I believe the tourist should be supplied with information in this regard of an authoritative and certainly authentic character, so that when he receives our literature he will be in a position to budget his trip with certainty, with satisfaction and with ease.

It has been said that the best advertisement of tourist accommodation and service is a satisfied tourist. I agree with that, but I would like to add that the very worst advertisement is a tourist who feels that he was fleeced, or that he paid more than the facilities provided merited. I think that we as a committee, with the paid assistance that we have, are in a position to do something along these lines, to gather information, to see that it is authentic, and to distribute it to those who are and might be interested.

There is another subject I would like to discuss with you. It is that the main consideration in pushing what we have to sell is the purpose that we present to the prospective tourist. I state as a principle that the first essential in promoting travel is the provision of a purpose for the trip. I am under the impression that our tourist advertising is not sufficiently organized in that regard. I may be wrong, and more may have been done in this respect than I know of, but my impression now is that we have not given sufficient attention to that phase of this problem.

The tourist nowadays will not travel long distances by car just for the pleasure of the buggy ride. Nor is he effectively lured to our country by boasting about its scenery and its fresh air. There is boasting of that kind for the prospective tourist from all points of the compass. Tourists must have something better than scenery and fresh air if they are to come to this country in large numbers. They need something more than this as the purpose for their trip.

Let me illustrate what I mean. There will be thousands of tourists coming to Canada to see the World's Fair in Montreal, in 1967. We hope so, we expect so, and we believe so, because the fair will provide a definite specific purpose for coming. People come in thousands to see Niagara Falls. That is the purpose of many a trip, and many a bridal trip at that, and once there at the Falls, many go on to Queenston to see Brock's Monument and the battlefield at Queenston Heights. Others go on to Stoney Creek, and yet others go on to Toronto to see the old fort. Many people are interested in history, and Canada has a very large number of historic sites, with a story, something to show and something to carry away. I sometimes wonder whether we have ever made a definite appeal to the history-minded prospective tourists. Have we arranged tours for the specific purpose of studying history at first hand?

But history is not the only thing. There are many other approaches to this subject. Take, for example, the people who are interested in sport. There are many golfers in the United States who might come here for the

definite purpose of playing golf in the cool of the Canadian summer season. I wonder, have we ever discovered those courses which would welcome tourists; have we ever inquired as to the fees which would be charged with a view to supplying that information to the golfing public where it might be received, read and welcomed? I doubt it.

Then there are those who are interested in tennis. We have tennis courts hither and yon, that are well located, but have we ever shown how to reach them, and what they would cost?

Let us also consider swimming, which is one of the great attractions for many people. Have we made it perfectly clear where the beaches are, what they are like, what it would cost to go to them and how tourists can enjoy themselves when they arrive?

I suppose there is no greater sport than that of a canoe trip. I can remember as a young man we used to pile our canoes on the train at Toronto en route to Severn Bridge, where we took to the water. We paddled down the Muskoka and up the Muscosh. It took about two weeks or less of reasonable paddling to do the round trip. It was a wonderful experience; I can think of nothing more attractive.

Have we laid out the various canoe trails available, and there are innumerable such trails in our country with its thousands of lakes and little rivers? Have we laid out these trails, put them on maps, showing the lakes and the rivers connecting them, and outlined the course? Have we shown the places where a person can camp? Have we listed the equipment required for a trip of that kind? Have we calculated the cost both in time and money, and have we prepared plans for such enterprises—little enterprises each one, but in the aggregate perhaps very great—and made that information available where it might attract people to our country? Such information would be attractive to young men in the colleges and in that age group.

But, honourable senators, the greatest attraction we have is that of fishing. There is nothing to equal it, apparently. The tourist will travel untold distances, will disregard roads, accommodation and discomfort, if he thinks that at the end of his journey he may get a few fish big or little, as the object of the trip.

Hon. Mr. Aseltine: They are bigger than that.

Hon. Mr. Roebuck: They will be that big by the time he gets home.

We have innumerable lakes and rivers in all parts of Canada that once were alive with fighting fish but where now it would be impossible to assure a visitor of a single catch. I was so impressed some time ago with this factor of fish and its relation to the tourist industry that I suggested a special meeting of the Tourist Committee just on the subject of fish. The chairman agreed with me and we held such a meeting. It was a success. We invited knowledgeable men both amateur and professional to come to Ottawa and tell us all about it, and I think it was at that meeting that I made a suggestion which has never been acted upon, has never been explored. I think under the circumstances I should repeat that suggestion now.

As we know, the fish have disappeared from our small lakes, particularly in the southern portion of the Province of Ontario, not as a result of fishing but because of a change of the character of the water. Fish are so prolific that you cannot fish out a lake with a hook and line. You may reduce the size of the fish to be caught, but one fish will lay enough eggs in one season to stock a small lake, provided the conditions are right so that the minnows will live and develop. The disappearance of the fish when humans establish themselves in the vicinity is a result of sewage and garbage getting into the water. Nature cleans up the water by oxidization of this material, but oxidization consumes oxygen, which is suspended in the air in the water, and which is essential to fish life. When it disappears from the water the fish die. Oxygen is essential to fish life.

Honourable senators know, I am sure, how fish gather at every rapid and at the base of every waterfall. That is because where water is turbulent it mixes with the air and thus supplies oxygen for the fish. If this air is required to clean the water and to keep the fish alive in our smaller lakes, why do we not supply it? It is my suggestion, having regard to the comparatively small cost, that we try the building of robust windmills beside some of these lakes for experimental purposes. The windmills could pump water through a pipe to the lowest part of the bottom of the lake. The windmills would run all year with very little attention; they would operate whenever the wind blew, night and day, and the air would bubble to the surface and aerate the water. It would also turn over the surface water, mixing it with the deoxidized water below.

No one seems to have paid any attention to this suggestion, but personally I see no reason why it should not be tried. At the present time many thousands of dollars are expended by my province, and by other provinces as well, in dumping fingerlings into these lakes—fingerlings which soon die because of lack of oxygen. They die of oxygen starvation.

Should the experiment I suggest prove successful, then the presence of fish in all our little lakes hither and yon would provide

a purpose *par excellence,* and might double, or even quadruple, the tourist traffic that comes to this country.

That is my suggestion, and it is really all I have to offer this evening. I do wish to close in a spirit of goodwill to my fellow members on this committee. I compliment my colleagues from the Maritimes, from Prince Edward Island and from the west, on their eloquence in describing the beauties and extent of the parts of this country from whence they come. The speeches have been thoroughly delightful. I enjoyed and agreed with every word that was spoken, because I too am a believer in this country in which we are fortunate to live. In a practical way, however, I would commend to the chairman of this committee (Hon. Mr. Isnor), and to its members, a down-to-earth organization of the tourist trade that can be of such great benefit to the Dominion of Canada.

Hon. F. W. Gershaw: Honourable senators, there have been excellent speeches on this subject already, and I promise to repeat nothing that has been said. The chairman of the committee (Hon. Mr. Isnor) must be very pleased with the response to his motion. There have been many useful suggestions, and I have just one more to make.

The history of the west is rich in adventure and romance, and as people like to learn something about the locality they visit, and are anxious to know something of its history, I suggest that certain pamphlets be prepared so that each visitor can have something to take away with him and to talk about to his relatives and friends. I think this will be of considerable value.

Place names are intriguing. Winnipeg, meaning "Muddy Water," and gets its name from the Red River. The legend is that an Indian woman wanted to purify an evil spirit which the tribe was going to worship, and it needed so much purification that the water of the Red River has been muddy ever since.

St. Boniface is named after a great Christian missionary who accomplished much.

Take Moose Jaw. An Englishman, the Earl of Dunmore, shot a moose while travelling through the country. He took part of the carcass and left the rest for the wolves. Then, in about 1857 Captain Palliser, who was travelling through that part of the country on a mission for the British Government, stopped at that place because the pegs of his cart were working loose. He saw the whitened bones of the moose there, and he used the jaw to tighten up his cart. That place became known as Moose Jaw.

Regina was originally called "Pile of Bones." Princess Louise, the wife of Lord Lorne, the Governor General at the time, thought that "Pile of Bones" was a rather bad name for the place, and she renamed it using the Latin word for "Queen".

Medicine Hat is so named because the Blackfoot Indians were having a battle with their hereditary foes, the Cree Indians. When the Crees were crossing the river the hat of the medicine man dropped into the water, whereupon their morale fell also, and they fled in confusion and lost the battle.

Calgary means "clear running water." The great commissioner of the Northwest Mounted Police, Captain MacLeod, was born in the place called Calgary in the Isle of Mull, and he gave that city its name.

Banff gets its name from Banffshire in Scotland, which was the home of Baron Mount Stephen who was one of the outstanding presidents of the C.P.R.

Honourable senators, if you go to the National Museum here you will see a complete skeleton of one of the huge prehistoric animals, the dinosaurs. That skeleton was brought from a spooky place called the Bad Lands of Alberta. These towering animals, 20 feet high and 20 feet long, lived, played, fought and died in that region, and their bones can be excavated to this day. People go there to excavate the skeletons, which have been sent to museums in Toronto, New York, England and other places. It is the great burial ground of the dinosaurs in the world. The Province of Alberta has built roads into this area and has made it an attraction for those people who are interested in these things.

I want to mention two of the very early tourists who went to the west. Away back in the spring of 1789 a man named Alexander Mackenzie was working for the Hudson's Bay Company in Fort Chipewyan. In the spring of that year, while the swans, ducks and geese were flying north, he took the notion he would like to go north as well. After a very strenuous trip he found himself paddling north on the great river which now bears his name, the Mackenzie. At one place he paddled for seven hours between perpendicular white rocks on each side of the river—rocks that rose as high as 250 feet. They were most spectacular. When he reached the mouth of the river, where it flows into the Arctic Ocean, he erected a wooden post bearing his name and the date, July 14, 1789. There was daylight there for nearly all of the twenty-four hours.

Just four years later he began to get the wanderlust again, and this time he went westward. He crossed the mountains and the Great Divide. He and those who were with him were amazed at the huge trees

and the beautiful sparkling springs and the majestic mountains with their snow-capped peaks.

He got as far as the Pacific Ocean, the first white man to reach that great body of water, and there he mixed up some vermilion and melted grease and along the rocks he painted "Alexander Mackenzie, from Canada, **July 22, 1793.**"

Honourable senators, I have one other reference to make. For 200 years a company of adventurers of England, trading in the region of Hudson Bay, had full control of that vast area, larger than many continents, from 1670 until after Confederation, until 1870. They controlled and governed and traded in that immense area for those 200 years. All the land that was drained by streams flowing into Hudson Bay was under their control. Right along Hudson Bay they had a number of posts, and there they traded beads, knives, hatchets, guns and whiskey to the Indians in return for their furs.

One day, on September 11, 1754, the commander of Fort York called in one employee by the name of Antony Hendry and asked him how he would like to go on a long trip which no white man had ever taken, to see strange people, to see a new country which no white man had ever seen. Hendry was told he would be away for a year and would travel 1,500 miles. He was delighted at the prospect of the trip. He started off with a few Cree guides and went up the Hayes River and the Carrot River and up the Saskatchewan. He encountered many difficulties but he finally got to the Red Deer River region. He was the first white man to step into the Province of Alberta; he was the first white man to spend a winter with the Indians, and to see in the distance the shining rocky mountains on the western horizon.

He was welcomed by the Indians at that time. They knew he was coming and some of them rode out on horseback to meet him. They brought him to their camp, and they marched him down between two long rows of teepees. The Indian women and children gazed at Hendry in wonderment, for they had never seen a pale face before.

Hendry sat with the chief on a huge white buffalo robe, and he ate a meal of broiled meat and the pipe of peace was passed around. He told the chief that he hoped to persuade some of his braves to take their furs over to Hudson Bay, but the chief replied "Caw in". He said it was too far to go, that the Indians lived off the buffalo, which were so plentiful in the spring they covered the ground as far as the eye could see. He said that the young braves did not want to journey that far, that some of them had gone there and had never returned. That was only too true.

These two men I have mentioned, like the early Christian missionaries and like the original members of the Northwest Mounted Police, made their contribution and then passed on and we hear nothing more of them. They lie in unmarked graves somewhere beneath the sod of western Canada. They had a philosophy which is a western philosophy and which might be expressed in these words:

> Under the wide and starry sky,
> Dig the grave and let me lie.
> Glad did I live and gladly die,
> And I laid me down with a will.
>
> This be the verse you grave for me:
> Here he lies where he longed to be;
> Home is the sailor, home from the sea,
> And the hunter home from the hill.

On motion of Hon. Mr. Taylor (Norfolk), for Hon. Mr. Smith (Kamloops), debate adjourned.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Tuesday, May 12, 1964

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

Prayers.

DOCUMENTS TABLED

Hon. John J. Connolly tabled:

Report on Activities under the Maritime Marshland Rehabilitation Act for the fiscal year ended March 31, 1963, pursuant to section 9 of the said act, chapter 175, R.S.C., 1952. (English and French texts).

Capital Budgets of Eldorado Mining and Refining Limited, Northern Transportation Company Limited, and Eldorado Aviation Limited, for the year ending December 31, 1964, pursuant to section 80(2) of the Financial Administration Act, chapter 116, R.S.C., 1952, together with a copy of Order in Council P.C. 1964-432, dated March 19, 1964, approving same. (English text).

Press Release, dated May 6, 1964, of the Meeting of the GATT Trade Negotiations Committee at Ministerial Level, held in Geneva, May 4-6, 1964. (English and French texts).

THE ESTIMATES

MOTION TO EMPOWER FINANCE COMMITTEE TO EXAMINE AND REPORT—ORDER STANDS

On the Motion of Hon. Mr. Connolly (Ottawa West):

That the Standing Committee on Finance be authorized to examine and report upon the expenditures proposed by the Estimates laid before Parliament for the fiscal year ending 31st March, 1965, in advance of the bills based on the said estimates reaching the Senate; and

That the said committee be empowered to send for persons, papers and records.

Hon. John J. Connolly: Honourable senators, I ask that motion No. 1 stand today, in the hope that we will be able to proceed with it on Thursday afternoon next. I do not suggest that we should attempt to complete the debate that day, but it might be convenient to honourable senators to proceed with it at that time.

Hon. Mr. Brooks: That will be satisfactory.

Order stands.

EXTERNAL RELATIONS

MOTION TO EMPOWER COMMITTEE TO STUDY REPORT—DEBATE CONTINUED

The Senate resumed from yesterday the adjourned debate on the motion of the honourable Senator Thorvaldson:

That the fifty-fourth Report of the Department of External Affairs, covering the calendar year 1963, laid before the House on February 25th, 1964, pursuant to section 6 of the External Affairs Act, be referred to the Standing Committee on External Relations for consideration.

That the committee have power to send for persons, papers and records, and to report from time to time.

Hon. Rheal Belisle: Honourable senators, there are some of us who are by nature bystanders in the world, observing, weighing and making private judgements of which few others know. There are others of us who are caught up in the midst of activity, whirled about almost by a power beyond us, by a love of being concerned in the activity of the world. And there are the rare few who, while acting as catalytic agents and creating activity, are able to stand aside and observe. As I am not one of those who stand aside and watch only, I ask you, honourable senators, not to be too severe in your criticism of my humble knowledge of the important subject I would like to discuss briefly with you.

I believe it was Plato who said:

When you have a really difficult question to ask, ask it of a young man because he will be audacious enough to offer an answer, and because of his youth his elders will be charitable enough to forgive his errors.

Honourable senators, it is not my intention in taking part in the debate this afternoon to try to cover the field of external affairs. I thought I would confine my remarks to a subject with which I have had the occasion to become fairly familiar in the last year. I refer to the Canadian role in NATO and, more particularly, the Canadian role in the NATO Parliamentary Association.

I had the honour to attend the NATO meeting in Paris last year with our honourable Leader of the Government in this house, accompanied also by representatives of all parties in the other place. I would like to give some of the observations I made and the opinions I gathered during that trip. First of all, may I say it appeared to me that the Canadian NATO parliamentary delegation last fall made a very good impression at the Paris conference, and also during the tour of our forces in France and Germany.

Having as our leader the Honourable John J. Connolly, a man of great experience who

has shown a tremendous interest in the NATO alliance, was not only a good start but the assurance that knowledge and wisdom were to be the guidance of our actions and decisions.

I was very pleased with his promotion to the position of leader in this honourable assembly, but I think NATO has lost a qualified man who could have been chairman of the whole NATO conference this fall.

What can we as Canadians contribute to this conference? I say that we are truly well suited to make a contribution. All we need is men of high calibre who have gained the necessary experience to enable them to make that contribution. Traditionally, we have had a role which we have carried out for the last hundred years of interpreting the United States to the United Kingdom and in turn interpreting the United Kingdom to the United States.

Therefore, this should be a land of born diplomats. We have the experience of having to carry on the government of a vast country made up of two distinct national groups. Possibly this is a poor time to mention this fact, because we do not seem to be doing too good a job of it at the moment.

We have something else. Canada has an excellent reputation abroad. This was brought about in the main by the conduct of Canadian troops during the two World Wars. It has been brought about also by the deportment of the Canadian troops who are abroad at the moment as Canadian representatives in the NATO forces and in other places.

We met many people both in military circles and in civilian life who had only the highest praise for the Canadian personnel who are carrying out Canada's commitment to NATO at the present time.

I would like to mention that our two military escorts, Lieutenant Colonel Rene Rochefort and Wing Commander Avant, did a splendid job. I know that the honourable Leader of the Government (Hon. Mr. Connolly, Ottawa West) will agree with me when I say that they were such good diplomats they should return this fall.

Peace-keeping activities occupy a central position in the widest sphere of United Nations activity. For Canada the maintenance of peace and security was the principal reason for establishing the new world organization in 1945. The basic Canadian approach to the United Nations is reflected in the fact that Canada has participated in almost every one of the dozen peace-keeping operations conducted under the United Nations flag, from Korea to Cyprus.

The United Nations has never established a genuine military force by direct international recruitment, and today there seems to be a growing understanding at the UN that to maintain a standing international force would not, at the present time, be a satisfactory arrangement. To determine a combination of suitable nationalities that should constitute such a force for every possible future situation could well be an impossible task. We are still a long way from achieving international citizenship and, consequently, equally far from accepting the international soldier.

The United Nations is already facing serious difficulties in financing emergency forces. How much more difficult it would be to persuade the members to provide the upkeep for a standing force. The Congo military operation cost the United Nations about $10 million per month during the years from 1961 to 1963, about 83 per cent of this amount being for direct expenses, and the remaining 17 per cent for reimbursement to the governments providing contingents. Canada has paid its full share of $15 million, but 46 other members of its bloc, including France and Belgium, have paid nothing at all. This has caused a severe financial crisis, and has forced the United Nations to borrow from the more willing members.

Last year the Assembly sent the question to the International Court of Justice for a ruling, and the court ruled that peace-keeping expenses properly come within the charter. According to the charter, any member who is more than two years overdue in paying its assessments shall lose its vote in the General Assembly. It appears that many members will be in this position when the next Assembly opens in the fall.

One would presume that with so many and so varied peace-keeping missions as now exist, the United Nations would have set up some fairly complex machinery for the planning and execution of such missions. Such, however, is not the case. Suffice it for me to say that once we recognize the importance of this alliance, once we recognize what we could contribute to NATO and to the UN, what we can contribute to this country by knowledge gained from both, then and only then can we play our proper role in NATO, make our proper contribution and make a greater contribution to the service of Canada itself.

(Translation):

Honorable senators, as briefly as possible, I should like to give my impressions and ideas on Canada's participation in the peace-keeping operations on Cyprus under the banner of the United Nations and which remind me that such police expeditions ought to be better organized.

Until now, a few countries, always the same ones, including Canada, seem to be on

call for those tasks where they have to pay the whole cost, in men as well as in dollars.

Would it be unreasonable to require at last that all member countries of the United Nations without exception contribute their share each time the international agents of peace are called into action?

I am not questioning the merits or demerits of those interventions as such. I am only talking about their organization which seems, to say the least, confused.

The money needed to maintain peace or postpone disorder should come from a common fund. However, it seems too much to expect the opening of a small savings account for that purpose, when it is known that some countries, and not the poorest, take their time about paying their regular contributions, which does not prevent them in any way from banging the table and criticizing the General Assembly. In the meantime, the blue berets are organized in a haphazard way. If an international police force is needed, all countries should be forced to contribute to it.

When the Prime Minister of the United Kingdom, Mr. Home, came to Canada to ask for help in Cyprus, which is a member of NATO just like the United Kingdom, the only condition laid down by our Prime Minister, the Right Honourable Mr. Pearson, and our Minister for External Affairs, the Honourable Paul Martin, was that such help be put under UN auspices.

Our colleague, Senator Grattan O'Leary, stated quite clearly the UN's position with respect to the mission in Cyprus and it would be useless for me to deal too long with that point. Like our colleague, I feel that Secretary General U Thant's trips are mere fancy skating to regain the sympathy of NATO members and to rebuild the UN's popularity.

Recently, I read a statement in which Dr. Antonio Salazar said that Portugal intends to stay in Angola and in its other African territories in spite of the United Nations' pleas for independence on behalf of the people concerned.

Mr. Salazar added that the mechanisms of NATO which were set up to ensure the defence of western Europe are no longer suited to present needs. He feels that the organization will become useless if it does not undergo some changes.

Honourable senators, allow me to ask you the following hypothetical question. If there were trouble in Portugal or in one of her possessions, would we rush to her assistance to solve the problem because we feel we are most qualified in international justice?

It is high time that Canada insist that in future all members of the world body provide whatever assistance each one of them is able to give.

If it is desirable to maintain peace in the world by preventing outbursts anywhere on the globe, it is imperative that responsibilities be shared by all and not only by a handful.

Newspaper headlines report that major reforms are foreseen in the North Atlantic Treaty Organization which will be recommended at the meeting of the External Affairs ministers that is now taking place at The Hague, I think.

During the discussions I had last autumn with other delegates at the NATO Conference, I was led to understand that due to broad political and military changes that have taken place since 1949 when NATO was instituted to rally Western Europe devastated by war, NATO does not reflect any longer the same needs for common defence against the threat of communist aggression.

Knowing that the North Atlantic Treaty will end in 1969 only, that is 20 years after being signed, I believe that it might be advisable to review our obligations in the light of the present facts. As you all realize, peacekeeping operations abroad must resort to makeshift. Problems come up, then suddenly everyone ducks, when it is time to supply the necessary troops to contain those clashes which start as brushfires.

Why, the majority of Canadians wonder, are we always the first ones to pay? Is it because we are used to living in a broad and beautiful country that we are affected with delusion of grandeur? Certainly, we are living in a big and beautiful country but the fact remains that we are only 19 million people to pay for those grand ideas.

Most of us are hoping that some day a permanent force will be created under the United Nations to accomplish this work for peace. It seems difficult to understand to what extent Canadians consider their country as a remarkable influential factor on world affairs. I do not want to belittle the power of Canada or its importance which is more and more evident, but we are tired of hearing that Canada wants to lead the democracies in foreign affairs. I think it would be better if we understood our true position, our value, and act accordingly.

I thank you.

(Text):

Hon. Jean-François Pouliot: Honourable senators, this is an important motion, and all our colleagues who have spoken on it have dealt seriously with the matters that are mentioned in the report of the Department of External Affairs for last year.

At the outset, I wish to congratulate the Secretary of State for External Affairs for the appointment of a new deputy, Mr. Marcel Cadieux, a relatively young man, but with a great deal of experience which he has acquired in many important missions at NATO and at the United Nations Organization in New York. He is familiar with our external policy, and I am sure he will do very well. His appointment is a credit to the Prime Minister and as well to the Secretary of State for External Affairs. It is a well-deserved tribute to his constant work, which is being appreciated by all those who follow the publications of the department.

I hold in my hand the report which was tabled at the beginning of the session, which gives one a good idea of the activities of the department during last year.

I will also say that the minister and the personnel of his department are very active in doing their best to promote Canadian interests throughout the world. However, there are many ways to do that. I may be said to belong to the old school, but I still believe very firmly in the sovereignty of Canada, and that our country extends from the Atlantic Ocean to the Pacific Ocean, and from the boundary of the United States to the far north. This is our country, and I hope that you will not find me too parochial in insisting upon the fact that Canada, within those boundaries, is our country. I will go further and say that a red-blooded Canadian should feel himself as much at home in any province of Canada as he is in his own province and in the town where he lives.

Hon. Mr. Roebuck: Hear, hear.

Hon. Mr. Pouliot: This is the basis of my argument today. I speak not as one who has travelled very much, though I have twice been to the United Nations, once at my own expense and a second time as a member of a delegation which stayed there for some time and saw how things were going on.

What is in my mind is that I do not want to tell you anything new, but to remind you that the head of this country is Her Gracious Majesty Queen Elizabeth, who is represented here by the Governor General of Canada. It is important that we do not forget it, in order to understand what we are and where we live.

What is a Canadian? A Canadian is a man or woman who is firmly convinced that Canada, as described at the beginning of my remarks, is our country, is the country that we shall love and the country that we shall put in the first place in our thoughts and keep in our hearts too. This is not commonplace at all although it is often ignored in high quarters.

I believe also in the right of association for countries and as well for individuals, but that association should be free and we should be able to govern ourselves independently of all other countries. My contention is that the government we shall support and maintain shall be the Government of Canada, because it is the only government of which we can have control. I am sure that you follow me.

I agree to a large extent with what Senator O'Leary (Carleton) has said about Sir Robert Borden, who was in Paris after World War I and who attended the deliberations to ensure peace for the world. To my knowledge, he published three books, two of which were memoirs edited by his nephew. He wrote another book which was fascinating, concerning the difficulties he had in Paris with all the leaders of the world who were there when a question arose concerning the peace settlement after the First World War. I am sure my honourable colleague has read it. I took the trouble to summarize some chapters of that book in articles which were published in a Montreal daily a few years after.

I have great respect for Sir Robert Borden, who did his best but who was ignored by all the leaders at that peace conference, about whom he complained in his book. He suffered as a result. He was not treated any better than was the Right Honourable William Lyon Mackenzie King at the Quebec Conference, when Mr. Churchill and Mr. Roosevelt avoided him in order to make their own decisions. We were footing the bill for that Quebec Conference, but the Prime Minister of Canada, the head of the host country, was often ignored by those two gentlemen who went together on fishing parties and to other places and who wanted to talk secretly to each other behind Mr. King's back.

A movement for world government has been going on for some time. In this connection I have in my hand a periodical, sent to me with the visiting card of a well-known Canadian capitalist. The first copy of that publication was sent to me by that gentleman, and I have received copies regularly ever since. It is entitled "Freedom and Union," and is published by Mr. Clarence K. Streit

of New York, who was invited to come before one of the groups of this Parliament but who excused himself and never came. However, we receive his propaganda. Today, in my name, I have received a copy of "Canadian World Federalist," with the compliments of the president, who is a member of Parliament. It is propaganda for world government, the world government of Wendell L. Willkie, which I have always considered Utopia, and I will tell you why.

On March 20, 1964, the secretary-treasurer of the Canadian Parliamentary Association for World Federalism sent me an invitation, together with an application form, to join the group. This is immaterial; I did not consider it very important, because in the last Parliament there was a Winnipeg member who was also very active for the same purpose. Bu what gave me great concern was the summary of a speech made by the present Minister of External Affairs at the four-day McGill Conference on World Affairs on November 4, 1963. The headline of that article reads:

> One World Approach Predicted by Martin

Then there is another article entitled:

> One World Without War—
> An account of the Eleventh Congress of the World Association of World Federalists, the first to be held outside Europe.

This is another publication entitled, "Canadian World Federalist." I also have the March-April copy of "The United Nations in Action," in which there appears "Nous devons devenir citoyens du monde" by Paul Martin. It is the text of a speech made by him at Hamilton on January 6.

All this gives me a great deal of concern because while I have great respect for U Thant, who is the Secretary General of the United Nations in New York, I will never accept him as my leader of the Government of Canada. We have one leader, Mr. Lester B. Pearson, the Prime Minister of Canada; and in this house we have one leader, our distinguished colleague, the honourable Senator John J. Connolly, Leader of the Government. I do not recognize Mr. Thant as the head of Canadian politics, the head of the Government of Canada, or the head of a government which would comprise all nations of the world. Have we not enough trouble with the United Nations now without changing our constitution, and changing our way of life to be governed by the so-called great of the whole world, who boss the United Nations in New York?

At first there were about 20 nations represented at the UN; now there are over 100. Speech-making there is interminable, since the representative of each country comes with his speech and with different ideas and different suggestions. In fact, it all rather reminds me of the Tower of Babel. I do not see how we could possibly be governed by such an institution as the United Nations, nor can I see how it could govern Canada properly. I do not agree with it, and that is my deep conviction.

I am reminded of what Sir Robert Borden wrote in his book in 1919, some 45 years ago, and what happened at the Quebec Conference many years later—I think it was in 1943—when Mr. King was put aside by Mr. Roosevelt and Mr. Churchill. I do not want those things to happen again for our country. I admit that the propagandists for world government could be sincere, and I am sure they are sincere, but they are Utopians.

It is time to put Canada in the first place in our feelings and in our sentiments, and to revert to the time when Canada was considered by the politicians of the day to be the greatest country in the world. How could we expect good government if Canada were to be governed by people who have never set foot in this country, or who come here on a short visit? What do such people know about Canada?

Most honourable senators were born in Canada, and those who were not, came here at a very early age. You are all familiar with what happens in every part of our country; that is why it is an honour to address you, because each one of you is familiar with the conditions of his own part of the country. How could we expect the greatest men in the world, if they have not the knowledge of the country that you have, to be in a position to govern this country? It seems to me that I had good reason for not answering the invitations to join the World Federalist movement.

We are Canadians; we are called Canadian citizens; but we are not Canadian citizens—we are the Canadian subjects of Her Majesty the Queen. I have said this many times, and I feel this is a suitable time to repeat it. I wonder why the Citizenship and Immigration Act is not changed in order to express our fundamental principles, and to revert to the time when we were simply Canadians. We should also be called Canadian subjects of Her Majesty the Queen. I have no objection to that. I consider it nonsense to call us Canadian citizens, because we do not live in a republic; we live in a kingdom, the kingdom of Canada, the head of which is Her Majesty the Queen, the Queen of Canada. Among her royal titles, perhaps that is the one of which she is most proud. I am. For my part I am a humble Canadian, but I am proud to be so, as I am sure the Queen is also very proud to be the head of this country.

This does not mean that Canada is a hermit, or that she should stand alone, or that we should have no dealings with the other nations of the world. But it does mean that we should be the masters of our own destiny, and we cannot delegate our powers to be so to any other body, whatever might be the ranking position or the prestige of those who would take control of our Government.

If Canada is to form a nation, then it is time for all Canadian men, women and children to show their pride in a practical manner. And what would be this practical manner? By changing the Citizenship Act to give us the name that belongs to us, a name that is not offensive to Her Majesty, and a name that is not an encouragement to separatists. We should call ourselves the Canadian subjects of Her Majesty the Queen. That is the first thing. It would mean that Canadians would be the equals of the British subjects. For the time being I have no objection to Canadians also being described as British subjects. We have the same Queen, so it does not make much difference, but we are in fact also citizens of the Commonwealth, to please Mr. Nehru and the Pakistanis who do not have any governor general in their countries. They are republics, they have a president, but by a strange understanding they belong to the Commonwealth whose head is Her Majesty the Queen.

All that is much more simple than it looks, but if we are a complete entity, and if the Canadian nation is what it should be in the eyes of the world, then there should be an unmistakable manner to recognize that fact. We should no longer have a colonial spirit and we should put Canada before any other country. Those of our people who are of French descent should put Canada before France, and those who are of English descent should put Canada before Britain. I hope I do not offend anyone by speaking in this way. But if we do not do this, we give to the whole world the impression that here in Canada we parliamentarians of all parties, and representing all parts of Canada, are imbued with the thickest colonialism that ever existed.

There is a word common to both French and Italian which derives from the Latin *patria*. In French it is *patrie*, and in Italian it is *patria*, and in English it is "mother country" —all good names.

Our *patrie*, our Canada, should be our own mother country and, if it is, then there should be a distinctive emblem flying over our diplomatic posts throughout the world, and which our soldiers will carry with pride. It will be a truly distinctive emblem. If we are not mature enough to have it, then let us keep the Union Jack in its entirety.

The Union Jack is an honourable flag. It contains the emblems of three great European countries. It contains the cross of St. George of England, the cross of St. Patrick of Ireland, and the cross of St. Andrew of Scotland. But it is not our flag.

What we need is a flag with a distinctive emblem that can be well seen, whether it is flying over the peace tower here in Ottawa or over our diplomatic posts outside of Canada, or is held by gallant soldiers who defend our country anywhere in the world. It should be on all our public buildings. It should be a flag containing a well-known and well-recognized emblem, the green maple leaf, and the maple leaf alone, large enough to be seen, so that all who see it will think of Canada in the first place. That is my point of view, and I submit it to you.

I do not worry about the delay that would occur in the adoption of such a flag. I do not worry about it at all, because what I want is a real Canadian flag. I do not want an *ersatz* flag. I do not want something that is called a flag, but which is merely a piece of bunting which does not represent our feelings or our own country.

Honourable senators, you may ask me, why a green maple leaf? I say the flag should contain a green maple leaf for two reasons. The first is that when the maple leaf is green it is full of life, like our country; and, secondly, when it is green it has not fallen on the ground, but is high in the air above human contingencies, and we have to raise our eyes to see the emblem of Canada, the maple leaf.

You may disagree with me. I will not object, because opinions are free. But, I believe that the Senate of Canada could accomplish much more than any other legislative body because, you, honourable senators, are men of experience. You are not the victims of prejudice. You are open-minded. You are free. You are in a position to make the right decision at the proper time.

How should that flag be adopted? It should not be adopted by a plebiscite. That would give rise to a lot of unpleasant discussions. The only thing to do is to have it adopted at the earliest opportunity by Order in Council. The Government of Canada should follow the example given by Quebec, as the Premier of that province said:

> From today the flag of the province will be the one that is flying over our Parliament buildings in Quebec City.

That is the way to do it. In our country the doctrine of the accomplished fact has a great many disciples; we bow to the accomplished fact. If that approach is taken with respect to the adoption of our national flag, then we will have one.

I do not insist on the colour of the emblem on the flag, although I have given two reasons for my opinion that it should be green. The emblem can be of any colour, but it should be the same emblem. It should be the maple leaf, the maple leaf forever, with any suitable background.

This is what I wanted to tell you. I could tell you much more, but there is another topic I want to speak about before closing my remarks.

When we establish a diplomatic post outside of Canada it may or it may not do well. I am not in a position to discuss that in the short time at my disposal. But what I cannot understand is that when Canadians, born in this country, achieve great success outside of Canada they may be penalized. I cannot conceive of it. I believe more than you may think, honourable colleagues, in fundamental freedoms and human rights. If anyone organizes an important business in Canada, and then goes to another country to continue the progress of his organization, is it good or bad for Canada? If he thinks that in order to be more successful in achieving the supremacy of his business he must go outside of Canada, to another country, then shall he not be praised for his spirit of enterprise?

I understand that at the present time there is a movement afoot to bring to Canada immigrants from Asia, from Africa, and from all parts of the world, but is this a reason for depriving Canadians, who have been doing so well outside of Canada, of what is called their Canadian citizenship but which amounts to practically nothing? I say that because I am proud of my country. You can look at the record and see the answers that have been given by the honest Minister of Citizenship and Immigration. I had the satisfaction of telling him that I found his answers honest. He asked me why I said that, and I replied: "Because you answered the questions well; you answered them as they should be answered."

Do you think it is right, honourable colleagues, to deprive a great Canadian who has made a success of his business, and who, with Beaverbrook, controls practically all of the press of Great Britain, of his Canadian citizenship because he has accepted the invitation of the Queen to sit in the house of Lords? What do you think of it? I am not asking you for any decision now on the matter, but I bring it to your attention. All I ask now is that you think about it. Where is the encouragement for any Canadian to work hard, to do his best for his country, and to make the name of his country respected throughout the world, when he is penalized for it?

I once shook hands with Lord Beaverbrook, and I wonder if some day I will shake the hand of Lord Thomson. Up to this moment I have never met him. He is a true Canadian, and he and all the other great Canadians who do well in other countries of the world should be praised and encouraged.

That is what I wanted to tell you. There are many things that I can speak to you about, but I have taken long enough. I thank you for your kind attention, and I hope you will understand that I am sincere in what I have said.

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

TOURIST TRAFFIC

MOTION TO EMPOWER COMMITTEE TO MAKE INQUIRY—DEBATE CONTINUED

The Senate resumed from yesterday the adjourned debate on the motion of the honourable Senator Isnor:

> That the Standing Committee on Tourist Traffic be empowered to inquire into and report upon the activities of the various agencies concerned with promoting tourist travel in Canada and that the committee be authorized to send for persons, papers and records.

Hon. Sydney J. Smith: Honourable senators, in addressing the motion of the honourable Senator Isnor, I first want to remind honourable senators, in spite of repetition, that the theme of the motion we are debating is:

> That the Standing Committee on Tourist Traffic be empowered to inquire into and report upon the activities of the various agencies concerned with promoting tourist travel in Canada—

I propose to deal for a few minutes with the activities of two such agencies with which I am quite familiar and the success of which I think will provide some good material for study by the Tourist Traffic Committee.

I have chosen one provincial agency, the British Columbia Travel Bureau, and one municipal agency, the Tourist Information Bureau of the Greater Kamloops Chamber of Commerce.

For the pleasure and information of honourable senators who may be quite disappointed when they learn that I do not propose to engage in a travelogue on British Columbia, I am having distributed complimentary copies of the current issue of the magazine *Beautiful British Columbia*. This is the first issue in the sixth year of publication of this quarterly magazine, which is not by any means an advertising handout. It is a magazine in every

sense, distributed by subscription and found on all newsstands and such places in British Columbia, and indeed in many places throughout the world.

Honourable senators, if I were to select a text for the little talk I am about to give, it would be this observation:

> There is a tide in the affairs of men, which, taken at the flood, leads on to fortune.

I am sure all honourable senators are familiar with this line and that most of us associate it with the success and fortune of the individual, but on closer examination you will note that the line goes, "There is a tide in the affairs of men." I think from the plural "men" we can assume that it applies to the affairs of men collectively as well as individually. I do not think anyone can argue successfully that tourist traffic is not an affair of "men."

During recent days we have had speaker after speaker give indisputable evidence that our tourist traffic throughout Canada is running at flood tide. At least, it has been gaining momentum at an increasingly rapid rate. I am not suggesting that our tourist traffic has reached its peak. Not at all. I think it is only beginning on a sound basis, which is reflected in the fact that it is looked on today as one of the giants in the factors of our general economy. As a previous speaker has pointed out, it is third in importance as to income, coming only after wheat and pulp and newsprint.

I think it is significant that this giant in our economy has had a phenomenal growth. It has been more or less slipshod and hit or miss. It has grown up like Topsy without any planning based on definite knowledge.

We are entering now a new era of the tourist business, an era in which we are trying to find out what makes this business tick.

I want to join with others in congratulating the chairman of the committee (Hon. Mr. Isnor) for the vigour and enthusiasm with which he has led the Senate Committee on Tourist Traffic into a study of the tourist traffic business with a view to finding out what makes it tick and seeing what we can do to improve it.

Dealing with the provincial agency of British Columbia, I hold in my hand—and I hope you will be able to examine this personally—a booklet which is entitled "Visitors, 1963—A Study of Visitors to British Columbia in the Summer of 1963." It is a 72-page report of a study conducted by the British Columbia Government Travel Bureau.

The survey was directed by one of the large national advertising agencies of Canada who are specialists in marketing surveys. The material which was gathered is largely transposed into coloured charts, breaking down the information which was secured. I want to explain that in making this study a random sample of 1,881 parties were interviewed as they left British Columbia by automobile. The sample was drawn from such parties crossing the British Columbia borders from June 15 to September 10, 1963, and from 7 a.m. until 10 p.m. each day. Both United States and Canadian cars, other than from British Columbia, were checked and were included in the study. Each interview took approximately one half hour to conduct. The questionnaire dealt with three major areas of interest, which are described in detail in the objective section of the booklet and again this is transposed into charts.

Section "A" covered tourist identification: who our visitors are, their characteristics and how these characteristics relate to the British Columbia visit. Section "B" dealt with the holiday trip in that province: where our visitors went, what they did, and what they thought of our province. Section "C" referred to attracting tourists to British Columbia: specific items on the sources of information which tourists in British Columbia used in relation to their visit.

Honourable senators, I do not wish to bore you with a detailed review of the report but I should like to refer briefly to some of its highlights. The information obtained will be used to facilitate continuing development of programs to build the visiting industry of British Columbia.

I think it is rather significant that throughout this report we find the terms "visitor" and "visitor industry", instead of the more familiar terms "tourist" and "tourism". It is felt by the B.C. Travel Bureau, after extensive studies, that "tourist" and "tourism" have taken on a connotation which is less warm, less friendly and less complimentary than the terms "visitor" and "visitor industry" and related words.

The charts which I have described deal with such subjects as where our visitors come from: the region visited within our province; age groups of visitors and number in party; income of visitors, and when they plan their trips; length of stay and money spent; type of accommodation preferred and many, many other details that will enter into the programming of future efforts designed to build up and expand the tourist industry, or visitor industry, as we are given to call it.

So much for the activities of the provincial agency. I think I have given sufficient insight into the activities of this agency to warrant a detailed study by our Tourist Traffic Committee.

Finally, I want to speak briefly of the local or municipal agency. This agency has carried

on the tourist promotion work of the greater Kamloops Chamber of Commerce for a period of about 25 years, and it must be given credit for that area being one of the best publicized recreation areas in Canada. I am sure there are many areas of similar population which could profit from taking a leaf from the history of the 25 years' experience we have had in this work.

Relating it to other sections of the country, I can tell you that Kamloops is roughly midway between Vancouver and Banff. It is located in a dry belt that enjoys record hours of sunshine throughout the year. In the past decade the population of the greater Kamloops area has tripled and is now estimated at about 30,000. Kamloops is located on the main line of both national railways, has a good airport, and is on the Trans-Canada Highway to the west of Rogers Pass. It is located at the hub of an extensive system of good highways. It is the home of the fighting Kamloops trout, found in most of the 150 lakes of the district. About fifty of these lakes are accessible for a day's fishing by people who occupy accommodation in the city.

Here is the picture as I saw it when I visited the greater Kamloops Tourist Information Bureau on Saturday April 18, about four weeks ago. That morning's mail contained 62 letters of inquiry from prospective visitors. The staff at that time numbered three. In the summer it will be increased to nine.

The visitor business in 1963 was up 65 per cent over 1962. The budget in 1963 for operating the bureau was $19,873. Four weeks ago there were eight hotels and 28 motels open for business. A number of new ones are under construction and will be open for the holiday season. Those operating now have a total of 937 rooms and/or units with a total accommodation for 2,400 visitors each night.

A recent survey indicates that on a year-round basis the cash registers of hotels and motels in Kamloops contain in excess of $10,000 in brand new foreign money each and every morning of the year.

The information bureau is open evenings and Sundays from June 15 to September 15. During that period in 1963 the bureau placed an average of more than 250 parties each Sunday throughout the summer—not only in local hotels and motels but, when accommodation became scarce, in accommodation as far away as 75 miles. This latter accommodation was arranged by long distance telephone.

Local business interests appreciate what the information bureau is doing and has done for the community during these many years, and they are very generous in their support. When I visited Kamloops a few weeks ago I attended a dinner meeting at which the forest industry of the district made a presentation of a spacious, beautiful and expensive kiosk, to be used as a summer information headquarters at a strategic point at the entrance to the city.

Other highlights that can be credited to the booming visitor industry there are contained in a few figures for 1963. The gross income for Kamloops' local urban area in 1963 was $37 million. The trading area, which takes in many fishing and lake resorts, and so on, had a gross trading income in the neighbourhood of $95 million. The building permits, for which hotels and motels accounted for a substantial number, totalled $14 million last year, and it is expected that that figure will be exceeded in 1964.

Another feature that is well known there, especially by those who employ labour, is the fact that everyone in the Kamloops district who wants to work has got a job.

In conclusion, honourable senators, may I say that I am wholeheartedly in favour of the resolution to empower the Tourist Traffic Committee to inquire into and report upon the activities of the various agencies concerned in promoting tourist traffic, because I believe that we are experiencing a flood tide in the tourist industry, which if pursued will continue to lead on to greater and greater fortune.

Hon. Walter M. Aseltine: Honourable senators, my remarks today on this important subject will be in a lighter vein than usual. During the past week we have had many difficult and controversial matters under consideration. This afternoon we have had two important speeches on foreign affairs. I hope that my remarks will be in an entirely different category.

Honourable senators, some of you, at any rate, know that my first session as a senator was in the year 1934. At that time one of the first acquaintenances I made was that of the honourable Senator Dennis, who was chairman of the first Standing Committe on Tourist Traffic in the Senate. I was mightily interested in the subject, and we had many talks about it. I helped him all I could at the time to get the committee organized and working.

Our present Standing Committee on Tourist Traffic has 25 members, and there are no vacancies on it at the moment. I was a member ex officio for some four and a half years, and I sincerely hope that when a vacancy occurs I shall be able to serve on the committee again.

In September 1962 an important step was taken. I was busy at my home in Rosetown when I received a long distance telephone call —and who was on the telephone but the Honourable Walter Dinsdale, then Minister of

Northern Affairs and National Resources. He told me that he was having some difficulty getting together a delegation to go to London, England to inaugurate and establish a Canadian Travel Bureau. Then he said, "I would like to have you go along, if you could possibly do so." I considered the matter for a moment and replied that I would let him know the next day. In the meantime he told me there would be other representatives from the Senate, the House of Commons, the Canadian Press and the provincial legislatures. I agreed to go, and away we went. The Government flew us over and back, but in other respects we paid all our own expenses. I found the ceremony most interesting, and we were instrumental in setting up the Canadian Travel Bureau right downtown, in the centre of the City of London, just a stone's throw from Canada House.

I am not going to say much more about that experience except to suggest, that when the committee starts work I think it should obtain a report on how the Canadian Travel Bureau in London, England, is getting along, on the work it has been doing and the success it has had. The motion is wide enough to cover that point.

After we inaugurated the travel bureau we were taken on a delightful bus trip to south-eastern England, to the City of Canterbury. After visiting the cathedral and listening to an historical review by the person who showed us around, we were invited to an enjoyable luncheon in the Canterbury Hotel.

We paid due respect to that luncheon, and there were some speeches, as is usual at affairs of that kind, and I was asked to make a few remarks. Well, you know, I never pass up an opportunity of talking at such a gathering, when I can tell people something about the Province of Saskatchewan where I have lived and thrived, more or less, for more than 50 years.

I confined my remarks generally to the Province of Saskatchewan, as a place which people from England and other parts of the world could visit as tourists and have a very good time. First, I thought I should tell them about our wonderful farmlands, and I proceeded by saying at that moment we were harvesting and threshing 17 million acres of wheat. Then I went on to tell them that in the part of Saskatchewan where I came from the land was a beautiful plain extending level and fertile in every direction, with the top soil 50 feet deep; that you could plough a furrow for two miles without having to turn around and without hitting a single stone. I think I explained to them pretty well what these big farms of ours were like. Then I invited them to come out the next September and see for themselves these miles and miles of beautiful, golden wheat blowing in the gentle winds we have on the prairies about harvest time.

Then I went on to say that most of the farmlands I was talking about were in the southern part of the province, but that the northern half was beautiful wooded country, with more than a thousand lakes and many rivers and streams, a veritable hunter's and fisherman's paradise visited every summer and fall by thousands of tourists from the United States and other parts of North America and some from Europe as well. I told them about the big-game hunting for moose, elk, caribou and deer. I told them too that in the fall there was wonderful hunting of migratory birds because there is a migratory birds' flyway right down through Saskatchewan to the Gulf of Mexico, to which the birds migrate in the fall and from which they return in the spring to nest and reproduce. Having told them of the wonderful migratory bird hunting, I invited them to come out and look things over for themselves.

Then I went on to tell them about the wonderful fishing we have in Saskatchewan. I believe we have more fish in the northern part of that province than has any other province in Canada, except perhaps for the Northwest Territories. We have only to go a few miles north of the place where I reside to find magnificent pickerel fishing, the walleye. You have to bait your hook behind a tree there to stop the fish getting on the line!

A little farther north we have the great northern pike which the Americans love to catch and about which you read in *Field and Stream, Outdoor Life,* and other such magazines. Still farther north is great lake trout fishing at Cold Lake, on the border of Saskatchewan and Alberta and also Lac La Ronge, where I have fished. The farther north you go the more fish you catch and the more fun you have. Up north we have the grayling, and north of that the Arctic char.

This point is important: all our lakes, rivers and streams are open to the public. You can go where you like to fish and you do not have to ask any person for the privilege of fishing anywhere in the Province of Saskatchewan.

I told all this to the people at the luncheon in Canterbury, where I was speaking, just as I have been telling you today. Maybe I was a little more eloquent, but I tried to give them a picture of Saskatchewan, the fine things we have there for them to see, and the wonderful hunting and fishing they could enjoy if they visited our province.

Then I told them a little story to illustrate how big the fish are in Saskatchewan. For

the information of the readers of *Hansard* I would like to put on record that my hands are now extended about three feet apart. I told them this story which, with the leave of the Senate, I will repeat to you today, even though I do so at the risk of casting a reflection on my reputation as a truthful fisherman. The story goes like this.

Once upon a time, not so long ago either, in the Province of Saskatchewan there was a young married couple who were avid fishermen. Every time they had a chance to go fishing, off they went. This particular year they had been out two or three times, but they were about to have a baby and they were doubtful whether they could get in another fishing trip before the baby was born. However, after considering the matter carefully, off they went to a lake in the northern part of Saskatchewan.

No sooner had they arrived than the baby was born. Fortunately, there were enough women in the camps there to assist in bringing the baby into the world. Now, when a baby is born it seems it should always be weighed. But in this case they had no scales. This is where I come in.

Someone happened to remember that I was at my fishing camp up at the other end of the lake, and he was pretty sure I would have a set of scales to weigh the big fish I was catching, and which I had been telling them about. They came after my scales, and I was pleased to let them have them, and off they went. When they returned the scales next day they informed me that they had placed the baby on the scales and found it weighed 62½ pounds.

Hon. Senators: Oh, oh.

Hon. Mr. Aseltine: Having told them that story, I summed things up by saying that with the big farms we have in Saskatchewan, the big game hunting, the big fish, the big babies and the big prevaricators, they should come and see for themselves. And then I sat down.

I want next to mention the fact that during the last five or six years many roads have been built through the northern parts of Ontario, Manitoba, Saskatchewan and Alberta, called "roads to resources." We have two or three of them in the Province of Saskatchewan, one of which is called the Hanson Lake Road. Last September I decided to go north and travel over that road to see what it was like. I was surprised to find that it was a beautiful road, and led into country where the fishing and hunting and all that kind of sport were of the best.

We left the main highway between Nipawin and Prince Albert, and went north to MacDougall Creek where they have the brook trout or speckled trout. Then we went on a little farther to Little Bear Lake, which is 100 feet deep and which is full of lake trout. Next we went to Big Sand Lake where they have northern pike, and on to Deschambault Lake and Jan Lake, and finally ended up at Flin Flon, Manitoba, where they have the big mining and smelting plant. From there we went south to The Pas, and then southwest through the Pasquia Hills, where all along the roads we saw deer, bear and moose; thence down to Hudson Bay Junction, and on to Tisdale and Nipawin, which was our starting point.

Those roads are bringing tourists into Saskatchewan by the hundreds. The Melfort Board of trade put on a winter ice fishing tournament, and it took a thousand cars to bring the people who took part in the derby. Some of them came from as far south as the Gulf of Mexico to take part.

Then we have the Buffalo Narrows Road—and Senator Crerar has told you about the fishing in Great Bear Lake, in the Northwest Territores. About six weeks ago the Member of Parliament for the Yukon showed a number of us a movie film of the fishing in that part of the country. Had people outside Canada seen that film they would hardly have believed their eyes, for the fishermen were catching lake trout of 30 pounds and over on ordinary spinning tackle.

An Hon. Senator: According to whose scales?

Hon. Mr. Aseltine: He also showed pictures of grayling fishing. It seemed that when you cast a lure the fish took it before it even hit the water. It was a marvellous picture. Then they went farther north into the Coppermine country and showed us pictures of Arctic char fishing.

My remarks are entirely different from those of Senator Smith (Kamloops). Senator Smith used to live in Saskatchewan, and he was an active supporter of motor clubs in that province. We were sorry to lose him when he went to British Columbia, because I will say for him that he knows more about motor clubs and tourist traffic than almost any person here. He dealt with this subject in quite a different way, and I was very pleased to hear his remarks.

But Senator Smith did not tell you about the wonderful fishing they have in British Columbia. I am not going to say much about it, except to mention that at Campbell River on Vancouver Island they have a club called the Tyee Club. A tyee is a salmon that weighs 30 pounds or more. If you join the club and fish with the proper rod, line and lure, and catch a fish weighing over 30 pounds you get a bronze button for your coat. If you

catch a fish between 40 and 50 pounds you get a silver button—and I am the proud possessor of one of those. If you catch a salmon between 50 and 60 pounds you get a gold button, and if you catch a salmon between 60 and 70 pounds you get a diamond button. Several fish have been caught there weighing more than 70 pounds.

I have heard Senator Hollett talk about fishing in Newfoundland, but they do not have fish there to compare with these salmon.

Hon. Mr. Hollett: We have whales.

Hon. Mr. Aseltine: Senator Crerar told us about the big fish caught in the Great Bear Lake, the second largest fresh water lake in Canada. I can believe him, having seen the pictures shown to us by the Member of Parliament for the Yukon.

All these things make the Province of Saskatchewan and western Canada generally a tremendous tourist country. We are trying to build up the tourist traffic, and make it a bigger industry than ever.

I am of course going to vote for this motion, and I hope to be able to give the chairman (Hon. Mr. Isnor) some help with his work. I feel sure that if we make the necessary effort, the income from this great natural resource will reach $1 billion by 1967.

Hon. F. Elsie Inman: Honourable senators, I feel I shall have to do some fast talking to do as good a selling job for my province as the honourable senator from Saskatchewan (Hon. Mr. Aseltine) has just done for his.

With vacation time here, people are beginning to think of travel, where to go, what to see and what to do. During the next three months millions of visitors and tourists will come to Canada to spend, we hope, about half a billion dollars. This really is big business, and it is time we appraised our potential in this industry and got down to basic facts. In the first place we must realize that this industry affects everybody to a certain degree. Tourists travel, they eat and sleep, but apart from this they buy many kinds of goods and services.

I have been advocating since I was first privileged to address this chamber that we badly need a department of tourism, for it is a fact not to be ignored that our tourist trade ranks third in Canada as an income producer federally, provincially and personally. Every level of government gains from the spending capacity of our visitors. Tourism is everybody's business from the nickel in the parking meter to, perhaps, the purchase of a farm or summer home.

Around 1925 Mr. Justice Arsenault, who was then Premier of our province, organized a tourist association in Prince Edward Island. I well remember the first meeting, for I was there. He took an active interest in promoting tourism as an industry and he followed it up continuously for many years. Two years ago Mr. Justice Arsenault, now in his nineties, spoke at the annual meeting of the Tourist Association of Prince Edward Island, and received a standing ovation. This association in our province is one of the first such organizations in Canada, and is one of the most active.

We must do more for the promotion of this industry. Our advertising is not as effective as it should be. We have everything that almost any country can offer to lure the tourist. We have varied scenery, fishing, hunting, camping facilities, sports, good food, the best beaches to be found anywhere, warm sea water and history. In fact, name it; we have it.

If tourists are to appreciate their visits, and to look forward to return visits, satisfied and happy with what they found in Canada, then Canada must be able and prepared to look after them well. Canadians must give service.

We have as chairman of our Standing Committee on Tourist Traffic this year Senator Isnor, who is a dedicated promoter of tourism in Canada. He started us off this session with an unsurpassed dinner, and a speech which could not fail to make us very enthusiastic towards the tourist industry.

It takes many attractions and qualities to transform a playground, no matter how large or small or how varied its features, into a "land to love." Yet, this is what we have to give our visitors to Prince Edward Island.

Planning a vacation is to many people a problem of time and finance, coupled with the wish to get the most out of the holiday. Prince Edward Island is the answer to today's tourist. It is a lovely idyllic land, full of charm and unsurpassed pastoral beauty everywhere one looks. Here our visitors can relax and really enjoy themselves for as long as they wish to stay.

With the Centennial of Confederation less than three years away, this is Prince Edward Island's year, and the province is preparing to welcome the biggest rush of visitors in its history. Why are we celebrating a centennial this year in Prince Edward Island? It is because this is the one hundredth anniversary of the first meeting of the Fathers of Confederation in the Confederation Chamber of the Provincial Building in Charlottetown. Twenty-six prominent citizens of three of the Atlantic provinces and Upper and Lower Canada met in what is now known as the Confederation Chamber in Charlottetown to consider a union. Without that first meeting at Charlottetown in 1864 there might well never have been formed this great nation of

Canada that stretches "from sea to sea and unto the river's end."

On one of the walls of the Confederation Chamber there is a bronze plaque commemorating the Charlottetown Conference. The crests of the uniting provinces are shown, the names of the delegates appear in the margin, and at the top the Arms of England rest on the folds of the Union Jack. At the bottom centre are the Arms of Canada, and at the right a herald is announcing the event. The line which reads: "Providence being their Guide" comes from Milton's *Paradise Lost,* and "They builded better than they knew" is from Emerson—Old and New World writers who lived centuries apart and yet whose works, in combination, accurately describe the conference.

On the left of the tablet are the features of five statesmen from the provinces concerned. Sir John A. Macdonald from Upper Canada holds the symbol of medicine, the winged serpents, the ideals of union. At his feet are a scythe, a sheaf of wheat and a locomotive. These tell us that Manitoba had joined the Union. British Columbia became a province. The Prairies were populated, seed time and harvest came and were followed by development and prosperity.

I should like to note at this point that Sir John A. Macdonald spent part of the summer of 1870 recuperating in Prince Edward Island. The session of Parliament had been very trying, and as it drew to a close the Prime Minister was completely exhausted, so he chose to bring his family to this island away from the strain and pressures of public business. The former summer home of the Lieutenant Governors on the beautiful Hillsboro River was put at his disposal, and there he relaxed, rested and regained his usual vigour and vitality.

Sir Georges Cartier from Lower Canada holds a torch and the sword of justice, symbolic of the fact that his notable professional achievement as a lawyer was the re-coding of the laws of his native province.

Colonel Gray of Prince Edward Island, who was the chairman of the Charlottetown Conference, holds the Roman symbol of unity, the *Fascis,* being four staves bound together.

At the time of the Charlottetown Conference the American Civil War was being fought, and all areas along the Atlantic seaboard were insecure. The provinces were feeling the need of union, and Downing Street was also urging it. I might mention too that it was from a daughter of Colonel Gray that I heard many stories regarding the activities of the Charlottetown and Quebec Conferences.

At Sir Charles Tupper's feet are a pick-axe and a fish representing the basic industries—mining and fishing—of his native province of Nova Scotia. His hand is pointing to the words "Unity is Strength."

Sir Leonard Tilley of New Brunswick holds a scroll on which is written the word "Dominion" from his statement: "Thy Dominion shall extend from sea to sea and unto the river's end."

I have given you a brief description of this plaque because I have heard that it is to be removed from the Confederation Chamber when that building is restored. This is something that should not happen. Its place is in the chamber where the meeting which resulted in Confederation took place. I am sure those who respect our national traditions would bitterly disapprove of such an action, and I would therefore ask each province to voice its disapproval. I do not know whether it is the intention to discard the plaque altogether, or to put it in some other place. Certainly, it should stay where it is.

One of the highlights of Prince Edward Island's year will be the opening of the Confederation Memorial Building, and here I would like to give due credit to Dr. Frank MacKinnon for his foresight and effort in bringing this great memorial to Prince Edward Island. It is a national project, and is being constructed at a cost of $5,600,000. As every province has a stake in the Confederation Memorial Building, no doubt many visitors from other provinces will be coming to our Island to see how their money is being spent. They will be very welcome indeed. We Islanders feel that the provinces of Canada have been most generous in giving us this memorial of Canada's greatest historical event, Confederation.

Many special events, conventions, cultural activities and sports are planned. On almost every day of every month during 1964, with the exception of December, there will be attractions for the tourist in the principal centres. There will be some form of entertainment to suit each person. The theatre in the Memorial Building will be the scene of many events featuring outstanding personalities in music, drama and many other branches of the performing arts. I might mention a few without taking up too much time.

Mavor Moore is bringing his highly successful revue *Spring Thaw.* Lois Marshall will be there, as will Glenn Gould, the Halifax Symphony Orchestra, and the Canadian Opera Company. There will also be a movie entitled *The Drylanders.* Wayne and Shuster are giving up a big assignment in order to come to the Island, and the French Canadian author-actor, Gratien Gelinas will bring a new play. There will also be the Vancouver International Festival's production of *Irma La Douce.*

The art gallery will have paintings from famous collections. In fact, the program is so large and varied that one could not possibly in one short visit, take it all in.

Then, for those who like to get away from crowds for a while, the finest beaches in North America are available, where warm salt water bathing is at its best. Water sports, regattas and fishing offer summer-long entertainment. And now we are looking forward to promoting the Island as a centre for winter vacationists, as we have plenty of the ice and snow necessary for winter sports and games.

Deep sea fishing is a prime attraction. It is a thrill to pull a large fish out of the water. It is worth getting up at 3.30 a.m. in order to get out to the fishing grounds from 4 to 15 miles offshore by 4.30 or 5 a.m. when the fish seem ready to bite. I have often had the experience of catching large deep sea fish. It is an exciting adventure. Prince Edward Island can offer its tourists 26 or more different kinds of fish, at least 12 of them deep sea varieties.

Hon. Mr. Aseltine: How big are they?

Hon. Mrs. Inman: Fifty or sixty pounds. You can catch your fish and have a meal fit for a king. Fishing is perhaps the oldest industry in man's activity for survival, to provide food. Even before the end of the Stone Age, fish were preserved in an organized way. As far as nutrition is concerned, fish is one of the most desirable foods known. It is too bad this delectable source of protein and minerals is not better known and more widely used by our citizens. No matter where a tourist stays in Prince Edward Island he will find a stream or pond not very far away where he can do some trout fishing, or go to the salt water rivers where he can land some sea trout in a couple of hours or less, have a swim, and be back before dark to wherever he is staying. The family can go along too, as safe bathing for children and unsurpassed scenery make an excellent outing for the whole family.

There are many historic sites to see in Prince Edward Island; we have even a magnetic hill, in fact, two of them. I have told on a number of occasions in this chamber stories about our places of particular interest, so I will not repeat them at this time but will have more to say later. Also, I wish at a later date to speak on the new industries which are coming to our province. Tourism is rapidly becoming a very important source of revenue for the province and it is an industry that will grow. Tourist trade brought somewhere around $8,384,000 to Prince Edward Island last year and that's a lot of money for a province with very little over 100,000 population.

One great need at our ferry terminals is for good restaurants, perhaps emphasizing our sea foods. We hope this need will soon be filled either by private enterprise or public ownership. I would ask our Government to subsidize that part of the industry.

Our Island Province may well become the favourite vacationland of the North American Continent. We look forward to an ever-increasing tourist industry and I know those who come will not be disappointed.

I join with other honourable senators who have congratulated honourable Senator Isnor on his motion, and take pleasure in supporting it.

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

CUSTOMS TARIFF

ORDER FOR SECOND READING STANDS

On the Order:

Second reading of Bill C-92, intituled: "An Act to amend the Customs Tariff".—(Honourable Senator Connolly, P.C.)

Hon. John J. Connolly: Honourable senators, I would ask that this order stand until tomorrow, and also that it appear as No. 1 on the Order Paper for tomorrow. My purpose in doing so is not to complete the debate tomorrow, but simply to get the item started.

Hon. Senators: Agreed.

Order stands.

STE-FOY—ST-NICOLAS BRIDGE BILL

SECOND READING

Hon. J.-M. Dessureault moved the second reading of Bill S-21, to authorize the construction and maintenance of a bridge across the St. Lawrence River between the City of Ste-Foy, in the County of Quebec, and the Municipality of St. Nicolas, in the County of Levis, both in the Province of Quebec.

He said: Honourable senators, the purpose of this proposed legislation is to authorize the Province of Quebec to construct and maintain a bridge across the St. Lawrence River between the City of Ste-Foy, County of Quebec, and the Municipality of St. Nicolas, in the County of Levis, both in the Province of Quebec, together with the necessary approaches for the passage of pedestrians and vehicles, and for other related purposes.

In view of the provisions of the Navigable Waters Protection Act, legislative approval by the Parliament of Canada is required before any bridge can be constructed over the St. Lawrence River, which is the most important waterway in this country.

The procedure, which has been followed where bridges are to be constructed across

the St. Lawrence River by a province, has been to obtain a special Act of Parliament. The special act normally provides that the province is authorized to construct and maintain the bridge in question, but prescribes that such authorization is subject to the approval by the Governor in Council, prior to construction, of the plans, drawing and location of the bridge. The special act also empowers the Governor in Council to make regulations for the security of navigation and regulations in relation to the bridge as he deems necessary for navigation purposes.

Since the proposed bridge structure is to be located in a navigable water under the jurisdiction of the National Harbours Board, the plan of the work and description of the site are referred to the said board for perusal and comments. Subsequent to the passage of the bill and following receipt of the board's favourable views and our engineers' final recommendation, a submission to the Governor in Council, requesting approval of the plan of the work and description of the site, will be signed by the Minister of Public Works and forwarded to Privy Council.

It is considered that this bridge will benefit not only a considerable portion of the Quebec area, but also it will benefit the interests of commerce generally.

For further information, I might add that the Trans-Canada Highway going east from Montreal runs along the south shore of the St. Lawrence River, that is, on the opposite side of Quebec City.

Prior to construction of the Trans-Canada Highway, the main highway between Montreal and Quebec was on the north shore of the St. Lawrence, and the construction of this new bridge is required to link the south and north shores and the City of Quebec, where the traffic is dense.

Actually, there are only two connections between the two shores. One is a two-lane driveway on the Quebec bridge, which you know was built over 50 years ago for Canadian National Railway, and is considered a piece of master engineering, one of the Seven Marvels of the world. The other connection, from the south shore to Quebec City and the north shore, is by ferry between Levis and Quebec, but this is altogether insufficient.

(Translation):

I may perhaps add that, according to information obtained from the Department of Public Works, this bridge will be erected 550 feet above the present Quebec bridge, that is to say, very close. It will be a suspended bridge. Its clearance will be 150 feet over high water. Its horizontal clearance will be 1,800 feet. These dimensions are those of the present Quebec bridge. The width of the deck will be 90 feet, which will allow six lanes and two sidewalks for pedestrians.

I have not the figures concerning the estimated cost, but I am sure this information may be obtained in the committee to which the study of the bill will be referred.

If it is given second reading, I intend to have it referred to the standing committee on Transport and Communications, so that the members of the committee as well as the honourable senators may obtain from the engineers in the Department of Transport all information or explanations they wish.

Therefore, I move that the study of this bill be referred to the Committee on Transport and Communications.

Hon. Jacques Flynn: Honourable senators, I shall be very brief. I do not think it will be necessary for me to keep you for more than a few minutes, since the sponsor of this bill has given us the most important information concerning the bridge we have to authorize the Quebec government to build a short distance from the existing Quebec bridge.

This legislation is required because navigation is under the jurisdiction of Parliament and the federal Government, and also because the Navigable Waters Protection Act does not apply in the case of a bridge across the St. Lawrence River. As we know, under the Navigable Waters Protection Act, any person or corporation who wants to build or carry out a work project alongside or across a navigable waterway must submit his plans beforehand to the Department of Transport and, in certain circumstances, to the Department of Public Works, so that the authorities concerned can make sure that the proposed works do not constitute an obstacle to navigation. As a rule, the legislation could apply to the St. Lawrence River and, by way of an exception, on account of the importance of that river, each time the construction of a bridge is planned, special legislation is introduced. This is the reason for the bill now under consideration, so that its principle is similar to that of previous legislation, especially the one which we had the opportunity to discuss during last session concerning the Boucherville bridge and tunnel.

The important thing which must concern Parliament in such a bill is that the necessary precautions are taken, in order that the works planned on the site of the bridge will not hinder navigation. Of course, the necessary provisions are included in this bill, that is, the regular provisions which are found in bills of this kind and provide every guarantee in this respect.

As a matter of fact, the advisability of building a bridge is hardly our business and I may say that we should care little whether this bridge is required, especially when it is to be built by the Quebec government. That is surely its own problem. But, as a resident of the province of Quebec and of Quebec City, I am very pleased with this decision, because the present Quebec bridge is no longer adequate. Traffic is so heavy at peak hours that it takes sometimes over an hour to cross from Quebec City to Levis, or in the opposite direction.

As pointed out by the mover of this bill, that bridge will be located about 600 or 1,000 feet west of the present Quebec bridge. Thus, in short, it is a matter of twinning the bridge which links the capital to the Trans-Canada highway which is being completed. I do not know if the bridge is what is needed most between the south and the north shore in the vicinity of Quebec. Personally, I always had the impression that it was much more urgent to link the two cities of Quebec and Levis directly, either by a tunnel or a bridge. I am sure that Senator Vaillancourt as well as His Honour the Speaker of the Senate must, in their heart, agree with me on that. But, in any case, even with direct communication between Quebec City and Levis, the problem of the Quebec bridge, which would remain inadequate, would not be solved.

The Government decided to proceed first with the construction of that bridge. As far as I am concerned, I am very glad over this decision, but I hope that before long a new bill will be presented to the Senate to settle the problem of direct communication between Quebec and Levis.

As far as we, on this side of this house, are concerned, we feel that the bill could be immediately read the second time, provided that we receive more information when the bill is studied by the Transport and Communications Committee to which it will be referred.

Hon. Cyrille Vaillancourt: I should like to ask the sponsor of the bill whether people who have studied the construction of a tunnel between Quebec City and Levis will be called before the committee to explain how the work could be proceeded with.

If the proposed bridge is built, residents of Levis and of the lower St. Lawrence will have to go further to cross the river.

However, as honourable Senator Flynn pointed out, another bridge will have to be built or some other project will have to be carried out to solve the problem.

That is why I should like to know whether thorough studies have been made by people who could give us sufficient evidence of the fact that the project is feasible.

It seems to me that the Department of Transport has done some work and the officials concerned might be able to give us some information when the bill is before the committee. Consequently, I hope that experts will be called as witnesses to give us the information we may ask for.

Hon. Mr. Dessureault: I would like to tell the honourable senator that we will start by building that bridge; then, we will make further plans later for another bridge or a tunnel.

Hon. Mr. Vaillancourt: A tunnel would be better.

(Text):

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Dessureault, bill referred to the Standing Committee on Transport and Communications.

COMPANIES ACT

ORDER FOR SECOND READING STANDS

On the Order:

Second reading of Bill S-22 intituled an Act to amend the Companies Act.

Hon. Mr. Connolly (Ottawa West): Honourable senators, I would ask that this item stand until Thursday next, and that it appear as item No. 1 on the Orders of the Day for that date.

Hon. Senators: Agreed.

Order stands.

DIVORCE

MOTION FOR AMENDMENT OF STANDING RULES AND ORDERS—DEBATE CONTINUED

The Senate resumed from Thursday, May 7, the adjourned debate on the motion of the honourable Senator Roebuck:

That the Standing Rules and Orders of the Senate be amended as follows:

1. Immediately after paragraph (g) of clause 1 of Rule 162 insert the following:

(h) a statement of all previous proceedings instituted with reference to the marriage or to any children thereof, including applications to the Parliament of Canada, petitions and writs for divorce

actions, alimony or maintenance, separation from bed and board and the custody or maintenance of any children of the marriage, and the results of any such proceedings; and a statement of any agreements or financial arrangements between the spouses with reference to the marriage or any children thereof;

2. Re-letter paragraph (h) of clause 1 of Rule 162 as paragraph "(i)".

3. Immediately after paragraph 5 of Form C-1 (General Form of Petition) insert the following:

6. That the following is a statement under Rule 162 of all previous proceedings instituted with reference to the marriage or to any children thereof, including applications to the Parliament of Canada, petitions and writs for divorce actions, alimony or maintenance, separation from bed and board and the custody or maintenance of any children of the marriage, and the results of any such proceedings; and a statement of any agreements or financial arrangements between the spouses with reference to the marriage or any children thereof. (If no previous proceedings, so state).

4. Re-number paragraphs 6 and 7 of Form C-1 as paragraphs 7 and 8.

Hon. Lionel Choquette: Honourable senators, the only reason this item stands in my name on the Orders of the Day is that last Thursday, when it was explained, I had to leave the chamber rather early. What I have to say now will be brief, and is only by way of a suggestion.

When the honourable Senator Roebuck gave his notice of motion a few days ago, and said that something had been left out of the rules inadvertently, I thought of something else that might be added now, which had not existed before and has not been included in Rule 162.

What is proposed to be included now is a statement of all previous proceedings instituted with reference to the marriage, or to any children thereof, including applications to the Parliament of Canada, etc. We have a similar clause or rule in our Ontario rules. I know the honourable chairman has always wanted to conform as much as possible to the rules existing in our Ontario courts relating to divorce.

Hon. Mr. Aseltine: We have the same in Saskatchewan.

Hon. Mr. Choquette: Yes.

I thought another provision should be included, similar to Rule 788 of our Ontario Annual Practice, 1964 edition. That is, a provision to the effect that if the petitioner—the plaintiff, in our Ontario courts—is also guilty of a matrimonial offence, he or she is required to state that in his or her petition, and the officer hearing the action, in this case the Commissioner, must exercise his discretion. We know that the present Commissioner, as his functions now stand, does not give a final decision, and therefore will not exercise his discretion, or might not be called upon to do so, but the committee might be called upon to do so, on his suggestion, after hearing about the matrimonial offence committed by the petitioner. At a later date, if he is to be made a judge of the Exchequer Court, I believe the inclusion of this clause would become pertinent. In our Ontario rules it reads thus:

788. (1) Where a party has been guilty of a matrimonial offence,

(a) the statement of claim or counter-claim shall contain a special prayer that the court will exercise its discretion in favour of such party notwithstanding the commission of such matrimonial offence; and

(b) a statement signed by such party setting forth all the facts relating to such offence and the grounds upon which the exercise of the discretion is asked shall be placed in a sealed envelope and filed with the statement of claim or counter-claim, as the case may be.

(2) Except by fiat of a judge given prior to the final disposition of the action, such statement shall not be open to inspection by any person.

(3) A judge seized of the action may peruse the statement which, subject to any direction as to its disclosure to any designated person, shall then be resealed and left on file.

That is a matter of procedure. I do not suggest that each petitioner would have to file a sealed envelope along with his petition, but I think that in certain cases the discretion of the presiding judge, when he becomes a judge, or of the committee, should be exercised, because we know of cases where a man might have been living with another woman for many years and who, because of his conduct, will almost have driven his wife to commit adultery. He then comes to court and asks for relief. I think that in such cases we should look into the circumstances, and whoever hears the case should be called upon to exercise his discretion.

That is the only suggestion I wish to make.

Hon. Mr. Roebuck: My friend is not actually moving an amendment. I suggest we adjourn the matter, so that I can have an opportunity of considering my friend's suggestion. At the moment I see no objection to it.

Hon. Mr. Aseltine: We do not go that far in other provinces. In the province of Saskatchewan, when the plaintiff gives evidence at the trial he must disclose the facts as to what has taken place.

Hon. Mr. Roebuck: We have met with circumstances such as have been described. Very recently we had such a case, and refused the discretion. It is, in fact, under consideration now. However, if the house would agree to let the question stand until tomorrow, we will consider it.

The Hon. the Speaker: The order stands for consideration tomorrow.

PRIVATE BILL

LES SCOUTS CATHOLIQUES DU CANADA—ORDER FOR SECOND READING STANDS

On the Order:

Second reading of Bill S-19, intituled: "An Act to incorporate Les Scouts Catholiques du Canada".

Hon. Jean-François Pouliot: Please stand until the Tuesday after next.

Order stands.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, May 13, 1964

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

Prayers.

ESTATE TAX ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-94, to amend the Estate Tax Act.

Bill read first time.

Hon. John J. Connolly moved that the bill be placed on the Orders of the Day for second reading on Tuesday next.

Motion agreed to.

PRIVATE BILL

SEICHO-NO-IE—FIRST READING

Hon. David A. Croll presented Bill S-23, to incorporate Seicho-No-Ie.

Bill read first time.

Hon. Mr. Croll moved that the bill be placed on the Orders of the Day for second reading on Tuesday next.

Motion agreed to.

DOCUMENTS TABLED

Hon. John J. Connolly tabled:

Report of the Cornwall International Bridge Company, Limited, for the year ended September 30, 1963, certified by the Auditor General, pursuant to sections 85(3) and 87(3) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French texts).

Report of The Seaway International Bridge Corporation, Ltd., for the year ended December 31, 1963, certified by the Auditor General, pursuant to sections 85(3) and 87(3) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French texts).

Capital Budget of the Farm Credit Corporation, for the fiscal year ending March 31, 1965, pursuant to section 80(2) of the Financial Administration Act, chapter 116, R.S.C., 1952, and a copy of Order in Council P.C. 1964-539, dated April 16, 1964, approving same. (English text).

DIVORCE

REPORTS OF COMMITTEE PRESENTED

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 264 to 292, inclusive, and moved that the said reports be taken into consideration on Tuesday next.

He said: Honourable senators, may I place on record information as to the progress made by the Commissioner and the committee in divorce matters, since this seems an appropriate time to do so.

Petitions heard since January 7, 1964, total 368. Petitions held for adjudication to date—that is, cases in which some delay has occurred in connection with their passage or rejection—total 18. These cases are in abeyance. Five petitions have been rejected. A total of 345 cases have been dealt with, and 18 are in the process of completion.

Cases still to be heard, not counting the petitions I have just presented, total 677. They provide a fairly good bill of fare, but nothing to concern us because the work is going forward fairly rapidly. Some of these 677 petitions will not be heard at all. There are always some cases not proceeded with because the parties effect a reconciliation or change their minds. I still anticipate that we will have caught up on the backlog and will be on the regular flow of petitions by sometime this fall.

Motion agreed to.

TERRITORIAL SEA AND FISHING ZONES BILL

REPORT OF COMMITTEE ADOPTED

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill S-17, respecting the Territorial Sea and Fishing Zones of Canada, and had directed that the bill be reported without amendment.

Report adopted.

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

Hon. Eric Cook moved that the bill be placed on the Orders of the Day for the third reading at the next sitting.

Motion agreed to.

CANADIAN FLAG

UNDERTAKING ATTRIBUTED TO PRIME MINISTER—INQUIRY

On the Orders of the Day:

Hon. M. Grattan O'Leary: Honourable senators, before the Orders of the Day are

proceeded with, may I direct a question to the honourable Leader of the Government (Hon. Mr. Connolly, Ottawa West)?

In the other place yesterday the Prime Minister gave an undertaking that he would submit the cabinet's choice of a new distinctive flag to a free vote of the House of Commons. The question I wish to ask is: Does that undertaking as to a free vote apply to this branch of Parliament as well?

Hon. Mr. Connolly (Ottawa West): I shall certainly look into the question that the honourable gentleman has raised, but I have always been of the opinion that the votes here are free, generally.

Hon. Mr. O'Leary (Carleton): Sometimes we wonder about it.

CUSTOMS TARIFF

BILL TO AMEND—SECOND READING

Hon. Salter A. Hayden moved the second reading of Bill C-92, to amend the Customs Tariff.

He said: Honourable senators, so far as the operative part of the bill is concerned, it is very short. It consists of three sections.

The first section deals with the repeal of certain tariff items and their replacement by items which may have a different wording; they may be new items and they may, as they do in some instances, affect the rate of duty.

For the convenience of senators, there was attached to the *Minutes and Proceedings of the Senate* for May 11 excerpts from the tariff, showing the new rates of duty and the rates at present in force.

Honourable senators, I may say that section 1 paragraph (a) lists a number of tariff items which are to be struck out; then, in schedule A, Part I, you have the substituted items.

I should tell you that, with three exceptions, the changes occurring in the tariff, as provided by section 1 (a), are brought about by two reports of the Tariff Board. One report was known as Reference 129, and followed a hearing requested by the then Minister of Finance in relation to tableware and glassware for decorating.

In schedule A you will see that two items, 287b and 326m, are new items replacing existing items in the tariff schedule, and follow the recommendation of the Tariff Board.

Hon. Mr. Crerar: For increases?

Hon. Mr. Hayden: No. I should point out for instance, in relation to the new tariff item 287b, that, as a result of the Tariff Board recommendation, the wording of the section has been broadened, and there has been incorporated, as a permanent item in the tariff with a permanent rate, rates which were levied heretofore by order in council and which had an expiry date on June 30, 1964. The rate has not been changed. The expiry date has been removed so that it becomes a permanent item in the tariff until Parliament seeks to change it.

The same applies to item 326m. The language has been changed and broadened so as to permit an easier importation of the items covered by item 326m, but the rates of duty are those presently in force under the tariff.

The other items, with the exception of the three which I shall deal with in a moment, arose by reason of Tariff Board report No. 130, which was also a report following a hearing requested by the then Minister of Finance, respecting machinery and equipment used in the mining industry and in the oil and gas industries. The tariff items in Schedule A, Part I, that arise by reason of this report, are items 399a, 410d, 491, 492, 492a, 492b, 492c and 492d.

These items, and the wording of the items, in the main, follow the report of the Tariff Board; but the effect so far as increases and decreases in duties are concerned is that upon a very careful analysis you might find that overall there is something of an increase in duties, because some of these items proceed alternatively—one duty on the basis that an item is not of a class or kind made in Canada, and another on the basis that it is of a class or kind made in Canada.

Since these were bound items under GATT in relation to the United States, it became necessary for Canada, in accordance with the well-known practice, to negotiate. The negotiations in this case proceeded, and Canada made certain concessions which were accepted as being sufficiently compensatory by the United States. Those three items are: 46a, 225d and 683. These concessions were enough to secure the overall approval of the United States in respect of the items in relation to oil field equipment, in which, on balance, there would be some increase in duties.

So far as item 46a is concerned, the wording is, "Bread made with the use of yeast as the leavening substance," and the concession was that we provided that that would be free under British Preferential, free under Most-Favoured-Nation, and 20 per cent under General Tariff. As far as bread is concerned, we do not import bread of the description here from the United States, beyond the most nominal amount, but the exports of bread from Canada to the United States might be of the order of $1 million a year. In areas like Ogdensburg, Watertown and Buffalo, in New

York State, there was a great deal of resentment over the intrusion of Canadian bread, even to the extent, as honourable senators may have noted in the press, I believe last year, that the New York State Legislature passed a bill in both houses, in which there was a provision prohibiting the sale of bread in that state unless it had been produced by the use of facilities located in the state, or unless it secured the approval of the proper sanitation or health department of the state.

In the circumstances, it was felt that before this reached the point of serious consideration at a higher level than New York State, a concession should be made on this item, because we were exporting a quantity of bread but not importing any. The United States had no duty on bread entering that country, and we had a duty, even a Most-Favoured-Nation duty, in our tariff. So we offered a concession on this item, and the Governor of New York State subsequently vetoed the bill which had passed both houses of the New York State Legislature. Whether one is related to the other, I do not know, but that is the sequence of events.

Montan wax is another item, 225d, on which we made a concession. I do not pose as an expert on Montan wax, but I can tell you that in one form it is a derivative of a petroleum product and is used in the manufacture of carbon paper. Our importations come mainly from the United States. There are few concerns in Canada which produce this particular product, and the dollars involved are very small. We offered the concession to the United States as a compensation for relieving us from the bound provisions in relation to oil field equipment, with which we wanted to deal, and that is an item they accepted.

The duty up until the time the budget resolutions were introduced was: 5 per cent, British Preferential Tariff; 7½ per cent, Most-Favoured-Nation Tariff, which would include the United States; and 10 per cent, General Tariff. The bill indicates the new rates as being free under the British Preferential, free under the Most-Favoured-Nation, 10 per cent under the General Tariff. I should tell you that the volume of this importation might be of the order of $30,000 a year.

The third item which we conceded was item 683, which you will find on page 4, barytes. The information I have is that this is a kind of mud, a clay substance, used as a filler in paints, varnishes and paper, or as a flux, or decolourizer in the manufacture of glass. There is another use dealt with separately in these tariff items. It is a drilling mud used in drilling for oil. That is covered under item 492a where free entry is provided for drilling mud and additives. The importations are mainly from the United States, which might amount to a little under $200,000 a year; and a very small quantity from Germany, of the order of $3,000 a year.

I understand there are many grades of barytes or clay material, and certain grades are specified. For instance, in certain manufactures of glass or operations in the decoration of glass, where particular grades of barytes are specified, these grades are specified by the location in which they are found. This accounts mainly for the American importations. So far as the use of this material for drilling is concerned, I am told that it is found in western Canada, where it is used in oil-drilling operations, and not very much of it is imported for that purpose from the United States. Those are the three items of concession we gave. Apparently, they were enough in the circumstances to tip the scales to the extent our new items in relation to oil field equipment were released, so far as the United States was concerned, from the bound provisions of GATT. They were included in the budget resolutions and given effect as from budget night, and we are now able to present them to Parliament.

In Part II of schedule A, which is identical with section 1(b) of the bill, a miscellaneous list of items is set out. There is no correlation at all by item, and they are mostly of a relieving or clarifying nature. In anticipation of what my friend might say I can say this, that no increases are involved in what is done in relation to these items which appear in Part II of Schedule A.

One which I might direct your attention to is that which appears in item 156. This has to do with rates of duty on whiskey, gin, rum, brandy and liqueurs. By a series of provisos that had been attached over the years to this item 156, a method had developed of dealing with the rate of duty and its application to importations of Scotch whiskey, for instance. I might read one of the provisos to you, just to indicate what I mean.

> Bottles, flasks and packages, containing more than one and one-half gallon but not more than two gallons per dozen, as two gallons per dozen.

If you had 12 bottles of Scotch whiskey being brought in and the contents were in the range between one and one-half gallons and two gallons, you paid a fixed rate of duty. You can see, therefore, that in some cases you were paying a higher rate of duty than if the duty were based on the actual content that was brought in. These provisos in the tariff are eliminated by virtue of item 156 in Part II of schedule A, with this provision at the end of the article, which says:

> When the goods specified in item 156 are of greater or less strength than the

strength of proof, the measurement thereof and the amount of duty payable thereon shall be increased or decreased in proportion for any greater or less strength than the strength of proof.

All this means is that when a Scotch whiskey comes into Canada now the rate of duty, which is on a gallon basis, will be calculated on the exact content of the bottle. I have not done the arithmetic myself, but I am told the saving per bottle as a result of applying the duty on the content rather than on the assumed content, within limits, would be of the order of 11 cents a bottle.

Canadian whiskey is sold in bottles of 25 ounces, but imported Scotch in 25-ounce bottles would pay duty on the basis of 26 and $\frac{2}{3}$ ounces, having regard to the provisos in item 156 by the change in the budget resolutions. In applying the duty to the actual content of the bottle it becomes economic to import, for example, Scotch whiskey in 25-ounce bottles, thus making it more competitive with Canadian whiskey in 25-ounce bottles.

Hon. Mr. O'Leary (Carleton): What about Irish whiskey? Is there no relief for Irish whiskey?

Hon. Mr. Connolly (Ottawa West): Surely "whiskey" includes Irish and Scotch.

Hon. Mr. Hayden: I used Scotch whiskey as an illustration. The statute says "whiskey" which, I assume, would include Irish whiskey.

Hon. Mr. O'Leary (Carleton): I see.

Hon. Mr. Hayden: There are some items I should call your attention to very briefly; for instance, the aircraft items, 440m and 440n. These are regarded as important items, and they are dealt with for tariff purposes and for importations, etcetera, in large volume. At the present time there is an order in council provision establishing a certain rate of duty in the different classifications, but that will expire on July 1, 1964. So, in order that further consideration should be given to this whole question, what is proposed here is that that provision which expires on July 1, 1964, be extended to July 1, 1965. There is no change in the rates of duty; they remain the same. That deals with item 440m and 440n.

Hon. Mr. Brooks: Could you give us any idea of the quantity of aircraft and aircraft engines involved?

Hon. Mr. Hayden: If I have it here, I will give it to you.

The imports of aircraft for 1962 were in the order of $96 million, for 1963 roughly $22 million; and the imports of aircraft engines for 1962 were in the order of $22 million, and for 1963, $2,940,000.

Hon. Mr. Brooks: That is under the British preference and the most-favoured-nation treatment?

Hon. Mr. Hayden: Yes, these are the total of the imports, and you can see the rates of duty there are free under both categories, British preference and Most-Favoured-Nation.

The other items are in a long list in 440r. It is given at such length because the practice is to re-enact the whole item, incorporating the change. The only change in 440r is the addition of the item you see in italics on page 6, "Fittings and couplings." The rest of the items are the same and the rates of duty are not disturbed.

Hon. Mr. Connolly (Ottawa West): That is an addition?

Hon. Mr. Hayden: That is an addition.

One item to which I should draw your attention is item 521 which has to do with import of yarns, including threads, cords, twines and items wholly of cotton. We had this item before us last year and we made certain changes which had the effect of limiting the benefit of a low tariff rate to what last year we might have called general importers of this material for the purpose of processing it into production of thread, because thread could be imported in undyed and unbleached form, as well as in dyed and bleached form.

It was found that this proved a hardship on some small operators who imported the thread in a more advanced stage of being dyed and bleached, and the operations performed in Canada were substantially less because of that. By reason of the change made last year by delimiting the entitlement to lower rates of duty, this had an effect on them. What is being done here is to re-establish the original basis, and the minister has referred to the Tariff Board for study and report the question as to what should be included in the definition of "manufacture" for the purpose of this item. It is sought to ascertain whether the word "manufacture" should be used in the narrow concept where you do little to the product to add to the stage in which it is when you import it, or whether it should require more substantial addition to the product as against its imported state. As I say, this has been referred to the Tariff Board.

The other items found in Part II are not of any particular significance. In item 696a you will find added to the list of items which come in free under all headings, "Video tape recordings." Under this item film may be imported free of duty by reputable cultural organizations for educational purposes. When representations were made it was felt that if such material were imported in the form of

video tape rather than in the form of film it should be treated on the same basis and admitted at the same rate of duty, which is no duty.

The last item on schedule B is one which arises out of section 2 of the bill. That section strikes out item 1047 of the Customs Tariff, which is a drawback item. In item 1047 a 99 per cent drawback is provided for on materials used in the manufacture of wire rope classified under item 104e. Item 1047 is being withdrawn in connection with the terms of this report, and materials for the manufacture of wire ropes used in connection with oil and natural gas wells will come in free under section 1042d, to which I have referred.

A new item is added, 1007, which deals with "machine-made tumblers of glass, not cut nor decorated". The entitlement of drawback is when it is used in manufacture of cut or decorated tumblers, provided no drawback shall be made under this item unless 25 per cent of the cost of producing the finished article has been incurred in Canada. Heretofore, you had a regular rate of duty of 20 per cent, and then if the machine-made tumblers were brought in and further decorated, and were brought in for the purpose of so decorating, there was a lower rate of 10 per cent.

The Tariff Board in the course of consideration of the matter before it—and this is to be found in its report No. 129 on tableware and glassware—recommended after hearing the industry that a better way to deal with this, and an easier way of policing the item, would be to withdraw the lower rate of duty and to provide for a drawback on the furnishing of information to show that this was the use to which these tumblers were put, that this was the work done on them, and that they satisfied the requirements that at least 25 per cent of the cost of producing the finished article was spent in Canada. To implement the Tariff Board report we have this item included as a drawback where the policing will be much easier, because the person looking for the drawback will have to present his case and file the necessary material to show what he has done in relation to the article, and show that at least 25 per cent of the cost of producing the finished article was incurred in Canada.

Possibly I have taken a little longer than I should have on this, but I thought I should tell you what these numbers and words mean and what is sought to be done. The provisions are in force at this time, as you know; they came into force on March 17.

In accordance with our usual practice, when this bill receives second reading, I shall propose that it be sent to the Standing Committee on Banking and Commerce.

Hon. Mr. Aseltine: What is the overall effect of these changes?

Hon. Mr. Hayden: I can only give you a very general answer. If you want a particular answer we can get it from the departmental officers in committee. The overall monetary change from what it is now would be negligible. In the first group, which came under schedule A, section 1, attention was given to certain concessions which were supposed to satisfy the Americans for the amount of increase which would occur in any items dealing with oil field equipment.

On the new items, which occur by reason of subsection (b) of section 1, there are no tariff increases. Then in the third, which deals with the drawback, we find that that depends on meeting these conditions.

I should say, under the law as it stood before budget night, any manufacturer meeting the requirements contained in 1007 is getting a drawback under the rate of duty, which was 10 per cent. But under the drawback provision the effective rate of duty, when you qualify for this 60 per cent of drawback, will be 8 per cent. It will therefore be a benefit to those who import tumblers of this classification for the purpose as stated in schedule B.

Hon. Mr. Thorvaldson: Before Senator Hayden concludes, may I ask him a question in regard to Item 440m on page 5? The item reads:

> Aircraft, not including engines, under such regulations as the Minister may prescribe—

Can the honourable senator give us an explanation of the ministerial powers involved in the words "under such regulations as the Minister may prescribe"? Are those regulations of such extent that they give the minister very wide discretionary powers with respect to the rates of duty on, and the classification of, aircraft?

Hon. Mr. Hayden: I would prefer that the honourable senator obtain that information in committee.

Hon. John M. Macdonald: Honourable senators, I am sure we all listened with interest to the explanation just given us, and are grateful to Senator Hayden for it.

As he mentioned, Part I of schedule A is a sort of package deal. There are some increases and some decreases which seem to more or less balance each other. The concessions that we had to give in addition to those decreases do not seem to be of any significance. I do

not propose to enter into any detailed discussion of the items because, after all, they can be discussed in committee where it is more convenient for honourable senators to ask questions about them. Personally, I feel that the explanation covered the situation very well.

Part II of schedule A clarifies or modernizes the wording of certain of these items. This, I think, is important because it must be very difficult for importers to classify some of these items. After all, there are thousands of items in the Customs Tariff. Judging from notices I have read in the *Canada Gazette*, there have been many appeals to the Tariff Board from the classification of commodities by the Department of National Revenue. An importer may think something should be listed under Item 426a, and the Department of National Revenue thinks it should come under Item 426b, or something of that nature. It can be seen that this is a difficult problem, and anything which can be done to make it less difficult would be beneficial.

As has been mentioned, this bill, so far as increases and decreases are concerned, follows the recommendations of the Tariff Board. Anyone reading the reports of the Tariff Board must be impressed by the amount of study and consideration that it gives to the matters placed before it. The Tariff Board's report following the reference on oilfield equipment and mining equipment runs to two volumes. No one can deny that the board gave this matter close study.

Over the years the Tariff Board has rendered valuable service to this country. It has been the custom for some years now for the Government to receive these recommendations before making changes in the tariff structure. As a result of the Government's receiving the recommendations of an independent board, people know that changes are not made as the result of regional pressures or requests from any special interest. This, I suppose, is the best way of doing it, but I expect too that it has taken a lot of the pleasure out of debates on tariffs. I am sure honourable senators present remember, as I do, that when any change in the Customs Tariff was proposed it was good for violent debate by men who held strong convictions on the matter, and who would argue it at considerable length.

However, though the changes this year are slight, one thing did interest me. I wondered why it was that there should be any increases at all because, after all, in this day and age the general trend is towards a lowering of tariffs. People want to get away from trade barriers. Yet, we find in regard to some types of oilfield equipment that we are raising the tariff. The oil industry in this country is pretty well concentrated in western Canada, the region that has been traditionally opposed to tariffs of any kind. Having regard to this fact I thought I should read the report of the Tariff Board as best I could to see if I could discover the reasoning behind these increases. I found one reason which partly satisfied me, for I was given to understand that the financial consideration was not the only consideration involved.

Canadian manufacturers of oilfield equipment were unable for various reasons—and the report lists them—to sell their equipment in Canada. Perhaps I should mention those reasons because they show something of the thinking of the Tariff Board. At page 63 of the board's report these words appear:

> It appears that, with one exception, the major supply houses in Western Canada are subsidiaries of supply houses in the United States. The latter, in turn, are usually owned by oilfield equipment manufacturers, whose products they sell. The effect of this close inter-relationship on the position of a Canadian manufacturer of oilfield equipment wishing to place his product on the market has been described as follows:
>
> "The oilfield supply business is dominated by American oil supply stores usually controlled by manufacturers of oil country goods. It is impossible for a Canadian company to break into this supply and distribution system without a price advantage over the American manufactured article."

The report goes on to state that another difficulty was that those people operating oilfields in Western Canada were accustomed to using equipment of a certain type—certain brand name equipment—which was manufactured in the United States. Rather than take a chance on new equipment, and a new brand name, they preferred to stick to that to which they were accustomed.

Another point was the service which the large equipment manufacturers could give. This, I take it, was one of the reasons why it was felt that a tariff, which in most cases does not seem to be large, would be beneficial to the Canadian manufacturer.

At page 70 of its report the Tariff Board gives an answer to the question I ask, although I cannot say that it wholly satisfies me. With your permission I would like to read a fairly long quotation:

> During the rapid expansion of the 1940's and 1950's, the petroleum industry became well established in Western Canada. In the opinion of the Board it is no longer necessary to extend to the industry specially favourable concessions of free

entry for oilfield equipment to ensure the growth and expansion of the industry. At the same time, the Board does consider reasonable the request of the Group of Canadian Manufacturers that their position in the Canadian market for oilfield equipment be accorded moderate protection.

Barring some spectacular new discoveries, the number of drilling rigs likely to operate in Canada in the future is relatively small, and so the main market for oilfield equipment will not consist of complete rigs or even the major components of drilling rigs. Rather, the chief market to be served by Canadian producers will consist of those articles required in large quantities, chiefly wearing parts that must be replaced frequently. Wire rope, drilling bits, and the wearing parts in the fluid end of slush pumps are all used in considerable quantities. Wall scratchers and casing centralizers are simple pieces of equipment used in every hole. Moderate tariff protection for these and similar articles will encourage their manufacture in Canada.

Honourable senators, perhaps I should interject at this point that if some of the terms I have just read are not familiar to you, a complete explanation of the terminology used in the oil field is given on page 17 of the report.

It would seem that the Tariff Board feel that a new industry in Canada is entitled to what they call a "moderate protection," though from their report I do not understand upon what principles they proceed.

It may well be, as many people feel, that any new industry is entitled to some protection. I have always felt that the only argument for a tariff was that a new industry needed protection for a short time so that it may be able to compete, or that it was an industry required in the national interest. I am not too certain just on what theory the board has approached this problem. In any event, it has recommended a moderate tariff, a sort of permanent solution to the complaints of manufacturers of a type of oil equipment which can be manufactured in Canada.

When listening to the honourable Senator Hayden explain the bill, it struck me, as it has before, when he mentioned bread, that in the long list of tariff items there are probably many which no longer serve a useful purpose.

Hon. Mr. Hayden: We keep them for bargaining.

Hon. Mr. Macdonald (Cape Breton): That is a good idea but perhaps they are kept there expressly because neither the Tariff Board nor anyone else has time to go over these in detail and find out the effect of such protection.

I recall that not too long ago I was looking at and listening to a panel discussion on television. One of the gentlemen, an officer with the Studebaker Corporation of Canada, in the course of the discussion on the production of automobiles, mentioned, I thought quite casually, that automobiles could be produced in Canada as cheaply as in the United States. A gentleman from another company was asked about it, and he did not agree. Perhaps he was right. He claimed that that would apply only, as I recall, if the manufacturer were making one type or style of automobile.

That is one of the things which should be looked at. Perhaps the automobile market in Canada has become large enough for that industry to prosper without tariff protection.

I think a beneficial side effect which will come out of the present conference in Geneva —to which I am sure we all wish success— will be that the Canadian Government will have to give a long hard look at all the items in the tariff schedules in order to be in a good bargaining position. As I understand it, our Government has taken the view that bargaining at that conference, so far as Canada is concerned, must be done product by product and not on just an across-the-board reduction.

Honourable senators, I do not think anyone has any strenuous objection to the present bill. If there are some details which need explanation, I am sure the honourable senator who sponsored the bill (Hon. Mr. Hayden) will see that we get them when the bill reaches the committee stage.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Hayden, bill referred to the Standing Committee on Banking and Commerce.

EXTERNAL RELATIONS

MOTION TO EMPOWER COMMITTEE TO STUDY REPORT—DEBATE CONTINUED

The Senate resumed from yesterday, the adjourned debate on the motion of the honourable Senator Thorvaldson:

That the fifty-fourth Report of the Department of External Affairs, covering the calendar year 1963, laid before the House on February 25th, 1964, pursuant to section 6 of the External Affairs Act, be referred to the Standing Committee on External Relations for consideration.

That the committee have power to send for persons, papers and records, and to report from time to time.

Hon. Olive L. Irvine: Honourable senators, it is not my intention this afternoon to cover the field of external affairs, but I would like to deal briefly with the range and variety of subjects placed on the agenda of the Eighteenth Session of the United Nations, which I had the honour to attend. It was a reflection of conditions as they exist in the world today, a world of multiple revolutions, of vast ferment, of pervasive change and political turmoil.

Before dealing with matters concerning today's issues, may I review briefly the preamble of the United Nations Charter, which expresses the ideals and the common aims of all the peoples whose governments joined together to form this world organization.

It was a name devised by the late Franklin D. Roosevelt. It was first used in the Declaration by United Nations of January 1, 1942, when representatives of 26 nations pledged their governments to continue fighting together against the Axis.

The charter was drawn up by the representatives of 50 countries at the United Nations Conference of International Organization which met at San Francisco from April 25 to June 26 in the year 1945. The representatives worked on the basis of proposals worked out by representatives of China, the U.S.S.R., the United Kingdom and the United States, at Dumbarton Oaks in August and October 1944. The charter was signed on June 26, 1945. Poland was not represented at the conference, but signed later and became one of the original 51 members.

The United Nations officially came into existence on October 24, 1945, when the charter had been ratified by China, France, the U.S.S.R., the United Kingdom and the United States, and by a majority of other signatories. October 24 is now universally celebrated as United Nations Day.

The purposes and principles of the United Nations are:

(1) To maintain international peace and security.

(2) To develop friendly relations among nations.

(3) To co-operate internationally in solving international economic, social, cultural, and humanitarian problems and in promoting respect for human rights and fundamental freedoms.

The official languages of the United Nations are Chinese, English, French, Russian and Spanish. Its working languages are English and French. Spanish is also a working language of the General Assembly and of the Economic and Social Council.

Membership in the United Nations is open to all peace-loving nations which accept the obligations of the U.N. Charter and, in the judgment of the organization, are able and willing to carry out those obligations.

Six main organs go to make up the United Nations:

First Committee (Political and Security)

Second Committee (Economic and Financial)

Third Committee (Social, Humanitarian and Cultural)

Fourth Committee (Trusteeship, including non-self-governing territories)

Fifth Committee (Administrative and budgetary)

Sixth Committee (Legal).

The General Assembly, as a rule, refers all questions to one of the main committees or a joint committee. These committees then submit proposal for approval to a plenary meeting of the whole assembly. Questions not referred to a main committee are dealt with by the General Assembly itself in plenary meetings.

The Assembly is composed of all member states. Each member has not more than five representatives in the Assembly. Each nation decides the way in which it chooses its representatives. Each member of the Assembly has one vote, and the Assembly meets once a year in regular session, commencing on the third Tuesday in September.

I realize that many members of this house are much more familiar than I with the workings of this magnificent organization, but for the benefit of new members, who have not had the pleasure of attending a session, may I say that I found this background very beneficial when I attended as a senatorial observer.

The time spent at the United Nations was one of the most thrilling experiences of my life. Much of the pleasure derived was due to the wonderful way in which the members of the Permanent Mission looked after our every want. This, coupled with the kindness of members of the Department of External Affairs who were sent down from Ottawa for the session, along with our own delegates, alternates and observers, made for a very happy group. I trust that the friendships made there may continue for many years to come.

The morning of September 18 dawned sunny and bright, and it was with an air of intense expectancy that I entered the United Nations building, following a meeting of our briefing committee. The flags of the various nations seemed to wave me a joyous welcome. Inside the building with so many bright television lights it was like a movie premier, with a multiracial cast of hundreds, all playing their respective parts. We had our designation, and here under this extraordinary cone of

modern architecture, with floodlights streaming down on the scene past gilt, wooden sidings that looked like a huge pipe organ, sat the five hundred or so delegates from all parts of the world.

The scene was a sea of predominantly dark suits, cut into stripes by the blond wood railing and the chartreuse tops of the desks, and dotted by the blue leather of the chairs. Here and there a Nigerian robe; a "Simple Simon" hat in rich purple and gold; or a black Indonesian Sukarna hat would come into view. On the whole, however, the whole impression was one of regularity.

It was clearly visible that many, many weeks of preparation had gone on behind the scenes. After the warning bells had sounded, the outgoing President, Sir Muhammed Khan of Pakistan, took the chair, and all were asked to stand and observe one minute of prayer and meditation.

An air of calm had seemingly settled after the previous session, the reason being that two important developments had taken place: the conclusion of the treaty banning nuclear tests in the atmosphere, in outer space and under the water; and the establishment of a direct telephone line between the capitals of the two great nuclear powers. The peoples of the world could see in these developments an assurance that further steps are possible in developing mutual understanding, in resolving conflicts and in strengthening peace and security.

Sir Muhammed Khan, the retiring President, had this to say:

> In our time we are both witnesses of, and participants in, the gradual development of a world community of nations and of peoples. Throughout the world, there is a deep sense of expectancy, a longing among all the peoples to live in peace and to strive together to achieve social progress and better standards of living in larger freedom. Today I humbly pray, sincerely and earnestly, that we may be rightly guided in our deliberations and be granted the courage, the strength, the vision necessary for supporting and advancing the course of justice, peace, freedom and prosperity for all.

As I sat looking over that great assemblage I could not help but feel that truly here was a peace-making organization composed of men and women of goodwill. For all its imperfections—imperfections which are inherent in it as an institution shaped by human hands—to me the United Nations is today an indispensable need of mankind.

Balloting for a new president was a most interesting procedure. Last year delegates from Mongolia and Sierra Leone were chosen "tellers." As delegates were called one by one, they left their seats, walked to the dais, deposited their secret ballots in the blond wooden cube of a ballot box whose history I had read with interest. May I tell its story?

In the spring of 1946, when the United Nations was making its temporary home in New York City's Hunter College, the box was built for the Security Council delegates who were assembled in the gymnasium. When the first voter was called the box was opened for pre-balloting inspection. Inside lay a piece of paper bearing the words:

> May I, who have had the pleasure of fabricating this ballot box cast the first vote? May God be with every member of the United Nations and through your noble efforts bring lasting peace to us all—all over the world. Signed, Paul Antonio, mechanic.

To me that simple ballot box is a sacred possession of this noble organization.

The result of the vote was 99 to 0, with 11 communist abstentions, for Dr. Soza, which he prefers to be called, of Venezuela. The new President was escorted to the platform, looking youthful and vigorous. He was born in Caracas in 1912, educated in Venezuela, and later at Baddingham College, England, the University of Paris and the Central University of Venezuela. He holds a doctorate in law degree from Paris, and one in political science from the Central University. This varied education has left him fluent in English and French as well as in his own native Spanish. He conducted his difficult role in United Nations sessions in Spanish, and was complete master of the situation.

In his opening remarks Dr. Soza echoed the assertion made by Secretary General U Thant, to the effect that the Eighteenth Assembly would be an assembly of the three "D's"—disarmament, decolonization and development.

Since World War II three political imperatives have emerged with irresistible force and are shaping the course of history in this second half of the twentieth century. They are as follows: (1) The outlawing of war as a means of settling international disputes; (2) The abolition of the dependence of certain peoples on others; and (3) International cooperation with a view to improving the standard of living of the developing countries.

It has become increasingly apparent that because of the changing framework of international assistance, our international aid effort has required a fresh look. The requirements of the developing countries are urgent and growing, and economic asistance for them has become an established policy of all of the advanced nations of the free world which

have recognized the need to co-operate in assisting to the best of their ability those countries in the process of economic development.

The tempo at which new states are gaining independence has been breathtaking. Between the year 1945, when the United Nations was created, and the year 1963, the number of new member states has risen from 51 to 113. Their leaders, who learned the art of statesmanship in a long struggle for independence, have brought considerable wisdom and understanding to the councils of the world. It is most evident they are determined that their countries shall not now be left behind in the struggle for progress.

We all realize that an arduous task faces the newly independent states to gain economic freedom. For centuries two-thirds of the world's population has lived at subsistence level. The underprivileged are now demanding higher standards of living, education, health and social welfare, so that they can enjoy freedom from want together with political liberty.

The overwhelming majority of the people in the newly independent states are subsistence or peasant farmers, labouring with their own hands to extract enough food for themselves from the soil and always in terror of famine in the wake of drought or flood. Poverty, disease and difficult natural conditions have hindered the development of Africa, Asia and South America. Now, with the political liberation of their continents, they must catch up in the economic race.

As an example, let us look at the growth of the African states. In 1945 there were three states, and as of November 1, 1963, there were 32.

It was our own Prime Minister Pearson who said that the United Nations was the assembly of opportunity but, if we will, we can make it the assembly of "action for peace." Our experience has taught us the importance of advance planning and opportunity.

As I emphasized before, and I repeat, of all the changes of the past few years none has been more dramatic than the emergence of new and free nations in the continent of Africa. This emergence has given rise to new and urgent emphasis on two major questions of our time, colonialism and racial discrimination. It is the duty and interest of all members of the United Nations to see that the swift march of science and technology does not lead either to universal destruction by war or to intolerable differences between nations in human welfare.

Throughout the session I sensed that a charter revision is overdue to provide recognition of changes in the geographical pattern of United Nations membership, as none has been made since the founding conference held in San Francisco in 1945. Moscow's proposals for allocation of the six non-permanent seats in the Security Council are selfish as to time and intent and designed deceptively to win some Afro-Asian sympathy for, after all, the loudest noises are bound to come from the Africans, with Asian support. There is a campaign on foot to end the rule of white minorities over black majorities, chiefly in South Africa and Southern Rhodesia. Our Prime Minister stressed the fact that the Security Council and ECOSOC should be enlarged in order to permit a better balance in composition. He said:

> We should not confine our interest, however, to representation. We should be more concerned about powers and functions.

A most interesting day, long to be remembered, was spent in plenary when the Assembly once more rejected by 41 votes to 57 the proposal by Albania and Cambodia to seat the Chinese People's Republic. The United States and Britain, who had reluctantly come around to supporting Afro-Asian demands for increased representation if the Russians were also willing, contented themselves with abstaining on the resolution. As a novice I could not but see that with the two newly independent states, Zanzibar and Kenya, about to join the organization, their entry would raise the African members to 35 and the strength of the Afro-Asian group, excluding Israel, Nationalist China and South Africa, to 58. This group which has an underrepresentation in the Security Council clearly reflected in their argument that the three non-permanent seats to fall vacant in 1964 meant a chance for them. A series of inclusive ballots resulted in the Ivory Coast and Bolivia replacing the Philippines and Venezuela, but the third so-called Commonwealth seat caused many votes to be taken. On each ballot the count remained the same until finally a compromise was reached and the seat vacated by Ghana was to be shared between Czechoslovakia, who would fill it in 1964, and Malaysia, in 1965. Real political strategy was shown during this most interesting vote and the pressure was again relieved.

October 15 resulted in an exciting plenary session, when the United Nations Pledging Conference was held. This consisted of the Expanded Program of Technical Assistance, known as EPTA, and the Special Fund. The Special Fund Assistance is used for the purpose of expanding world economy and helps prepare countries for economic "take off." It assists governments of low income territories to make pre-investment surveys of their

natural resources and to establish and strengthen national training, educational and applied research programs. To date, the fund has provided $250 millions for 286 projects. There seemed to be a difference of opinion among the nations as to whether this fund was being used to the fullest and best advantage.

Canada, through the Honourable Paul Martin, Minister of External Affairs, announced a large increase in the grant to the United Nations Technical Assistance programs. Subject to parliamentary approval, Canada pledged $7,325,000 (Canadian) to the Expanded Program of Technical Assistance, and the Special Fund for 1964. Of this sum $5,000,000 is pledged to the Special Fund, virtually double our contribution of the previous year.

The concept of international co-operation has won universal acceptance during the last 20 years. Today few recollect that the idea of one state aiding another, without political or economic subjugation, was unknown before World War II. Today the countries that are offering technical and other assistance are impelled by the knowledge that friendship, prosperity and peace are indivisible. No nation can consider itself insulated from the problems of others. In a good life, nations must work together for better things, for higher standards, on every plane of human existence. Thus friendships based on mutual co-operation are the best foundation for international understanding and peace.

In closing may I speak briefly on the consecration ceremony of the Church Centre for the United Nations that it was my privilege to attend. The centre has been built in an endeavour to bring about a new and more vital relationship between the churches and the United Nations. The churches helped create the United Nations and to shape its charter, and they now feel that they must play their part in making this world organization an enduring instrument for lasting peace. This new 12-storey structure, which faces the United Nations' entrance, is a marvel in modern construction. Of special interest is the striking front window, which shows a symbolic sculpture in stone on the outside of the building and sheds a glow of subdued colour from the stained glass on the inside. It will provide for leadership seminars, afford hospitality for those from across the seas and will facilitate consultations between the leaders of the United Nations and church leaders. In short, it will provide a place where the world-wide life of the church may work through love and fellowship for more justice, freedom and peace in the world. All religious groups are invited to use this marvelous structure. On this occasion it was the Honourable Adlai Stevenson who was the principal speaker, and in one of the most eloquent addresses I have ever listened to the American ambassador to the United Nations summed up the work of this wonderful organization. He stressed the fact the Eighteenth Session began in an atmosphere of rising hopes but, of course, political weather was no easier to predict than the meteorological kind and at that time the forecast was fair and a little warmer, with a chance of scattered thundershowers. He said, and I quote:

> But we are used to thundershowers, and even lightning. The headlines about the United Nations are made by disputes, not by agreements, by intemperate words, not by harmonious actions. Sometimes a torrent of such words threaten to drown our hopes that the U.N. will ever become that real community of nations which would guarantee peace in the world. But let us not forget to pursue the metaphor—that rains and storms do produce fruitful results. To the question "What does constant sunshine produce?" The answer is a desert.

His final words were a warning to all who see only the shortcomings of the United Nations and who look upon the organization as a mirror of the world. If we do not like what we see, let us not blame the mirror. The better people understand that any weakness is but a reflection of our own weakness, the sooner this complicated and remarkable instrument for peace—the best man has contrived—will do an ever better job of fulfilling mankind's oldest dream. It stands to reason that to survive in this age mankind has no choice but to erect a mighty fortress of safety and sanity.

Honourable senators, in looking ahead I hope that in the years to come we may all be imbued with a spirit of tolerance. If all human beings, and nations, large and small, were to be moved by this spirit we could indeed make the world safe for diversity and posterity.

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

PRIVATE BILL

LAURENTIDE BANK OF CANADA—SECOND READING

The Senate resumed from Tuesday, April 28, the adjourned debate on the motion of Hon. Mr. Cameron, for the second reading of Bill S-13, to incorporate Laurentide Bank of Canada.

Hon. Fred M. Blois: Honourable senators, you will recall that on Tuesday, April 28 last,

the honourable Senator Cameron moved the second reading of this bill, S-13, to incorporate Laurentide Bank of Canada.

In his usual very fluent manner he explained that the bill follows substantially the model of the bill set out in schedule B of the Bank Act, but he went on to explain that in clauses 5 and 6 the bill departs from the form set out in that act and follows precisely the terms contained in the bill to incorporate the Bank of Western Canada.

I do not think it is necessary for me to enlarge on this statement, nor can I find any fault with that part of Senator Cameron's explanation. However, I do come to some parts that in my opinion need further explanation and need very careful study by the honourable members of this Senate.

Honourable Senator Cameron stated that the proposed bank was intended to be a subsidiary of the Laurentide Financial Corporation Limited, a Canadian financial institution having its head office in British Columbia and which carries on a general financial business in Canada, the United States, the United Kingdom, France, The Bahamas, and the British West Indies.

Senator Cameron went on to say that the Laurentide company is closely associated with the Power Corporation of Canada Limited, and that by reason of its continuing substantial shareholding and an agreement, Power Corporation continues to be in a position to cause to be elected a majority of the company's directors. That is the directors of the Laurentide Financial Corporation. In other words, honourable senators, if a bank charter should be granted to Laurentide, the new bank would be controlled by Power Corporation of Canada Limited. In this connection I think it might be interesting to honourable senators to know that four of the directors of the Power Corporation of Canada Limited are also directors of some of the chartered banks of Canada. This is something that may or may not be serious, but I think it is an item that should receive very serious consideration when this bill comes before committee.

Now I would like to have it clearly understood that I am not saying anything against Power Corporation, who are well known as a sound and reliable Canadian investment corporation.

Honourable senators, Canada has many firsts, but I believe this would be the first finance corporation to have a bank as a subsidiary, and I have grave doubts that such would lend diginity to our present banking system which is, I think you will all agree, considered to be the finest in the world.

The present chartered banks are not controlled by any two or three persons, nor by any corporation, nor by any company. But in this case Power Corporation would control the new bank. In my opinion this is absolutely wrong, and contrary to the general practice in our banking system in Canada.

Honourable senators, the facts and figures that I presented to this honourable body when speaking on Bill S-6 on Thursday, March 12, I suggest apply equally to Bill S-13. And again, I question the need for another chartered bank or for several new chartered banks. On the former occasion I pointed out that Canada is presently served by 5,643 branch banks.

I doubt if there is any community in Canada which is not adequately served under the present system, if there is at least a chance that the opening of a branch bank would show a profit over the next three to five years. We must remember that banks, like any other business, must earn a profit if they are to stay in business, and my observation is that the competition among banks is so keen that branches are opened up by one of the presently chartered banks wherever and whenever required. In my own Province of Nova Scotia I know this to be true. As an example, at Brookfield, eight miles from Truro, where Canada Cement is making plans for a Nova Scotia cement plant to be built this summer, one of the banks has already opened up a branch, using a trailer, until a permanent building is erected this summer. That, I think, bears out what I have said, that all communities are adequately served.

When I was speaking on Bill S-6, I gave another reason why I felt additional chartered banks were not necessary to our economic growth, and I referred to the relative rates of growth of the chartered banks and competing financial institutions. I do not want to take too much time, but I would like to quote from some of the figures I gave in that connection, because I think this has a very important bearing on the question of a charter being granted to this or any other bank. At that time I said:

> From 1955 to 1960 the Canadian dollar deposits of chartered banks increased by slightly over 19 per cent. By contrast, in the same period the shares and deposits of credit unions increased by 98 per cent, the deposits and certificates of 17 trust companies increased by 90 per cent, the deposits and debentures of seven mortgage companies increased by 60 per cent, and the notes and debentures of finance companies increased by 89 per cent.

Senator Cameron, in explaining the bill, referred to the statement made by Senator

Leonard when he introduced the bill proposing the incorporation of Bank of Western Canada, that in 1954 there were 11 chartered banks in Canada and now there are only eight. The honourable senator might also have referred to an earlier time when, I believe, Canada had 38 banks. What happened? Why did those banks amalgamate with other banks, or fail and go out of business?

In my opinion, there were too many banks, and there was insufficient business from which each could earn a profit. It was a case of either joining up with other banks or going completely out of business. It is fair to say, I think, that there is no doubt that the present desirable status of the chartered banks is because of the strict regulations made under the Bank Act. Those regulations have brought about a reduction in the number of banks over the years, and as a result we have had only one bank failure since 1923.

It might be of interest to honourable senators if I quote some figures showing the total assets of the eight chartered banks in Canada as of March 31 of this year. The Bank of Montreal reports total assets of $4,391,848,000; The Bank of Nova Scotia, $2,687,946,000; the Toronto-Dominion Bank, $2,475,447,000; the Provincial Bank of Canada, $492,519,000; the Canadian Imperial Bank of Commerce, $5,213,435,000; the Royal Bank of Canada, $5,576,347,000; the National Bank of Canada, $927,697,000; the Mercantile Bank of Canada, $93,963,000. The total assets of the eight chartered banks amount to $21,859,202,000. Honourable senators will agree with me, I am sure, that this is a very creditable showing.

I have said I do not want to take up too much of the time of this honourable body, but perhaps I might be allowed to summarize briefly a few of the statements I made in connection with the application by Western Bank of Canada, and what I have been saying on this bill presently before us to incorporate the Laurentide Bank of Canada.

We have before us three bills for the incorporation of banks. How many more there will be, I do not know. There may be three; there may be four; there may be a dozen.

Obviously, there is a general feeling that there is money to be made in the banking business under the present circumstances of the Canadian economy. We all agree, I think, that for the past several years, including the present year, our economy has been booming. There is a great demand for credit, and the current rates of interest are very attractive. But, will that always be the case? That is one question we must consider. I feel that our greatest responsibility, in any decision we make in this field, must be to the maintenance of the stability of the Canadian banking system, which is one of our greatest national assets.

As I understand the rules of the Senate, we are required to deal with each application for a new bank charter separately. However, I do not think we can ignore the fact that we have several applications to consider, and this fact, to my mind, raises several important questions. In relation to the public interest is there a need for the extension of credit that cannot be met by the present facilities? If we do need this additional credit, then is the incorporation of new banks the answer?

We might ask ourselves: What is the present relationship between the solidity of our banking system and the present restricted number of banks? It may be a good thing, or it may be a bad thing—I do not know—but should we rush into any new incorporation without the fullest consideration of these larger questions?

The whole field of banking and finance in Canada is the subject of a very recent and comprehensive report of a royal commission. Even the Government has made it clear that it will take time to digest and co-relate this report with our national policy. It is also my understanding that no action is anticipated by the Government until at least the fall. Therefore, it is important that the Senate proceed with equal caution; and perhaps it would be wise for us to defer any positive action on these bills until the Government has indicated what the fiscal plan, in which these banks will operate, will be.

As we look at each application we will have to make some far-reaching decisions about the future of the whole banking system. We will have to consider the broad principle of the extension of the banking credit facilities, and its effect on the solidity of the present chartered banks.

Again, if it is thought to be in the public interest to incorporate new banks we should ask ourselves: How many should we have? What capitalization should there be? What additional lending power will there be? Then, if it is desired that we permit new banks, we must decide which ones are to be incorporated and surely, honourable senators, this means that we cannot adequately deal with any one application until we have the whole picture before us.

It is for these reasons that I suggest we proceed very carefully; that we give this bill very serious consideration when it is before the Standing Committee on Banking and Commerce. I presume it will be sent to that committee, and when it is I hope that the suggestions and remarks I have made will be carefully considered. I confidently believe that every member of that

committee, and every honourable member of this house, is just as anxious as I am to see to it that we make no mistakes. This matter must be given careful consideration not only for the protection of the depositors in the bank but also the protection of those who are investing money in it.

Hon. Mr. Vaillancourt: May I be permitted one remark? It was said a short time ago that the business of the banks has increased by 20 per cent during the last few years, while that of the credit unions has increased by 80 per cent. That comparison is not a very good one, because 20 per cent of $10 billion is a great deal more than 80 per cent of $100 million. On the one hand you have an increase of $2 billion, and on the other an increase of only $80 million. It is not always fair to make a comparison based on percentages.

Hon. Mr. Blois: I think it gives a fair picture. The statements I made are absolutely correct.

Hon. A. Neil McLean: Honourable senators, my own opinion, as an old-time banker, is that this honourable body should proceed cautiously with these bills calling for the incorporation of new banks. I am not connected with any bank now as a director or otherwise, and I have no direct loans. I am thinking only of the public interest.

It seems to me that whereas we have recently received the report of the Royal Commission on Banking and Finance, we should at least be given time to carefully read and digest its contents. Furthermore, we do not know for sure whether or not the Government may decide to put into effect some of the recommendations of the report within a year, which, of course, will mean changes in the Bank Act.

We have heard arguments for regional banks in the presentation made for charters. I started banking in my middle teens, in 1903. At that time regional banks were failing or being taken over in most parts of the country. I will name some of them later. I was impressed by some statements the Inspector General of Banks placed before our Banking and Commerce Committee recently. He said:

> The British North America Act of 1867, as you well know, placed under the exclusive legislative authority of the Parliament of Canada the power to make laws with regard to banking and the incorporation of banks. Since then 77 banks have obtained charters, of which three have survived. Of the 112 banks that were active on, or which have been incorporated since July 1, 1867, 104 have ceased to exist. Of these 38 never commenced business, 28 failed, and 38 were taken over by or were amalgamated with other banks. It is probable that many of those merged in earlier years—that is, before the last three amalgamations—would have failed had they not been taken over by a stronger institutions.
>
> The total of losses to creditors through bank liquidations since Confederation has been about $15 million.

The $15 million loss fell upon depositors and noteholders, but nothing was said about the many millions lost by shareholders of these weak banks that were taken over by stronger banks to save them from failure. In the takeover no one but the stronger banks that took over the weaker banks knows whether the shareholders got anything or not after the stronger banks assumed the liabilities to depositors and noteholders. I can find no figures on file at Ottawa as to what these shareholders lost, although they should be on record here. I quite agree with the Inspector General of Banks when he said that many banks that were taken over would probably have failed if stronger banks had not come to their rescue. However, I have gathered together the figures of the losses of shareholders of most of the banks that failed and will place same on *Hansard*.

The Central Bank of Canada, Toronto, failed in 1887. The depositors were not paid in full; the shareholders lost $500,000 of paid-up capital.

The Sovereign Bank of Canada, Toronto, failed in 1908. The shareholders lost their paid-up capital of $3,000,000.

The Home Bank of Canada, Toronto, failed in 1923, the shareholders losing all their capital of $1,960,591.

The Farmers Bank of Canada, Toronto, failed in 1910, the shareholders losing all their capital of $567,579.

The Bank of Vancouver, Vancouver, failed in 1914, the loss to shareholders being $445,188.

Ontario Bank, Toronto, failed in 1906. The shareholders lost all their capital of $1,500,000.

La Banque de St. Jean, St. Jean, P.Q., failed in 1908. Shareholders lost all their capital of $316,386.

La Banque Ville Marie, Montreal, failed in 1899. Depositors were paid only a percentage of their deposits. Shareholders lost all the capital they had put into the bank, amounting to $479,620.

Bank of Yarmouth, Yarmouth, N.S., failed in 1905. While the noteholders and depositors were paid, all the shareholders' capital was lost, amounting to $300,000.

The St. Stephens Bank, St. Stephen, N.B., failed in 1910, the shareholders losing all their capital of $200,000, the president having also paid up around $150,000 to satisfy noteholders and depositors.

Commercial Bank of Manitoba, Winnipeg, failed in 1893. Depositors and noteholders were paid. If the shareholders were paid anything I can find no record. Their share capital was $552,650.

Commercial Bank of N.B., Saint John, N.B., failed in 1868. Noteholders were paid in full. I can find no record of shareholders being paid anything. Their share capital was $600,000.

Bank of Acadia, Liverpool, N.S. failed in 1873. Neither noteholders, depositors or shareholders received anything. Their share capital was $100,000.

Bank of Liverpool, Liverpool, N.S., failed in 1879. The depositors were not fully paid, which meant the shareholders received nothing. Share capital was $370,548.

Bank of Prince Edward Island failed in 1881. They paid noteholders and depositors 59½ cents on the dollar, which means shareholders lost their capital of $120,000.

Exchange Bank of Canada, Montreal, failed in 1883. Depositors were paid 66¾ cents on the dollar. Shareholders lost their capital of $500,000.

The Maritime Bank of Dominion of Canada, Saint John, N.B. failed in 1887. Depositors were paid 10¾ cents on the dollar. Shareholders lost their capital of $321,900.

The Consolidated Bank of Canada failed in 1879. Noteholders and depositors were paid. I can find no record of what the shareholders received, if anything. The share capital was $2,080,920.

La Banque du Peuple, Montreal, failed in 1895. Depositors were paid 75¼ cents on the dollar. Shareholders lost their share capital of $1,200,000.

Mechanics Bank of Montreal failed in 1879. Noteholders were paid 57½ cents on the dollar. The shareholders lost their paid-up capital of $194,794.

Metropolitan Bank of Montreal failed in 1876. Their share capital of the bank was $800,170. I find no record of the shareholders getting anything.

La Banque de St. Hyacinthe, St. Hyacinthe, P.Q. voluntarily went out of business in 1908. Their capital was $331,235 and was all lost by the shareholders. It is quite obvious that the capital of a bank that went voluntarily out of business would be greatly impaired, if not all gone.

The Federal Bank of Canada, Toronto, went out of business voluntarily in 1888. Depositors and noteholders were paid in full. I can find no record of shareholders being paid. Their share capital was $1,250,000.

Stadacona Bank, Quebec, went out of business voluntarily in 1879. Their depositors and noteholders were paid off. What the shareholders received, if anything, I am unable to say, as I can find no record but, as stated, their capital of $991,890 was probably seriously impaired or they would not have needed to go out of business.

Pictou Bank, Pictou, N.S. went out of business voluntarily in 1887. Noteholders and depositors were paid in full. I can find no record of what shareholders received, if anything. They had a capital of $200,000.

Bank of London, London, Ontario went out of business voluntarily in 1887. Depositors were paid in full. I can find no record of what the shareholders received, if anything. The capital shares amounted to $241,101.

Besides the shareholders of all these 26 banks I have named losing their capital shares, the shareholders paid up $3,654,702 more during the years. The double liability law on stock was in force.

I think I have covered the millions of dollars shareholders have lost through bank failures, and it seems they lost many millions more through takeovers. No wonder the Inspector General said the record of bank closings is unfortunately high and, I might add, costly to the investors.

According to the official report of the House of Commons Committee on Banking and Commerce of 1944-45:

> No bank that has failed since 1895 has paid anything to shareholders in respect to their capital investment. There is little reliable information as to earlier dates.

This committee report, which I have here, further states:

> Information is not available from which to compute losses with respect to liabilities other than deposits and circulation. In some instances these liabilities would include liabilities to governments (having preference) and to banks and others.

The word "circulation" there means noteholders.

The following is a list of banks which took over smaller or regional banks and the year of takeover.

The Bank of Montreal took over:

Exchange Bank of Yarmouth	1903
Peoples Bank of Halifax	1905
Ontario Bank	1907
Bank of British North America	1918
Merchants Bank of Canada	1922
Molsons Bank	1925

The last bank named was in good shape financially. The position of the others was problematic.

The Canadian Bank of Commerce took over:

The Gore Bank	1870
The Bank of British Columbia	1900
Halifax Banking Company	1903
Merchants Bank of Prince Edward Island	1906
Eastern Township Bank	1912
Bank of Hamilton	1923
Standard Bank of Canada	1925

The Bank of Nova Scotia took over:

Union Bank of P.E.I.	1883
The Bank of New Brunswick	1913
Metropolitan Bank	1914
The Bank of Ottawa	1919

The Royal Bank of Canada took over:

Union Bank of Halifax	1910
Traders Bank of Canada	1912
Quebec Bank	1917
Northern Crown Bank	1918
Union Bank of Canada	1925

The Imperial Bank of Canada took over:

Niagara District Bank	1875

The Banque d'Hochelaga took over:

La Banque Nationale	1924

The name of the latter bank was continued. There was quite a heavy loss involved. I do not know the amount, but the Quebec government came to the rescue to the extent of $15 million.

The losses to shareholders in the aforementioned banks are in the neighbourhood of $22,727,274. Besides this amount, one must add losses to depositors and noteholders estimated at $15 million, as quoted by the Inspector General of Banks.

Now I have a list of regional banks that were taken over by stronger banks, and the latter have since been absorbed by still larger banks.

Bank of New Brunswick took over the Summerside Bank in 1907.

Union of Halifax absorbed the Commercial Bank of Windsor in 1902.

Northern Crown Bank took over both the Northern Bank and Crown Bank of Canada in 1908.

Union Bank of Canada absorbed the United Empire Bank in 1911.

Home Bank of Canada took over Le Banque Internationale du Canada in 1913.

Standard Bank of Canada took over the Western Bank of Canada in 1909, and the Sterling Bank of Canada in 1934.

I can find no record of what losses were incurred in these banking transactions, but I feel they would be substantial.

From experience I know that shareholders do not manage banks. Neither do directors. The latter, of course, can give advice, but seldom use a veto. The banks are really operated by their top, full-time executives such as general managers and assistant general managers.

I would call banking a confidence and risk business. A bank must keep the confidence of its depositors. The men I have spoken of at the top pass on risk loans of the banks' money every day, amounting to millions of dollars, which finance all kinds of projects that are sound, in their opinion, and make profits for their shareholders, if possible. It is easily seen that the men at the top of our banking system have to be expert bankers.

I would say, from what I know, that a bank clerk, starting on a small salary on the average, would take 15 or 20 years of hard work to become a top executive of one of our present banks. Many fall by the way. However, if one has the patience and the ability, he can reach the top. Top executives are very well paid, for they are men of exceptional knowledge. Banks have to train their own men. Banking is not taught in any universities in Canada that I know of. It is really a profession, and banks seldom part with top executives, for, having trained them, they desire to keep them. I would say top executives in the banking profession are very scarce today.

It was stated before our Banking and Commerce Committee, by an applicant for a bank charter, that the sponsors had many applications for positions in the new bank. I would venture to state that applications from top bank executives, if any, would be few and far between.

The Inspector General of Banks stated that 38 banks that have been incorporated since Confederation never commenced business. I think one of the chief reasons was that they were unable to get general managers.

I know a case in point. Years ago I had a building rented to the Standard Bank of Canada. Later, when they were taken over by the Canadian Bank of Commerce and vacated the premises, I rented the office to the Eastern Bank of Canada that had just been organized as a regional bank. It had a fine board of directors of outstanding gentlemen, with plenty of money to invest. One was a director of the Canadian Pacific Railway, another was owner of the Bathurst Paper Company, another a prominent lawyer in Saint John. They paid the rent for a year for the office, which was never occupied, and then came to me and said they were giving

up their charter. When I asked why, they said they were not bankers, and they had to have a top banking executive for general manager; that after a year's search they had not been able to find the right man who was willing to join them and occupy such a position, and without such a top executive they could not risk their reputations by entering the banking business—something they knew little about. I am of the opinion that top executives for new banks are just as scarce today.

A new bank commencing business is not likely to make profits in any great amount for two or three years. In the meantime, if it meets a substantial loss, it will have to show impaired capital in its balance sheet, that is, if it has no reserve fund; and this will weaken the confidence of depositors. Therefore, I would advocate that any new chartered bank should have a substantial reserve fund backing its share capital structure; then, any bad debts could be charged to such reserve fund, such as is being done by our present banks.

To sum up, in my opinion, we should be very careful indeed in incorporating new banks, and explore their future prospects thoroughly, for they are very important undertakings as far as the economy of our country is concerned.

Hon. Mr. Croll: May I ask the honourable gentleman one question? It it not a fact that since 1923, when the government of the day instituted an Inspector of Banks, there have been no failures?

Hon. Mr. McLean: I think that is correct.

Hon. Mr. Dessureault: I would like to make a correction of a statement made by Senator McLean. When the Bank of Hochelaga absorbed La Banque Nationale, the two banks joined together under the name of National Canadian Bank. No losses were sustained by either the shareholders or the creditors.

Hon. Mr. McLean: I did not say there was any loss. I said that the Quebec government came to the rescue to the extent of $15 million. That is on the record.

Hon. Mr. Dessureault: I thought you said there was a substantial loss sustained by the shareholders. There was no loss.

Hon. Mr. McLean: May I say that I did not add any figures; I quoted.

Hon. Donald Cameron: Honourable senators—

The Hon. the Speaker: May I remind honourable senators, that if the honourable Senator Cameron speaks now it will have the effect of closing the debate?

Hon. Mr. Cameron: Honourable senators, I will not detain you for long, but I think a few comments at this time are in order.

Honourable senators, I propose to move that this bill be referred to the Standing Committee on Banking and Commerce, but before doing so may I comment on one or two points made by my friend, Senator Blois? One of the points he emphasized rather strongly was that if a charter was given to the Laurentide Bank, it would be the first time in the history of Canada that a bank had been established as a subsidiary of a finance company. I do not think there is anything very heinous about that. It may be new, but I think the record of this company itself speaks very well for the competence of the people to do a good job in banking as a whole.

However, may I draw to the attention of honourable senators our latest authority on banking? I refer to page 8 of the Porter Commission report, which says:

> A creative financial system is one which does not just passively accommodate the usual—

"Accommodate the usual", mark that.

> instead, it is one in which active and inventive efforts are constantly being made to meet the sound requirements of lenders and borrowers, regardless of how untried and unusual such needs may be. A spirit of vigorous, restless innovation in the financial system—of devising new ways to do new things rather than of justifying why they should never be done at all—can ordinarily best be achieved in conditions under which the participants are not prevented from responding to changed opportunities, in which price and other competition is too intensive to be comfortable, in which there is relative ease of entry for honest men with ideas and imagination, and in which different classes of institution can compete with each other on an equitable and open basis.

That is my philosophy, and I am quite happy to go along with it. So I am not very worried about that particular reservation on the part of my friend.

The second question was that of the position of the Power Corporation of Montreal, four of whose directors are directors of the chartered banks. Honourable senators will have ample opportunity to explore this particular point before the Banking and Commerce Committee, and I am not going to say anything about it at this time.

My friend went on to say that Canada is served today by over 5,000 branches of the existing chartered banks. This is true, and I

would be the last to reflect in any way on the quality of service that has been rendered by these banks or on the soundness of the establishment; but I think he must remember that the economy of this country is growing, and growing very rapidly.

I believe there is no reason whatever why we should not contemplate the establishment of further banks without any fear, under the present regulations, that there might be losses to the shareholders or the depositors. As Senator Croll mentioned when he asked a question a while ago, there has only been one bank failure since 1923. I believe that under the present rules, by which the Inspector General is given authority to keep a complete check on the banking system, the possibility of a similar failure is no longer a serious danger.

Then, as I listened to my friend Senator McLean, who says that he has been a banker all his life until recently, and as he recited this dismal tale of failures and losses in former days, all I can say to him is that I am glad the banks of Canada are now in much more competent hands than they were years ago. I believe this is something we can accept, that the people who are administering these billions—I think Senator Blois mentioned $21,859 million in assets—are certainly competent to handle our finances with safety to themselves and the people who put their faith and trust in them.

With the safeguards we have in our banking system by legislation, I believe we are not likely to have a rash of failures such as we had in years gone by.

Turning to Senator Blois again, in his comment on May 6, at page 409 of Senate *Hansard,* in giving his reasons for asking for two weeks' delay he said:

> My second reason for suggesting that this order stand concerns an article that appeared in the Montreal *Gazette* of this morning on an interview with the Minister of Finance, Mr. Gordon, in which he is reported to have indicated that the three proposed banks must wait until the fall for their federal charters to be granted. According to this article, he said in an interview that the Government hopes to amend the Bank Act this fall, after studying the recently received report of the Royal Commission on Banking and Finance. If that is correct, I see no urgency for further debate on this matter at this time.

If you will refer to page 2982 of the House of Commons *Hansard* for May 6 you will see that the Minister of Finance, Mr. Gordon, was asked a question to which his reply was in part as follows:

> In reply to the first part of the question, Mr. Speaker, the applications are now before the Senate or the Senate banking and commerce committee, who I am sure will proceed to deal with them in their usual fashion. As to when the amendments to the Bank Act will be brought in, it is my hope, as I have said on other occasions, that we will have an opportunity to make progress with this very difficult legislation within the Department of Finance this summer, with a view to being ready to present the bill to the house in the late fall.

In my reading of the Minister of Finance's statement I see no reason why we should not proceed with the disposition of these charters at the present time in the Senate.

I just want to make one or two other observations. On page 120 of the royal commission report, in the last paragraph of the first column, it says:

> In their efforts to attract business, the Canadian banks have in fact placed great emphasis not only on the liquidity and safety of their deposits but on the development of their branch systems.

I am not going into that. I just marked that to verify the number of bank branches—5,361. If you will turn to page 121, where the report deals with the banks' position today, it says:

> Another factor in the banks' loss of position in the savings field is that they offer only one type of interest-bearing deposit to individuals with balances of less than $25,000 and that they appear to be less flexible than some competing institutions...

I could go on indicating throughout this report numerous instances where the emphasis is on the fact, but not in any way critically, that while the banking system has been sound and Canadians have every right to be proud of that system, there are things that could have been done in the provision of services that have not been done, and that one of the reasons for the proliferation of finance companies and near banks in recent years has been the fact these people have stepped in to fill a need which has not been met adequately by the banking system as it has existed.

Hon. Mr. Molson: Would my honourable friend permit a question?

Hon. Mr. Cameron: Yes.

Hon. Mr. Molson: Does the report not follow through and point out that one of the main reasons for some of these problems we

have had is the fact there was a ceiling on the interest rate for the chartered banks but not for the near banks?

Hon. Mr. Cameron: That is true, but it also goes on to recommend that they raise the interest rate to give flexibility. However, the general tenor is that the introduction of more banks or more institutions would not be a bad thing.

Honourable senators, I do not propose to take more of your time at this stage than to say that nothing I have heard in this debate has convinced me there is any reason why we should not proceed in dealing with these applications at the present time. There will be ample opportunity provided before the Banking and Commerce Committee to go into any questions of doubt or reservations that individuals may have.

I feel that the number of applications for new banks is an indication that people feel that there is an opportunity to make some money, which is a legitimate purpose in a land of free enterprise; and I think some people are quite impressed with the fact the banks have not done too badly over the past few years. I am quite sure that Senator McLean's concern for the people who might be investing in these new banks can well be left to the officers who will guide them. They are not doing this just as an exercise in charity or for their own health. They certainly hope to make some money, and the past performances of the individuals concerned in all these applications that have come before us so far indicate they probably could give a pretty good account of themselves.

Hon. Mr. McLean: To answer the honourable Senator Croll's question, I do not believe there have been any chartered bank failures since 1923. It was chiefly of the regional banks I was speaking.

Motion agreed to and bill read second time, on division.

REFERRED TO COMMITTEE

On motion of Honourable Mr. Cameron, bill referred to Standing Committee on Banking and Commerce.

PRIVATE BILL

BANK OF BRITISH COLUMBIA—MOTION FOR SECOND READING—DEBATE ADJOURNED

On the Order:

Second reading of Bill S-20, intituled: "An Act to incorporate Bank of British Columbia".—(Honourable Senator Farris).

Hon. J. W. de B. Farris: Honourable senators, I asked that this order stand last week in the hope of getting a little right of way, but I have not achieved that very well. I certainly could not do justice to my presentation of this bill by six o'clock. I hope that if at six o'clock we adjourn until tomorrow afternoon, I shall still have the right of way—not still, but for once have the right of way.

Hon. Mr. Roebuck: I suggest that the honourable gentleman allow the order to stand today, and that the house consent to its being first on the Order Paper tomorrow.

Some Hon. Senators: Agreed.

Hon. Mr. Connolly (Ottawa West): Honourable senators, I quite appreciate the situation in which Senator Farris finds himself for the second time, in being far down on the Order Paper, and his order being called late in the sitting. However, the Companies Act, an important Government measure, is first on the Order Paper for tomorrow. I think it is appropriate that Government business, public bills of this kind, should come first. But if Senator Farris would agree and the Senate concurs, I would certainly be satisfied to have his bill placed second on the Order Paper for tomorrow.

Hon. Mr. Farris: How long will the first order take?

Hon. Mr. Connolly (Ottawa West): I cannot predict that, but I do not think it would be lengthy.

Hon. Mr. Farris: I was assured by my friend this afternoon that it would not be long before I was reached today.

Hon. Mr. Connolly (Ottawa West): I was sure that that would be the case, but there were speeches made that I did not anticipate at that time. I do not say that the Companies Act will be debated to conclusion tomorrow, but since it is on the Order Paper it might be explained, and then Senator Farris could proceed.

Hon. Mr. Farris: I have a lot of preliminaries that are not particularly important. Perhaps I could deal with those today.

I move second reading of the bill to incorporate—and I emphasize the name—Bank of British Columbia, which has its head office in the City of Vancouver.

The petition for this bill has been made by five well-known citizens of British Columbia, who are to be provisional directors. The Legislature of British Columbia, and to this I wish to give some emphasis tomorrow, has passed a bill authorizing the Government of British Columbia, which is a Social Credit Government, through its finance minister to

purchase shares in this bank, not to exceed 25 per cent of the paid-up capital.

Now, honourable senators, as you know Mr. Bennett is the head of this Social Credit Government in British Columbia. He has been the Premier for, I think, about 11 or 12 years.

There are some senators who may think it a matter of comment that such a bill, involving the acquisition of large shares in this company by the provincial government, should be introduced by a Liberal senator. Some may wonder if in my advancing years I have at last fallen from grace. I bring this up not merely as a joke, although I thought it was a bit funny myself, but because I feel I would like to be permitted to wander a little from the strict text, and since we have had so much talk of banking this afternoon I think it might be a relief for honourable senators if I did so.

While it is not strictly relevant to the motion, I would state that there are no political implications in my speaking for this bill sponsored by Mr. Bennett. I want to develop this point a little, if honourable senators will be patient with me, and I want to stress that I am still a consistent Liberal, and my Liberalism may be explained on two grounds. First, I have inherited my Liberalism—and I want to elaborate that just for a moment also, because I know there are Liberals in British Columbia who are critical of my moving second reading of this bill. Secondly, I want to state my reasons as to why I am a continuing Liberal since coming to the Senate.

Let me first quote an uncle of mine who used to say "He who bloweth not his own horn, the same shall not be blown." So if you will permit me, I shall continue my remarks. I see my friend the Leader of the Opposition (Hon. Mr. Brooks) is smiling—I am going to say something about him that he will find extremely friendly.

Hon. Mr. Brooks: Is it not a friendly act he is now committing, as one New Brunswicker sponsoring legislation for another New Brunswicker? Mr. Bennett happens to come from New Brunswick, as does Senator Farris.

Hon. Mr. Farris: That is true, but I was not boasting about that at this stage. That is another reason. But to continue this personal history for anyone who may be interested, I am talking about this inherited Liberalism.

My grandfather was the first Liberal member for Queens County in New Brunswick at Confederation, and he remained a member during more than one continuation of Parliament until 15 years later, when he was forced by advancing years to retire. My father was Minister of Agriculture in the Liberal Government of the province. Do you know, honourable senators, I made my first political speeches in the election of 1896 when the Laurier Government came into office? I do not attribute that fact to my speeches, however.

Hon. Mr. Connolly (Ottawa West): Why not?

Hon. Mr. Farris: Well, it is so long ago perhaps I might get away with it if I said that it was so.

I spoke on behalf of a gentleman who was later a member of the Senate, Mr. George King. He succeeded my grandfather as the Liberal member for Queens County in New Brunswick.

My friend opposite speaks about his fellow New Brunswickers. My friend and I are both from Queens County, and I want to make a few references to him. I am glad that I am allowed to do that this afternoon because I can then get down to more serious discussion of this bill in my remarks tomorrow afternoon.

Senator King was succeeded in the Senate by his son, Senator James King, who many here will remember. Both of us were members of the Liberal Government of John Oliver in British Columbia. So you can see, honourable senators, that by inheritance I could not very well be anything else but a liberal. But, I am also a liberal by conviction, and I have a definite purpose in making these remarks. I make them in answer to some of the criticisms that have been directed at me personally.

I consider that during the 27 years I have been a member of the Senate my conviction with respect to the principles of the party I support has grown and intensified. I consider that to be one of the tenets of liberalism—and it is not confined to Liberals—is the duty of every citizen to exercise his independence of thought, and to act according to his convictions. This, of course, applies to senators as well as other party men in politics. I am not unmindful of the fact that in the active strife of party politics too much independence may defeat its own purpose. Adherence to caucus decisions may become necessary for the maintenance of good government. However, in the Senate these political obligations are less binding.

When the Fathers of Confederation established the Senate it was declared to be a chamber of sober, second thought. The very fact that a vote in the Senate does not involve the defeat of the Government is a recognition by the Fathers of Confederation that the Senate was not to be tied to purely political limitations which must necessarily at times exist in the House of Commons.

That brings me to another matter. It may be irrelevant, but I do not think so. It arises from the position taken by Senator Grattan O'Leary just before Easter. I want him to understand that I am in no way criticizing what he did, although that particular time might not have been the most happy time at which to have done it. When the late Senator Haig was a member of this house he and I had several controversies over this very thing. Perhaps I should say we were in general agreement, and that there were no controversies at all. At that time the very same thing would be done, and we would be led up to a motion to put through bills involving millions of dollars without any time in which to consider them. Although I was not present before Easter, I was rather gratified to hear that somebody at last had had the courage—it may be even the temerity—to deal with that question.

What I want to say is that as a result of that stand a bill was introduced in the House of Commons to abolish the Senate, and asserted that nobody should represent the people unless elected—that true democracy could only be exercised by those who were elected to the House of Commons.

I must say that I was, and still am, surprised that there should be such a misconception of the theory of democratic government as we have it in Canada and which follows the British principles. Abraham Lincoln defined democracy as government of the people, by the people, for the people, and that is well understood not to mean government by a majority of the people for a majority of the people.

I would ask honourable members of this house to think of the thousands of votes that have been cast for men who have been defeated. Who represents those electors in the House of Commons? The Legislature of the Province of British Columbia has not a single Conservative member. Mr. Davie Fulton was a candidate. I do not think he used very good judgment, with all deference to him, when he picked Mr. Gaglardi as his opponent. Mr. Gaglardi is not only the best road builder we have ever had in Canada, but he also preaches every Sunday either in his own church up at Kamloops or over the air. What I am getting at is the fact that Mr. Fulton was defeated, and there is not a single Conservative in the Legislature of British Columbia. Who represents those thousands of people who voted Conservative? I could not find anybody in the legislature that I could say represented them.

The Fathers of Confederation recognized the fact that the only branch of Parliament which can represent and support the thousands of electors who are not represented by the candidates they voted for, is the Senate. One of the things for which we stand is the fulfilment of democracy by recognizing that majority rule is not necessarily a complete satisfaction of democracy.

You must have, in addition to that, the independent thought that we are supposed to have here in the Senate. I am sure that is one of the basic grounds which justifies the existence of the Senate.

These remarks, honourable senators, may appear to be a little aside from the point, but I do have the feeling that they have some definite relationship to the problems we have to deal with, and particularly in connection with a motion such as I am making and where the premier of a province is sponsoring a bill.

I support this bill not because I belong or ever expect to belong to the Social Credit Party. I support it because, in my opinion, there are good features to it. The passage of this bill will be in the interests of Canada, inasmuch as it will be in the interests of British Columbia and the adjoining Province of Alberta. This is a bill to provide a truly representative western bank, the directors of which will be westerners, and the head office of which will be in Vancouver, the largest city in Canada west of Toronto. There is today, as we all know, a number of banks, but there is not a single chartered bank with its head office, or the office of its president, west of Toronto.

My learned friend Senator Leonard introduced a bill to incorporate the Western Bank of Canada, which is to have its head office in Winnipeg. On the Pacific Coast we regard Winnipeg as away back east. However, I want it clearly understood that so far as my motion is concerned I have not the least intention of attacking these other two applications. There may be some questions I will raise—I know they will be raised in committee, whether I say anything or not—but I am hoping that this bill along with the other two will be considered by the committee so that all these matters may be fully thrashed out.

I want to say, and I may be a little out of turn in saying it, that so far as my friend Senator McLean is concerned—like the rest of good New Brunswickers, he comes from Saint John—he gave a striking reason why we should make sure that any further banks that are incorporated have such a backing that there is not the least danger of any financial failure. When you have a bank with up to 25 per cent of its shares owned by the great Province of British Columbia, a province that is growing at such a rate as to stagger the imagination of an easterner, then I say it is a mighty good thing.

That is just a little aside. I am coming back to it.

It is my opinion—and this I have written down. During all the time I have been in the Senate I have never read a speech, but I shall read a few extracts here because this is not the normal kind of speech that I make. It is my opinion that it is in the interest of western Canada, and particularly of British Columbia and Alberta, to have a truly western bank with its head office and president in Vancouver.

These are days of big expenditures. With our growth and development, it is most important in the west to have a bank president who has special knowledge of the west, knowledge of our vast resources and, most of all, gentlemen who have had the western spirit and faith in our great possibilities.

My honourable friend from Nova Scotia has spoken—I appreciate his speech and I whispered to my deskmate that it was a good speech. I went to college in Nova Scotia and got my wife in Wolfville. I have the highest regard for that province of any in the world. But I would hate to have a Nova Scotian pass on some of my imaginary ventures that I might make out in British Columbia.

They have a fine prime minister in Nova Scotia. He married a daughter of one of my closest friends with whom I went to college, and I have the greatest admiration for him. But I do not think that in Nova Scotia they have the conception of our possibilities in the west that would give them the courage to go ahead with the projects that are essential to the development of that province.

Now I come to my friend honourable Senator McLean from Saint John. Both the honourable Leader opposite and I came from Queens County, about 50 miles up river from Saint John. We all know the limitations of the Maritimes in the great development that there is in Canada, the failure of necessity to have the conception, the imagination that they would have if those people had the same opportunities and the same prospects ahead of them that we have out in British Columbia.

I am thinking now of some man with some big venture that he is about to start, a new venture in British Columbia. It is going to take a lot of money. In order to deal with this great enterprise, would he sooner go to a local manager who, in turn, would write a letter to Toronto to the president there to get his opinion as to whether the bank would support the venture, or would he not sooner have a bank right in British Columbia with its headquarters in the great City of Vancouver, the third largest in Canada, and deal directly with the man who is breathing the atmosphere of the west and has a conception of its possibilities and its growth and its efficiency? Many of those young men came from Nova Scotia. Some of us came from New Brunswick, and we got—and I am boasting again—a conception of the possibilities of our new country that we live in, that we would never have had if we had stayed in New Brunswick or Nova Scotia.

Honourable senators, that covers the first and main reason why I am supporting this bill. The second reason is that, as I said in anticipation a few minutes ago, the doleful report that Senator McLean gave us places a great emphasis on the necessity of having banks that have all the backing necessary to make sure that the bank they are supporting will never fail and that their shareholders or depositors will never suffer a heavy loss.

I am giving that as the next reason why I think a bank that is proposed to be supported by the legislature should be established.

I have before me the bill passed in the legislature of British Columbia this year, 1964. It is bill No. 15, and reads as follows:

> Her Majesty, by and with the advice and consent of the Legislative Assembly of the Province of British Columbia, enacts as follows:
>
> 1. This Act may be cited as the Revenue Act Amendment Act, 1964.
>
> 2. Section 9 of the Revenue Act, being chapter 341 of the Revised Statutes of British Columbia, 1960, is repealed and the following substituted:—
>
> "9. The Minister of Finance may, in his discretion, invest any moneys of the Consolidated Revenue Fund
>
> (a) in the debentures or other securities of or guaranteed by Canada or any Province of Canada; or
>
> (b) in the capital stock of a bank chartered or to be chartered under the Bank Act of Canada having or to have its head office in the Province, before or after incorporation, in an amount not greater than one-quarter of the sum paid up on the capital stock or on the subscriptions for capital stock of the bank, or in both."

Now, it is proposed by the Government of British Columbia to invest sufficient funds in the shares of that company to be a guarantee that that bank will be solvent and will be carried on effectively.

As far as motivation is concerned, I am going to come to that in a minute. I will refer you to a resolution from the Board of Trade in Vancouver City, objecting to the idea of what they term a political bank. I will deal with that for a moment, and then ask you to call it 6 o'clock.

The Honourable Mr. Bennett is an able businessman; he has many stores that he operated successfully before he went into politics, and they are still operating successfully. He is also a good politician. Can you imagine that a successful premier would fall for one minute to what the Board of Trade of Vancouver says in that resolution, namely, that he would use that bank for political purposes? The greatest political purpose for which any bank could be used is to be a success and to provide proper and up-to-date banking facilities for the people there.

Now, may I call it 6 o'clock?

Hon. Mr. Bouffard: May I ask a question before we adjourn? Can the Province of British Columbia subscribe 100 per cent of the stock, if the act says so?

Hon. Mr. Farris: I am not sure, but I think they could.

Hon. Mr. Bouffard: Can the legislature pass an act to that effect?

Hon. Mr. Farris: I do not know why my friend should ask a question that has nothing to do with the issue. I have not thought over this, and I do not see why I should be called on at this hour to answer on that point. I do not see why they should not do it, if they wish.

I would like to hear my friend give some reason on this point. As a matter of theory they could, but as a matter of expediency why should they? It might be so or might not be so. I would like to hear my honourable friend on it. He has asked this question in a tone of voice as if he had me over a barrel. I would like him to point out to me why that should not be done.

Hon. Mr. Bouffard: Undoubtedly, I think they could.

Hon. Mr. Farris: I am glad to hear that. I hope the honourable senator is pleased with the answers I have given.

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

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, May 14, 1964

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

Prayers.

CROWN CORPORATIONS (PROVINCIAL TAXES AND FEES) BILL

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-95, respecting the payment of certain provincial taxes and fees by crown corporations.

Bill read first time.

Hon. John J. Connolly moved that the bill be placed on the Orders of the Day for second reading on Wednesday next.

Motion agreed to.

JUDGES ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-96, to amend the Judges Act and the Exchequer Court Act.

Bill read first time.

Hon. John J. Connolly moved that the bill be placed on the Orders of the Day for second reading on Thursday next.

Motion agreed to.

DOCUMENT TABLED

Hon. John J. Connolly tabled:

Report of the number and amount of loans to Indians made under section 69(1) of the Indian Act, for the fiscal year ended March 31, 1964, pursuant to section 69(6) of the said act, chapter 149, R.S.C., 1952. (English and French texts).

PRIVILEGES AND IMMUNITIES (UNITED NATIONS) ACT

BILL TO AMEND—FIRST READING

Hon. John J. Connolly presented Bill S-24, to amend the Privileges and Immunities (United Nations) Act.

Bill read first time.

Hon. Mr. Connolly (Ottawa West) moved that the bill be placed on the Orders of the Day for second reading on Thursday next.

Motion agreed to.

GENEVA CONVENTIONS BILL

FIRST READING

Hon. John J. Connolly presented Bill S-25, respecting the Geneva Conventions, 1949.

Bill read first time.

Hon. Mr. Connolly (Ottawa West) moved that the bill be placed on the Orders of the Day for second reading on Thursday next.

Motion agreed to.

ADJOURNMENT

Hon. John J. Connolly: Honourable senators, I move, with leave of the Senate, that when the Senate adjourns today it do stand adjourned until Tuesday next, May 19, 1964, at 8 o'clock in the evening.

Motion agreed to.

STE-FOY—ST-NICHOLAS BRIDGE BILL

AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. A. K. Hugessen, Chairman of the Standing Committee on Transport and Communications, presented the following report of the committee on Bill S-21, to authorize the construction and maintenance of a bridge across the St. Lawrence River between the City of Ste-Foy, in the County of Quebec, and the Municipality of St-Nicholas, in the County of Levis, both in the province of Quebec:

> Your committee recommend that authority be granted for the printing of 800 copies in English and 300 copies in French of their proceedings on the said bill.

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

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

Report adopted.

REPORT OF COMMITTEE ADOPTED

Hon. Mr. Hugessen reported that the Standing Committee on Transport and Communications had considered Bill S-21, to authorize the construction and maintenance of a bridge across the St. Lawrence River between the City of Ste-Foy, in the County of Quebec, and the municipality of St-Nicholas, in the County of Levis, both in the Province of Quebec, and had directed that the bill be reported without amendment.

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

Hon. Mr. Hugessen: With leave, I move that the report be adopted now.

Report adopted.

THIRD READING

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

Hon. J.-M. Dessureault: With leave, I move that the bill be read the third time now.

The Hon. the Speaker: It is moved by the honourable Senator Dessureault, seconded by the honourable Senator Pouliot, that this bill be now read a third time. Is it your pleasure, honourable senators, to adopt the motion?

Adopté. Carried.

A bill, honourable senators, originating in the Senate, intituled—

Hon. Mr. Reid: Next sitting. This is being rushed through.

The Hon. the Speaker: It is too late now. The motion has carried.

Hon. Mr. Fournier (De Lanaudière): Honourable senators, may I rise on a point of order. An honourable senator sought to raise an objection to the motion being carried now. I think we should wait until we have been given a chance to hear the objection of the honourable senator.

Hon. Mr. Reid: I have nothing to explain. I do not know anything about the bill. However, I object to bills receiving third reading, contrary to the rules of the Senate, unless there is unanimous consent, as required by the rules. I think that we might live to regret our shoving a bill right through in this manner.

The Hon. the Speaker: Third reading was moved, with leave of the Senate, and no objection was raised. Therefore I considered there was unanimous consent.

Hon. Mr. Fournier (De Lanaudière): Mr. Speaker, and honourable senators, the formal procedure goes so quickly that sometimes by the time one rises it is all over. That is not the way the procedure should be carried out in this chamber. Even if the reading of a bill is proclaimed "Adopté, carried," if one of the honourable senators rises and makes an objection, the motion should not carry.

The Hon. the Speaker: I put the motion; there was no objection at all; so I said, "Adopté, carried." I did not hear any senator objecting to third reading of the bill. That is the reason the Clerk Assistant rose to read the bill a third time. I thought there was unanimous consent.

Hon. Mr. Fournier (De Lanaudière): Mr. Speaker, I think I understand your point of view. You are a long way from the honourable gentleman from New Westminster (Hon. Mr. Reid), but I am his neighbour, and I could see him standing. The acoustics in this house are not perfect, and in the circumstances, I am of the opinion that the motion should not carry now.

Hon. Mr. Dessureault: Honourable senators, if there is any objection, I will move that the bill be placed on the Orders of the Day for third reading at the next sitting.

Hon. Mr. Connolly (Ottawa West): Honourable senators, the bill has received third reading, but the bill has not been passed. I suggest that it would meet the objection of the honourable Senator Reid if the question on the passage of the bill, which indeed is debatable, were to stand until the next sitting.

Some Hon. Senators: Agreed.

The Hon. the Speaker: The question on the passage of the bill stands.

ESTIMATES

MOTION TO EMPOWER FINANCE COMMITTEE TO EXAMINE AND REPORT—ORDER STANDS

On the motion of Hon. Mr. Connolly (Ottawa West):

> That the Standing Committee on Finance be authorized to examine and report upon the expenditures proposed by the Estimates laid before Parliament for the fiscal year ending 31st March, 1965, in advance of the Bills based on the said Estimates reaching the Senate; and
>
> That the said committee be empowered to send for persons, papers and records.

Hon. John J. Connolly: Honourable senators, I suggest that this motion stand until later this day, subject to the length of today's sitting. If time does not permit today, I might proceed with it on Tuesday evening next. For the present I ask permission of the house to return to the motion later today, if time permits.

The Hon. the Speaker: Motion No. 1 stands until later this day.

MARRIAGE AND DIVORCE ACT

MOTION TO REFER BILL TO SUPREME COURT—DEBATE ADJOURNED

On the motion of Hon. Mr. Pouliot:

> That in the opinion of this House, the Government should immediately refer to the Supreme Court of Canada, for the opinion of that Court, the question of the constitutional validity of Bill S-16, intituled: "An Act to amend the Marriage and Divorce Act".

Hon. Jean-François Pouliot: Honourable senators, I have just a few words to say

about motion No. 3, on the understanding that the Senate will have no objection to an adjournment of it in order that I may have the opportunity to give more information about it.

The Hon. the Speaker: I am sorry to interrupt the honourable senator. Is he moving the motion standing in his name?

Hon. Mr. Pouliot: I am speaking to the motion on the understanding that after I have finished my remarks it will be adjourned to a later sitting. I have only a few words to say at this time.

The Hon. the Speaker: It is moved by the honourable Senator Pouliot, seconded by the honourable Senator Stambaugh:

> That in the opinion of this House, the Government should immediately refer to the Supreme Court of Canada, for the opinion of that Court, the question of the constitutional validity of Bill S-16, intituled: "An Act to amend the Marriage and Divorce Act".

Is it your pleasure, honourable senators to adopt the motion?

Hon. Jacques Flynn: With the permission of the honourable Senator Pouliot, I would like to raise a point of order here.

The motion requests that Bill S-16 be referred to the Supreme Court of Canada for an opinion as to its validity. This bill has not been discussed as yet; it has not received second reading. It seems a little awkward that we should be called upon to discuss a motion requesting the Government to submit this bill to the Supreme Court of Canada, before we have discussed the principle of the bill itself. I believe it is contrary to the rules in general to discuss a bill before second reading is moved. In the normal course, we would have a debate on the principle of a bill.

Therefore, it seems to me that we should proceed with second reading of Bill S-16 before discussing this motion. In fact, I would suggest to the honourable Senator Pouliot that after this Bill has been referred to committee we might then be in a position to decide whether we can discuss the subject matter of this motion. At this time we are called upon to anticipate a debate which will have to come later, after this motion. The second reading of Bill S-16 should come first.

Hon. Mr. Pouliot: Honourable colleagues, the remarks of my honourable friend were premature. Speaking to the point of order, the motion and the bill are one. The reason the motion comes before the bill is because the motion is in its proper place on the Order Paper, under the caption "Motions." The bill is at its proper place, under "Orders of the Day," as item No. 5.

It is evident, honourable colleagues, that any member will be allowed to discuss the bill at the same time as the motion, and each member will have the full opportunity to discuss the bill.

The purpose of the motion is so that the bill shall not be submitted to a committee, and for the very good reason that as sponsor of the bill at the last session I suffered a great injustice when it was before the Committee on Miscellaneous Private Bills. I have a tribute to pay our honourable colleague, Senator Bouffard, who was chairman of the committee and who did exceptionally well. But I have personal reasons for insisting that this bill will not go again to a committee. Every member of the house will have the opportunity to discuss it fully in the Senate, and I will even ask the Senate to use the Committee of the Whole for that purpose, if my colleagues wish to do that. I consider that the Senate will have ample opportunity to discuss the bill and the motion while discussing the motion; then, if the motion is adopted, I shall withdraw the bill, with the leave of the Senate, and the bill will be sent with the motion to the Clerk of the Privy Council so that the Government may refer it to the Supreme Court, according to the Supreme Court Act. If the motion is adopted it will be done that way. If the motion is defeated I shall proceed with the bill. I hope I have made my position clear.

It is only after very careful consideration and lengthy consultations that we came to the conclusion that the motion should be as it is, and that Bill S-16 should be where it is.

I do not want to take too much time today, because there are urgent matters on the agenda, and I do not want to delay the Leader of the Government (Hon. Mr. Connolly, Ottawa West) or my honourable friend from Vancouver South (Hon. Mr. Farris) in proceeding with the items which stand in their names. But, honourable colleagues, I presume that my honourable friend who raised an objection will not insist on it, and will allow me to proceed further and very summarily inform you of what will happen if you agree to the motion.

The Hon. the Speaker: Is the honourable Senator Flynn satisfied with the explanation given by honourable Senator Pouliot?

Hon. Mr. Flynn: I raised the objection, but I shall not insist if the Senate is willing to hear the remarks on the motion at this time. If nobody is complaining, I shall not insist on my point.

Hon. Sarto Fournier: Honourable senators, it is not that I want to complain, but the suggestion made by the honourable senator from Rougemont, the honourable Senator Flynn, seems to me to be quite reasonable. He suggested that this bill be referred to a committee for further study; and, as the bill concerns each and every individual in this country, I think it should be referred to a committee. If the idea behind it is correct, then the more we study it the more we will be convinced of the correctness of the idea; but if there is something wrong in the principle of the bill, we shall know that.

Therefore, in my opinion we should support the suggestion of the honourable Senator Flynn.

Hon. Allister Grosart: Honourable senators, I would merely like to be assured that if we proceed as Senator Pouliot has suggested, it would be in order to discuss the substance of the bill on this motion in view of the fact that the objection might very well be raised that we cannot discuss the substance of the bill when the bill itself is before us for second reading.

I am merely asking for information, and for Your Honour's ruling on that point.

Hon. Paul H. Bouffard: Honourable senators, I had the opportunity to hear the discussion on this bill when it was submitted last year to the Standing Committee on Miscellaneous Private Bills. It was very interesting, but as far as I am concerned I am suggesting that the same procedure be adopted with respect to this bill.

If this bill is submitted to a Committee of the Whole, no witnesses could be heard. I think it will be necessary to call the attorney general of each province to come and testify as to what they think of the bill and its constitutionality. It is a very serious bill, in which we are getting away from the provinces for the first time for nearly one hundred years. To refuse to hear the provinces would, I think, be very unjust. If we had considered the bill further last year, the Miscellaneous Private Bills Committee would certainly have called in every provincial attorney general and would have advised them that such a bill was before the committee. Then, if they had anything to say about it they could do so, and could state their opinion on the matter of its constitutionality. This could not be done if we submit the bill to a Committee of the Whole. No witness could be heard. It would be a very grave fault to pass on a bill of this kind without hearing the attorneys general.

The Hon. the Speaker: The motion as it now stands is quite in order. The same procedure has been followed in the House of Commons, to submit a bill to the Supreme Court of Canada. In the circumstances, I shall allow the honourable Senator Pouliot to proceed with his motion.

Hon. Mr. Pouliot: Thank you, Mr. Speaker.

In my long experience of 40 years in politics it is the first time that four of my colleagues have jumped to a conclusion before I had time to explain the motion. However, I am hard-boiled and am accustomed to it, and I will not lose my good character on account of this.

Hon. Mr. Stambaugh: Your pleasant disposition.

Hon. Mr. Pouliot: Yes, as you say, I have a pleasant disposition today.

Honourable senators, this is a matter of very great importance, and if I had not considered it such I would not have introduced it in this chamber now. It was most difficult; the seas were stormy; I had so many obstacles in my way from everybody that the time came when a decision should be made, and the first decision will be made by you. But it will be for a very good purpose, namely, to have a ruling about it made by the highest tribunal in this country. Then you will feel safe about it.

Honourable senators, there are more red lights in the way of truth than there are to block the traffic on any street in this capital City of Ottawa or in any other city on the North American Continent. Truth is seldom given the green light—I am most thankful that you have given it to me now for a short time, because I have made arrangements, if you give me leave, to adjourn the debate in order not to delay proceedings this afternoon.

This matter deals with married women's rights. It deals with the question of whether married women in the Province of Quebec, or anywhere else in Canada, shall have the same rights as single women or widows for their regular business. It is a simple thing. Do you know, honourable senators, many bankers have told me that they were fed up with the law concerning the permission that married women have to seek from their husbands to do certain transactions, especially for immoveable property and so on, that they are never sure whether they have the consent of the husband, or they do not know always how to locate the husband when he is away. Therefore, I feel I owe this to the number of women who have been so good to me during my long years in the House of Commons, and I owe it to all the women of Canada in order that their rights cannot be questioned.

You will remember, honourable senators, that I have brought to your attention the fact that in the universities from coast to coast no professor, except one at the University of Ottawa, has stated the close relationship which exists between the constitutional law—between the British North America Act and the powers exercised respectively by the Parliament of Canada and by the provinces. It is on account of that lack in our university teaching that so many errors have been committed by the lawmakers who belong to the provincial legislatures.

It is time to awaken. It is time to open our eyes to the distress. Instead, we have societies of mutual admiration amongst professors. A new society of 40 professors has been formed, and it is nothing but a society of mutual admiration. They published books as big as dictionaries, dedicated to a professor, to say that he was such a great jurist. It is not of interest to know whether a man is a great jurist. What is important is to have sound and valid legislation—legislation that stands against all objections made against it. That is my view.

You know, there is some political propaganda here and there. It reminds me of the Scythians, the barbarians who put the women ahead of the men in battle. They were afraid to fight. I have never considered that women should be shields in battle, nor the offensive weapons, but that does not mean I lack respect for them. Some people try to make political propaganda out of the law—the law which means justice, and which should be respected by all.

In answer to my honourable friend Senator Bouffard, I repeat that I pay him the tribute of having been fair at the sittings of the Miscellaneous Private Bills Committee, to which a similar bill was referred last session.

I can pay no greater compliment to him. I knew his father who himself was known for his fairness. He was a great judge. But, honourable colleagues, you know it is very difficult to argue against prejudice. There are many forms of prejudice. There is religious prejudice. There is racial prejudice, which we do not have in this chamber. There is also prejudice concerning the law, the worst prejudice of all.

Honourable senators have Rules of the Senate in your desks, and you are familiar with all of them. You know very well that any one of us has the right to sponsor public as well as private legislation. But, if you go back a few numbers of the Senate *Hansard* you will see what has been said about a man who should know, a man who should be impartial and who should tell the truth. What he said was a negation of the rights of each one of us to introduce public legislation in this chamber, or for members of the House of Commons to introduce public legislation in that chamber. That derogation of our rights was protested in blunt and hard language, I know, but he deserved it.

I took the precaution of inquiring whether there was a copy of the Rules of the Senate in the Library of the Department of Justice, and the answer of the Government was: "Yes, it has been there all year." The ruling he gave, forbidding one of his assistants to give evidence before the Standing Committee on Miscellaneous Private Bills of the Senate, was illegal, unsound, untrue and unworthy of a deputy minister of a great department.

I will not keep you long. I have no inferiority complex. I do not suffer from melancholia. I take things as they come, but at times I feel indignant when I see the lack of respect that some people have for the law. Now, to correct that situation I am not to bring a bill before the committee, to hear the same officer, or to hear the Law Officer of the Senate, quoting again, with regard to the rights of married women, the judgment of the late Chief Justice Duff about adoption. We do not need them. I presume you do not need them. You would be offended and indignant, just as I was, to read the report of the Deputy Minister of Justice forbidding one of his assistants to give evidence before the committee because he had been doing some excellent work with regard to the rights of married women. He had taken the trouble to go to the sources of information, and he had come to the same conclusion as myself. The Deputy acted not as a jurist, but as a scribe in taking the dictation that was given to him in preventing that person from appearing before the committee to tell the truth.

Do you not think it is enough to pay no attention to the committee? I ask you to discuss it with me in this chamber. Each one has the same opportunity. If you deem it is the right thing to do, then together we will make a decision, and if the decision is favourable the bill will be sent to the Government.

I will not keep you any longer. I have said what I wanted to say as a preliminary to what you already know about the respect for the law, and about the importance of having good, sound, logical and valid legislation in this country. That is that.

I have discussed many matters. You have been kind and helpful to me, but this time I do not want you to be helpful only to me; I want you to be as helpful to the Canadian people as you can. I want you to be helpful to the married women, to see to it that they are not deceived.

You know very well that this legislation is for married couples who do not agree together. When couples agree together as the previous generation did, as our parents did and as we have done, there is no difficulty about the approval of a transaction there.

Do you think that any woman who owns personal property to the value of $5,000, $10,000 or $30,000, and who is happily married will sell it without saying a word about it to her husband? This bill is mostly for the couples who do not agree together, for married women who do not live with their husbands, or those who are having some difficulty with their husbands. Most of all, this bill is to give married women the same rights as have unmarried women and widows —the rights that belong to them.

Women have obligations. Women have rights. We hear of human rights and fundamental freedoms, but nobody speaks of the obligations of the women. You can speak to them about freedom and human rights, but in themselves, in their hearts and minds, they realize that they have their own obligations, which they fulfil perfectly.

I am through now, honourable colleagues. I thank you for your kind attention. I do not mind the interruptions. I have taken them gladly and joyfully. The only thing I regret is that I have taken up so much of your time, but I want you to realize the importance of having some sound and valid legislation in this country.

I move the adjournment of the debate.

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

COMPANIES ACT

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

Hon. Thomas Vien moved the second reading of Bill S-22, to amend the Companies Act.

He said: Honourable senators, the statutes of Canada contain a remarkable *corpus juris;* they encompass a collection of laws which are indeed comparable to similar laws in the best civilized countries.

Outstanding among those laws are the British North America Act and the Statute of Westminster. Other laws can also be cited, such as the Criminal Code, the Bank Act, the Railway Act and the Companies Act. These laws were carefully considered before they were enacted and they now have had the test of years of application. They have shown their worth; they have brought a considerable and most valuable contribution to the growth of the Canadian economy. Nevertheless, the world is marching on dynamically and our laws cannot remain static. We have to amend them and bring them up to date to cope with the ever-changing Canadian conditions.

I am submitting to you now Bill S-22, which purports to amend the Companies Act. It is voluminous; it contains a vast number of amendments. Certainly it would be tedious for us at this juncture to go into all of them in detail. I want to bring to your attention only the major amendments. Other amendments can be readily understood at a glance, particularly with the help of the explanatory notes.

Honourable senators, the Companies Act was revised in 1934, and it has not been amended since. Some public bodies, such as the Canadian Bar Association, the Institute of Chartered Accountants, and others, have offered and recommended amendments similar to those which this bill contains and which I am bringing to your attention now.

Obviously, most of these amendments can be more properly and effectively dealt with in committee, where they can be discussed at greater length and where departmental officers can be present to offer proper explanations in greater detail. I wish to bring to your attention certain major amendments which it is in order to discuss here on the principle of the bill. No fundamental changes in the Companies Act are brought about by this bill, except in a few particular respects. The other amendments are intended to make the act more easily workable and satisfactory to those to whom it applies.

I would crave the indulgence of honourable senators who have been sitting in this house for some time, whilst I am explaining to newly-appointed honourable senators certain particulars as to how bills are printed and presented for our attention. There are certain conventional signs which newly-appointed senators may not readily understand.

For instance, when a section of an act is being substantially amended, the section is generally repealed. A new section is introduced, in which the new parts are underlined; and the old section is printed *in extenso* in the explanatory notes on the page opposite. The words being added are underlined in the text of the bill.

When sections or parts thereof are added, there is a deep black line on the left hand side of the bill, indicating that these are new. Sometimes there is an empty bracket in the text of a bill, which indicates that in the new text submitted for consideration the words of the old text are omitted.

I apologize to the senior senators, who know all of these signs, for taking the time to explain them. I do it so that new senators may now more easily read and understand bills presented to us in that form.

When, on the suggestion of the Bar Association and of other public bodies, the Companies Act was submitted to the Secretary of State for amendments, recommendations were made to the cabinet, and an interdepartmental review committee, including three members of the legal profession, drawn from Ontario and Quebec, was created pursuant to a recommendation of the Legislative Committee of the Cabinet. The Companies Branch of the Department of the Secretary of State submitted to that interdepartmental committee a volume of information that had already been accumulated.

The subjects under review were the following:

1. The title of the Companies Act;

2. The simplification of the forms required for incorporation;

3. The clarification of the authority of the Secretary of State to alter the capital structure of companies;

4. The capital structure of mutual fund companies;

5. The use of bilingual corporate names;

6. The procedure for the surrender of charters and terminating the corporate existence of non-operating companies;

7. The sanctions applied to companies that fail to hold annual meetings or to make annual financial returns to shareholders or annual summaries to the Department of Secretary of State;

8. The disclosure of dealings in shares by directors and officers of companies;

9. The prospectus requirements of the Companies Act in the light of modern securities legislation in various jurisdictions;

10. The remedies of aggrieved shareholders and creditors;

11. The financial statements required under modern accounting practices, to comply with the Companies Act and the Income Tax Act;

12. Annual returns generally and the simplification of annual returns;

13. The means of controlling associations without share capital;

14. The amalgamation of companies incorporated under the Companies Act;

15. Consequential and other amendments.

Proposed amendments were then drafted, carefully considered, revised and approved by the cabinet.

Honourable senators, that is the genesis of Bill S-22 which I now present to you for second reading.

This is an important bill; it will apply to a great number of people engaged in financial, industrial and commercial undertakings. I am confident that it will greatly assist all concerned.

The Companies Act, 1934, is divided into seven parts that apply as follows:

Part I—to all companies incorporated by letters patent, and also to companies incorporated under previous companies acts that were being repealed by section 208;

Part II—to corporations without share capitals;

Part III—to companies incorporated by special acts, subject to certain restrictions and exceptions specifically enumerated in sections 145 and 146;

Part IV—to British and foreign mining companies;

Part V—deals with incidental powers of certain corporate bodies created otherwise than by letters patent;

Part VI—contains certain provisions of general application with respect to registration and transfer offices within and without Canada;

Part VII—deals with the repeal of certain former companies acts and the coming into force of the act.

In this bill, the framework of the Companies Act and of the British corporate law system that has been developed in Canada are safeguarded and maintained; basic principles remain unchanged; no encroachment is made on the Civil Law of Quebec.

May I now briefly outline the important changes made by this bill.

The Companies Act applies to other corporations, besides joint stock companies, from which it originally derived its name. Therefore, to call the act "The Companies Act" is, to a certain extent, a misnomer, inasmuch as it is not all inclusive.

Under sections 1 and 2 of Bill S-22, it is now proposed to call the act "Canada Corporations Act." This new title has the further advantage of more readily differentiating this act from various provincial companies acts.

Section 3(1) enlarges the list of "courts" referred to, by adding "The Territorial Court of the Northwest Territories."

Section 3(2) clarifies the words "special resolution", so as to remove a linguistic difficulty.

Sections 4 to 10 need no explanation. Their purpose can be seen at a glance.

Section 11 deals with so called "open-end" mutual fund companies, which started to

operate in Canada only a few decades ago and now occupy a place of substantial importance in the Canadian economy.

I have had some difficulty in finding an accurate and precise definition of what is generally called "open-end" mutual fund operations. The sources that I consulted were conflicting. I believe I finally was able to summarize that information quite accurately in the following language, which I crave the indulgence of the Senate to allow me to read, because it is highly technical.

Open-end investment companies are commonly called "Mutual Funds." The distinguishing feature of open-end investment companies is their readiness to repurchase or redeem their outstanding shares at current worth—which may, of course, be more or less than what the investor paid for them, depending on the market value of the portfolio securities at the time of redemption. Most open-end investment companies are also continuously offering new shares, generally through investment dealers and their registered representatives. Mutual funds shares are sold at prices based on the current asset value, which is simply the total value of all investments and cash, less all liabilities, divided by the number of shares outstanding. The sales price usually includes a distribution or sales charge, fully explained in each fund's prospectus. For all practical purposes, the potential supply of new shares in most open-end companies is inexhaustible. The great majority of "Open-end Investment Companies" redeem their shares at net asset value, that is, without charge.

The closed-end company is similar to the ordinary publicly-owned corporation, except that its business is simply to invest its shareholders' money effectively and profitably. Like ordinary corporations, a closed-end company has a relatively fixed capitalization, consisting of shares and possibly bonds issued at some time in the past. Closed-end shares are usually traded on stock exchanges, and are bought and sold through stockbrokers or securities dealers, just as any other listed or unlisted security. Because their prices are determined by supply and demand, as well as by fluctuations in their asset values, closed-end shares may sell above or below their asset value.

Nowhere in the Companies Act is to be found anything to define mutual fund companies, nor their power to carry out such operations. Therefore, some doubts were expressed in that regard, particularly by those trading in such securities. It was therefore found expedient to dispel such doubts by specific legislation. The method hereinabove outlined is clearly at variance with the well-known principle that an incorporated company cannot redeem and re-issue its own shares.

These funds can be assimilated to funds entrusted to trust companies but, in the latter case, trust companies are directed and limited by the provisions of trust agreements and by law, but mutual fund companies are not.

Mutual fund companies contend, of course, that their operations are covered and authorized by the provisions of section 12 of the act as it now stands, and by their charters and by-laws.

It seems advisable that all doubts in that respect should be removed. Mutual fund companies have been in operation for a few decades and a considerable amount of money has been transacted through the stock market and elsewhere. Section 11 of this bill, therefore, adds a new section after section 12 of the act, which becomes section 12(a), giving statutory recognition to mutual fund shares.

That statutory recognition is nowhere to be found in the Companies Act. This section also dispels all doubts as to the validity of the capital structure of these companies, and regulates such operations.

Another important amendment simplifies the applications for incorporation, retaining, however, the substance. (See section 6 at pages 3, 4 and 5 of this bill.)

It has now also been found necessary to remove doubts as regards the authority of the Secretary of State to amend by letters patent or supplementary letters patent the capital structure of companies. At present, some changes can be made only by giving a doubtful interpretation to some sections of the Companies Act. It seems obvious that we should not impose upon high civil servants a responsibility which could be questioned.

Minority shareholders are given greater protection. Doubtful cases, at their request, may be referred to the courts of justice, which have the facilities to hear evidence and dispose of such cases. This change will not bring an undue burden to bear on the courts; very few cases will have to be submitted. Furthermore, some amendments to other sections of the act concerning prospectuses will reduce the number of cases with which the courts are now often called upon to deal. These provisions are to be found in sections 10, 14 and 19 of the bill.

Major corporations, as you have seen during this session, now request permission to use a bilingual corporate name. Section 15 of this bill provides that a company wishing to do so would now be permitted to use,

and can be legally designated by, either the French or English form of its corporate name, or both.

Many non-operating companies, or almost non-operating companies, fail to submit their annual return, and certain public companies fail to file their annual financial statement. The sanctions imposed in the Companies Act have been found unsatisfactory and insufficient. The bill proposes to give power to apply to the courts of justice for a winding-up order, although we give to the defaulting company full opportunity to comply with the act and to be reinstated in good standing. It would thereby be protected against drastic departmental actions, as found in section 5 of the bill.

With a view to protecting shareholders, and especially minority shareholders, the directors and officers of the company will be compelled to disclose their dealings in the shares and securities of the company and of subsidiary companies. Section 32 of the bill so provides.

The prospectus requirements of the Companies Act, introduced in the Canadian Companies Act in 1917, were taken from the Imperial Act (1908). We had then no effective provincial securities commissions. The creation of these splendid provincial agencies now renders our provisions on prospectuses outdated and causes an unnecessary duplication of work. Therefore, section 29 of this bill provides that companies complying in good faith with the requirements of the provincial or foreign security agencies need only file with the Department of the Secretary of State a certified copy of the material filed in those other jurisdictions. To safeguard the public, however, the existing provisions will remain in the act to operate against companies which might file prospectuses with an unsatisfactory jurisdiction.

I have already referred to the provisions regarding financial statements contained in this bill. This is to ensure that these statements will be more in accordance with modern accounting practices. The Ontario act and the Draft Uniform Act were closely followed, and our draftsmen have received the assistance of professional accounting organizations. This new legislation will render the work of company auditors much easier, and will afford greater protection to the shareholders and the public generally. I refer in particular to section 34 of the bill.

The amalgamation of companies, which was almost unknown 30 years ago, has now become a common practice. Under section 37 of this bill a procedure is provided for the amalgamation of companies incorporated under this act. The amalgamation of companies incorporated under this act and companies incorporated under other jurisdictions, and particularly provincial companies acts, is not yet possible. It gives rise to some constitutional difficulties which have not yet been solved. Therefore, the question of the amalgamation of federal and provincial companies must remain in abeyance for some time to come.

Consequential amendments were made to cover the case of corporations without share capital, so as to provide that such corporations created by special acts of Parliament be directed to file with the Department of the Secretary of State an annual return indicating the postal address of its head office and disclosing the names and addresses of its directors. This amendment is necessary because there is at present no Government agency to follow up those organizations.

It is also proposed to delete from the act Part IV, concerning the licensing of British and foreign mining companies operating in the Northwest and Yukon Territories. This legislation was adopted in 1898, but the legislatures of these territories will soon be ready to assume their respective responsibility in that field. Section 43 of the bill will then be put into effect by order in council.

That, honourable senators, is an epitome of Bill S-22. I apologize for the time I have taken to explain it, but this is a voluminous bill containing important amendments which are bound to affect a great number of people engaged in industrial, commercial and other endeavours. I am sure that this bill will bring to all concerned considerable assistance.

Honourable senators, let us all thank Divine Providence for having called us to live at a time when and in a country where matters of this importance can be studied and soberly discussed, having solely in mind the progress and welfare of our country.

Hon. Mr. Walker: Honourable senators, in order to accommodate Senator Farris, who is anxious to proceed, I move the adjournment of this debate.

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

PRIVATE BILL

BANK OF BRITISH COLUMBIA—MOTION FOR SECOND READING—DEBATE CONTINUED

The Senate resumed from yesterday the adjourned debate on the motion of Honourable Mr. Farris for the second reading of Bill S-20, to incorporate the Bank of British Columbia.

Hon. J. W. de B. Farris: Honourable senators, I appreciate the courtesy that my honourable friend has extended. I also wish he

could have kept a few more Liberals on this side of the house so that I could have talked to them.

Hon. Mr. Choquette: It is impossible to keep them.

Hon. Mr. Farris: That is one of the disadvantages of speaking late on a Thursday afternoon. However, I have been here 27 years and I have become accustomed to disappointments as well as to courtesies.

Yesterday in my remarks I stated the reasons for supporting this bill. I stated first that it was in the public interest to have one or more—I do not know if I emphasized the "more," but I am willing to include it anyway—truly western banks with head offices and presidents in Vancouver. Secondly, I suggested that if such a bank—and I might add, banks—is advisable, it is also beneficial to have the financial backing of a great and growing province behind the resources of that bank.

I have already pointed out to you the provisions of the British Columbia Bank Act, which is the Bill No. 15, which I read yesterday and is on *Hansard* of yesterday.

I am not sure that I stated this yesterday, but I want to emphasize the fact that it was enacted by the Legislature of British Columbia giving authority for the government of that province to purchase shares in a bank up to 25 per cent of its capital as invested. That legislation was carried in the Legislature of British Columbia by a vote of 41 to 5. I think that is of importance in considering the various steps.

Now I could have stopped there, but my training as a lawyer—I was admitted to the Bar of British Columbia 61 years ago in June—and the experience I have had has taught me it is well sometimes to anticipate objections and meet them head-on. In so far as I can, I shall anticipate such objections as I feel may be raised to the policy I am pursuing in this case. Of course it is sometimes better to stand pat and see what the objections are, and then answer them; but I shall have a chance to do that too.

We have in British Columbia a board of trade, and it so happens that I am an honorary life member of that organization. However, I find among my papers a resolution which, according to the newspapers, was passed, objecting to this legislation. I did not get notice of this, and I am not altogether sure that it was at a full meeting of the Board of Trade of Vancouver; in fact, I rather suspect it was one of the committees of which there are several. That is immaterial because I want to deal only with the substance of this. While I do not always agree with opinions of the majority of the Board of Trade, I have respect for them. I also found on my desk today a resolution by the Liberal organization of British Columbia, and my curiosity is aroused as to who wrote it.

I have a clipping from the Vancouver *Sun*, a newspaper published in Vancouver, of May 1, where it says in big headlines:

> Politically-Free
> B.C. Bank Wanted
> Trade Board Sends Resolution
> To Senate Banking Committee

The article reads:

> Vancouver Board of Trade wants to make sure the proposed Bank of B.C. is free from political control.

I wonder what if anything is completely free of political control in the provinces.

> It has sent a resolution to that effect to the finance ministers at Ottawa and Victoria and to the leader of the Senate. A Senate committee hears all applications for bank charters.
>
> The Board of Trade resolution said if the B. C. government bought 25 per cent of the shares that would give it effective control and thus leave the institution open to political influence.

I think ordinarily in commercial experience all businesses find that with scattered shareholders a concentrated holding of 25 per cent does give a substantial control. But we must keep in mind always that the basic difference in this case is that while property and civil rights are within the exclusive jurisdiction of the provinces, banking is within the jurisdiction of the federal Government, and we have in the Bank Act page after page of controls; and we also have in that Act provisions in regard to the Minister of Finance which give the most drastic control over all banks incorporated. And if this bank, the incorporation of which I am now advocating, is so incorporated, it will be under all the controls of federal jurisdiction. That is something which is overlooked in these resolutions.

> The Vancouver Board of Trade subscribes to the proposition that no government should enter any field of business which is adequately and well served by the private sector of the economy.

That may be so, but it may have important reservations.

> The board also holds the view that no government should control or dominate any large public financial institution other than a national agency—like the Bank of Canada.
>
> In the light of its principles, the board is concerned over the development of the Bank of B.C. The government of B.C. has,

by virtue of legislation enacted at the last provincial legislative session, power to acquire up to 25 per cent of the shares of this proposed bank.

This resolution does not state that that was carried in the legislature by a vote of 41 to 5. I think that should be regarded as a fair representation of the view of the people of British Columbia, because under our democratic system is seems safe to assume that a very substantial vote of the legislators in the provincial Parliament or in the Parliament of Canada is a fair representation of the views of the people, and particularly should that be so where there is not a split vote which unduly affects the minority.

Hon. Mr. Roebuck: How many of those would be members of the Opposition?

Hon. Mr. Farris: They were divided between the Social Credit and socialists, and there were five Liberals who voted against it. And I say all power to those Liberals within their jurisdiction. I am not here to criticize their vote and I am not here to support it. To develop my argument a little further I would say that that is entirely outside our jurisdiction; it is a matter for the provincial legislature and the people of British Columbia. I would assure my friend that in my opinion, no matter how right these Liberals may be, the majority of the people are represented by the 41 members who voted as they did. I shall develop that a little more.

Hon. Mr. Roebuck: I was not asking that critically.

Hon. Mr. Farris: I know, and I am not answering it critically either. Because I shake my fist does not mean that I am directing it at you.

Hon. Mr. Smith (Queens-Shelburne): Exclamation point.

Hon. Mr. Farris: Yes. To continue:

> Acquisition of this number of shares, or even a substantially reduced percentage, could, if as indicated the balance of the shares are widely distributed, give effective, if not complete control to the Government.

As I say, we do not dispute that.

> We would urge that all concerned with the creation and affairs of the bank give early assurance that the bank will in every sense be a private enterprise, permanently free of the danger of government control at the operating level and of political domination in any sense.

Honourable senators, I have several answers to that. I take that as my text because it is the only objection of substance that I can find to this bill—that is apart from the general objections that might apply to all new banks, and we have enough proposed incorporations before us now. My answer is, first, that the powers are only the powers of shareholders. The government, as owners of shares, will have no more rights than other shareholders. The shareholders will be no freer of domination by the regulations made under the Bank Act or the Bank of Canada Act than other shareholders of any other bank.

I do not know what is necessarily meant by "political domination." Political control might be good or it might be bad. I notice that the Board of Trade's objection is directed only to the provincial Government, which clearly represents the majority of the people of the Province of British Columbia.

I call attention to Senator Cameron's speech in moving second reading of the bill to incorporate the Laurentide Bank of Canada. I want the Senate to clearly understand that I am not attacking that bill, but I am making the comparison that if the Board of Trade is right in its criticisms of the Bank of British Columbia, in which the Government of the province proposes to take some shares, then it might give some consideration to the provisions of the bill to incorporate the Laurentide Bank of Canada.

I have marked some of the statements in the very fair and clear speech of Senator Cameron. At page 321 of the *Debates of the Senate* of this session, referring to the Laurentide Financial Corporation Limited, Senator Cameron said:

> —the company has grown to be the third ranking finance company in Canada, having total assets as at June 30 of last year, which was the end of its last fiscal year, in excess of $272 million. Its capital and surplus are approximately $34 million.
>
> The head office of the company since its incorporation has been, as I have stated, in Vancouver, and from that location its services are offered through 190 branch offices of the company and its subsidiaries located across Canada and in the States of California, Oregon and Nevada. Additionally, two branches are operated by a banking subsidiary in The Bahamas, five branches by a subsidiary in France, and three by a banking subsidiary in the United Kingdom. Another branch office was recently opened in Jamaica.

Near the bottom of that page Senator Cameron said:

> The parent company is Canadian in ownership in spite of the geographic

diversification of its interest. The various classes of stock are held by more than ten thousand shareholders. Over 90 per cent of the shares are registered in the names of residents of Canada, and over 90 per cent of the shareholders themselves appear to be Canadian residents. In other words, less than 10 per cent of the shares are owned by non-residents, and less than 10 per cent of the registered shareholders are non-residents of this country.

The parent company—

That is, Laurentide, and Senator Cameron makes no bones about the domination of this new bank by Laurentide.

—is closely associated with Power Corporation of Canada, Limited, which is no doubt well known to honourable senators as a substantial Canadian investment company. Power Corporation acquired its interest in 1956 through the purchase of a class of shares carrying voting rights. The parent-subsidiary relationship was severed last April when a reorganization of Laurentide's share capital conferred voting rights upon the common shares. However, by reason of its continuing substantial share holdings and an agreement, Power Corporation continues to be in a position to cause to be elected a majority of the company's directors.

I am not making any attack on that. I am not in any way suggesting that the bill to incorporate Laurentide should not go to committee, but I am saying that when you are considering a company like Laurentide with all its diversity of shareholders, not only in in Canada but in the United States and other countries, and when you consider the fact that another company dominates that again, then you must wonder if the Board of Trade of Vancouver is so concerned, why it has not made some comparisons between the possible control of shares by the Government which represents the people of British Columbia and control by two corporations which represent a scattering of people all over canada, the United States and other foreign countries.

I do not want to be misunderstood when I say that. I want to say simply that if there is a justification for a concern of that nature then, in my opinion, it should apply just as much to one or two companies dominating a bank as it does to the people of British Columbia, through their representatives, dominating a bank. Which, I ask you, is most likely to have the welfare of the province as its paramount consideration? If that is to be the essential test, then do you think that these companies, scattered as they are, will have more concern for the welfare of the province than the people of the province of British Columbia themselves as represented in the ratio of 41 to 5 by the voters in the legislature?

Apart from that, I want to point out that section 91(15) of the British North America Act provides that exclusive jurisdiction in respect of banking, incorporation of banks and the issue of paper money shall vest in the federal Parliament. My honourable friend who has spoken already this afternoon on another subject thought, from my conversation with him, that the power to issue paper money would be conferred upon this new bank. That is not correct. Exclusive jurisdiction with respect to the issue of paper money is vested in the dominion and in the Bank of Canada, and not in the chartered banks. The jurisdiction over this bank, if it is incorporated, will be the same jurisdiction that exists with respect to every existing bank. If the Government, following the recommendations of the Royal Commission on Banking and Finance, causes a new Bank Act to be enacted, then this bank will be subject to the regulations made under the new Bank Act and will not be confined to the regulations under the present Bank Act.

I have in my hands a document I received this morning. It has the card of W. A. C. Bennett, the Premier of the Province of British Columbia. I thought I was being exclusively favoured, but I find that many other senators have received copies of this. I do not know that all honourable senators have received them, but I know that several have. This is the only communication, direct or indirect, that I have had from Mr. Bennett in connection with the motion I am making. I did have a request from the Attorney General of the Province of British Columbia that I move the second reading of this bill, but he never stipulated in any way, shape or form the conditions under which I might make my speech. I have complete freedom, and I am giving what I consider to be my own opinion and nothing else.

Mr. Bennett refers to two pages of the speech he made to the Vancouver Junior Chamber of Commerce on April 30. I have not heard that after Mr. Bennett's speech they sent in a resolution similar to that made by the senior Chamber of Commerce. Sometimes younger people have just as sound and sometimes a sounder opinion than the old fellows. I say that without any reference to anybody's age in the Senate.

Hon. Mr. Aseltine: We are not convinced.

Hon. Mr. Farris: Well, perhaps after I and my learned friend next to me here (Hon. Mr. Roebuck) have made speeches, you will be.

Hon. Mr. Bennett referred particularly in this matter to pages 9 and 10 of this speech:

> In January of this year we announced that the provincial government will be one of the sponsors of the new chartered bank with headquarters in Vancouver. The general public reaction to this announcement has been more favourable than I would have dared hope.

I am surprised at that, because he is a great optimist. He continues:

> I was glad to learn last week that the Royal Commission on Banking agrees with our position that Canada is now at a stage in her development when the public interest will be better served by the creation of new chartered banks.

I accept honourable Mr. Bennett's word for that. I have not attempted, in the short time I have had, to wander through that report. I know some honourable senators have done so, and I think that is the impression that prevails generally. This continues:

> Nevertheless, there has been some criticism of our plans for the Bank of British Columbia. It has been charged that there is no real need for a bank with headquarters in this province, and it has also been charged that this will be a "political bank" operated by the government. I would like to deal briefly with both those charges.
>
> First, as to the question of need, I have said repeatedly that I believe the chartered banks of Canada have performed an outstanding service to this country, and I am confident that they will go on doing so. But banking is an industry—a service industry—and like all other industries, it should have the opportunity to grow. The economy of British Columbia is growing at an all-time record rate; the industries which serve the economy should be growing at the same rate. In our judgment, there is a very definite need today for a chartered bank headquartered in British Columbia, and with the growth of British Columbia as its primary field of interest.

I do not think anyone could complain about that statement. He continues:

> This judgment, and this judgment alone, led to our decision to show leadership in the establishment of the Bank of British Columbia. And in stating this principle again, I hope I will be able to dispose once and for all of the charge that this will be a "political" bank.
>
> Because it certainly will not be, as far as I personally am concerned, and as far as the government is concerned. We have the authority of the Legislature to purchase, on your behalf, up to 25 percent of the shares of the bank. Depending on its requirements, we may find it necessary to purchase only 5 or 10 percent of the shares; but whatever the final amount, our basic interest is simply to ensure that it is firmly established.

That is an important statement to come from the premier of the province. I am sure that some of my Liberal associates in British Columbia will not agree with it, and I am going to deal with that on the ground that they are perfectly within their rights; but their forum is the legislature and the people of British Columbia, not the Canadian Senate or the Canadian Parliament.

Premier Bennett continues:

> Thereafter, our interest will be the same, and no more, as that of all other shareholders—to be satisfied that our investment is being handled in a sound and careful manner. As investors, we will certainly have no interest in seeing this new enterprise become a political football; in fact, we will have every reason to fight any such attempt as a matter of basic business principle.
>
> We believe the Bank of British Columbia can make a tremendous contribution to the development of our Province; and we think the location of its head office in Vancouver will allow this city to take its rightful place as a major centre of North American financial activity. We hope, too, that it will make an immediate contribution to the development of the downtown business core, because as you know, we plan to locate the head office building in the Robson-Howe-Smithe-Hornby block for which we are now negotiating with the City of Vancouver.

I want honourable senators to understand that I am not taking a stand on what honourable Mr. Bennett said, one way or another. I am simply stating that that is the avowed policy of the government, and I want to fill this in with respect to what I consider to be the constitutional position and the rights of the Dominion in connection with a policy enunciated by the Legislature in British Columbia, having the support of a very substantial number in that legislature. I give two propositions. The first is that that bill which I quoted to you, Bill 15, passed in that legislature, is absolutely within the jurisdiction of the province.

All honourable senators will understand that under the British North America Act the jurisdiction between the provinces and

the Dominion is divided under section 91, dealing with federal powers, and section 92 dealing with provincial powers. Section 92 (13) gives the exclusive jurisdiction to the province on property and civil rights.

I wish to say to you that I have the books in my desk here, but I am keeping them out of sight, though anyone who wishes may see them. The authorities all say that the right to buy shares, whether by an individual or by a bank, is exclusively within the jurisdiction of the province, under the heading "Property and Civil Rights."

I do not believe there is a constitutional lawyer in Parliament who will challenge that statement. I give you a reference which I think will settle it.

I refer first to *Clement's Canadian Constitution,* third edition. Mr. Justice Clement, in my mind, was one of the great lawyers of Canada. Unfortunately, he died at a comparatively early age. He wrote this book on the Canadian Constitution. The third edition appeared quite a number of years ago. I am referring to the third edition, 1916, at page 815, citing Parsons case in the Privy Council, establishing that contracts are "civil rights" under the meaning of section 92(13). It establishes that the motives do not invalidate if the language is sufficient.

I also refer you to a case in the Court of Appeal in Manitoba, *Bergethaler vs. Waisenamt,* 1949, 1. W. W. R., at page 323.

I will not read those cases because I do not believe there will be any challenge to the fact that that Bill 15, which I read yesterday, passed this year in British Columbia, is completely within the exclusive jurisdiction of the Province of British Columbia. If that be so, it is my submission that it is not for the Parliament of Canada to question the motives of the province, if the provincial act is valid—and there is very high authority for that.

I want to impress on those who are not lawyers here that the law of Canada is that the decisions of the Privy Council, while it was our final court of appeal, are just as binding on us as if those decisions had been given directly by the courts of Canada.

I remember that at the time the legislation was being drawn to abolish appeals to the Privy Council, I had a discussion with Mr. St. Laurent, who was prime minister at that time. We both agreed that we did not need any provision to that effect in the amendment, because to lawyers it was without any doubt that a decision of the Privy Council, while it was our final court, would in future be just as binding as it would have been if the Supreme Court of Canada had always been our last court and as if the decision had been passed by the Supreme Court. The Privy Council was our Supreme Court until appeals were abolished. Therefore, anything in that decision by the Privy Council is part of the authoritative binding law of the courts of Canada.

I refer you to the case of the *Bank of Toronto vs. Lamb,* 1887, reported at 56 L.J.P.C. at page 87; and, in the same year, 12 Appeal Cases, at page 586. That case was an appeal questioning the legislature of the province of Quebec, which imposed taxes on banks, and the constitutionality of its power to do so was attacked. One of the grounds of attack was that it did not have jurisdiction to impose taxes on banks. Lord Hobhouse said:

> Then it is suggested that the legislature may lay on taxes so heavy as to crush a bank out of existence, and so to nullify the power of Parliament to erect banks. But their Lordships cannot conceive that when the Imperial Parliament conferred wide powers of local self-government on great countries such as Quebec, it intended to limit them on the speculation—

I emphasize the word "speculation".

> —that they would be used in an injurious manner. People who are trusted with the great power of making laws for property and civil rights may well be trusted to levy taxes.

That is an unqualified statement. I would add to it, as an obvious and necessary conclusion to draw from it, that a legislature such as British Columbia, that is trusted with the great power of making laws for property and civil rights, may also be trusted to invest public funds in shares of the Western Bank without violation of their public responsibilities.

That case was considered later in one of Aberhart's bills in Alberta. He made no bones about putting a bank out of existence. Chief Justice Duff, of the Supreme Court of Canada, pointed out the distinction between the two cases. He said that if this was beyond his jurisdiction, then the courts must interfere. He also referred to Lord Hobhouse's judgment, and there was no question of the validity of that judgment, where it was based on speculation.

Honourable senators, I want to point out one very important part of the whole issue in this case, an issue important as distinguished from either of the other two cases, because this constitutional question does not arise in either of them. It is my submission that the Senate, in accordance with the principle laid down by Lord Hobhouse, is no more justified in questioning the *bona fides* of the provincial legislation or its administration, than was the Privy Council in the case of an

attack on taxation legislation by the great Province of Quebec. The great Province of British Columbia stands in exactly the same position, and has a right in its jurisdiction to exercise its laws, and not to find them defeated merely on any speculation that it may abuse its powers. Outside of speculation, in my respectful submission, there is nothing to justify these attacks.

As part of my case, I wish to come to the position in which I find myself, and I ask honourable senators to put themselves in the same position, that is, the position taken by the Board of Trade, as well as by others; and I am not unconscious or unmindful that even some Liberal associations have taken the position—on whose advice, I do not know. However, honourable senators, I take this position, that we are confronted here with a grave constitutional position.

I have before me Bartlett's *Familiar Quotations*, which is not binding upon us, but I think the logic of it is binding upon us. I want to read from a letter written by that great Frenchman, Voltaire, to Madame du Deffand. I do not know the lady, and of course I never knew Voltaire; but this quotation has gone down in history, and been restated by Will Durant, in *The Story of Philosophy*. The quotation from Voltaire's letter says:

> I disapprove of what you say, but I will defend to the death your right to say it.

I think that is a sound philosophy. If a person has a right to say something, the fact that you may disagree with it to the utmost limit does not justify your challenging his or her right to say it. Will Durant put it this way:

> I do not agree with a word that you say, but I will defend to the death your right to say it.

I am not here to say whether or not that legislation in British Columbia is right or wrong. I am not saying whether I would or would not take that position. I will put my position in this way. Assuming that I oppose to the limit Bennett's decision to go into the purchase of these shares, I have the right and I do defend to the limit his right to make a decision that he is going to do that, because it is within the exclusive provincial powers of the legislature of the province under the British North America Act. If the Senate or Parliament decides to interfere with that, I say they are interfering with serious constitutional rights.

I want to point out to honourable senators that there are two features with respect to that. One is that a lawyer may argue, and he may be right or wrong, that under the Bank Act you have a right to refuse to grant a charter to a bank that is going to have the support of a provincial legislature, even though under the Constitution they are authorized to purchase those shares. My own opinion, as a lawyer, is that that would be unconstitutional on the part of the Parliament of Canada. I may be wrong on that; however, I am not wrong when I give the alternative.

The alternative is that we have today great problems throughout the world about the comity of nations. Has it ever occurred to you that we have almost as serious a problem about the comity between the Dominion and the provinces? Mark you, honourable senators, this application has conformed to every requirement of the existing Bank Act. We shall appear before the committee, if we are allowed to go there, and we shall be able to show you that we have conformed with every requirement to be incorporated as a bank. If we become incorporated we shall be subject to every restriction existing under the Bank Act today, or which may be added to it in the future. There is one thing, however, we are not entitled to do. We are not entitled to say we are going to nullify the powers of the province to purchase shares under the Constitution, which they have the right to do, on the excuse that they may abuse that right.

I have cited these two cases to show the logic of that position. I have submitted the cases to show, first under Clements, and secondly, the cases he cites, that the jurisdiction is unlimited with regard to property and civil rights. The purchase of these shares involves property and also civil rights, because it is a contractual relationship, which of course is a civil right. If the province has that power, then I say it is not for the Dominion, under the guise of not liking Mr. Bennett's proposal, to refuse to accept the authority of the Privy Council, under Lord Hobhouse, that no mere surmise is justifiable, and to challenge the good faith of a government of a great province.

If we take that position, honourable senators, then I say that if we refuse to give the same treatment to this bill, which has met with every requirement under the Bank Act —which I am sure we are going to give to every other bill—we shall create first a constitutional problem; and even if you lose it or win it on that, you are going to create a serious problem, if not more serious, between the province of British Columbia and the Dominion Government.

I would say without any hesitation—and this has influenced me greatly in the decision I have made to take the position which, as

far as I am concerned, is not a popular one—that I have no doubt that at this time, when conflict exists between the provincial and federal rights and when assertions are being made, particularly in the Province of Quebec, we do not want to encourage any more disputes between the provinces and the Dominion Government.

I have never had any submission on what I am about to say on this, but I predict it would be a mighty good political issue for Bennett to take to the people of British Columbia that the Dominion Government has denied his powers under the British North America Act to purchase shares in this bank for the good of his province, western Canada and, for that matter, the whole of Canada. I have no doubt that is not a conjured up issue, but one fully justified, and I would have no hesitation in taking the position Bennett has taken. I do not say I support Bennett's proposal; I do not have to say I disagree with it; but if I do disagree with it I would fight to the death for his right under the constitution to take that position. Right or wrong, that is his constitutional right and, believe me, this Parliament of Canada could inject unnecessary and unfair problems into this time of great uncertainties, great conflicts and demands among the provinces.

I go back in my mind to the royal commission. I was counsel for the province of British Columbia at the time. We received many presentations. I have some of these documents here, but will not take time to read them now. At that time we had a lot of controversies and complaints in British Columbia. Some have been remedied and some have not, but the British Columbia people, perhaps more so then than now, were a British people; they were loyal to the great empire, and they were loyal Canadians; and the disappointments we suffered because we did not get all the things we ought to have had at that time did not challenge our loyalty and adherence to Canada.

But in these days, when questions are coming up more vividly and more pointedly than perhaps they ever have in the history of this country, I can see nothing less desirable for us than to start interfering with provincial rights unnecessarily, when they have all the control they need under the Bank Act, and to refuse to grant this charter under the guise of the argument that Bennett may be going to abuse the power after he gets it. He has stated—and there is logic in it—that he wants to be assured this new bank will have new financial support. He did not add, but might have, that he wanted to have a suitable source for his investment. He has nearly $300 million coming to British Columbia under the arrangement on the new Columbia River Treaty. I would not imagine for a minute he would want to put all that money in there, but he might logically find it a suitable place to put a good part of it.

I do not want to press that aspect further, but I want to make some closing observations. In my attempt to get this thing in order I seem to have confused it a little. Let me say a word about banks.

I have questioned the effectiveness of the system under which we are operating today, by which all the head offices and all the presidents of the banks are in Toronto, none of them being located west of Toronto. I have asserted it is desirable that we should have this kind of bank out in British Columbia. I have also asserted it would be in the interests of that bank to have the backing of the great financial resources of the province of British Columbia. So far as the bank is concerned, that is largely a question of geography.

I think I would have the sanction, not only of other members of the Senate, but also of Bennett, if I ever asked him, to say that they are not attacking the bank. I think we ought to pay tribute to the great service the existing banks have rendered in Canada and to the immense development to which they have contributed. I have not the least ground for complaint on that score, except that of geography, and that happens to be a very important point.

In conclusion, it was Kipling who said:

> Oh, East is East, and West is West,
> And never the twain shall meet...

But as an eastern-born Canadian, living for the last sixty years in the west, these words have no meaning for me in this issue. The issue of geography is important, but it is not important in the sense of deliberately carrying on a conflict between the east and the west or perpetuating the suggestion that "never the twain shall meet." Whether it is about banks or pensions; whether it is about flags or provincial rights; whether it is about Bennett or Pearson, there is no east and there is no west: all are for Canada; all for the land we love.

Gentlemen, I ask you to support this bill and send it to the committee where it may mingle with the problems of the other two bank bills that have already been referred to Committee for consideration. I say that to turn it down here would be a grave reflection on the constitutional rights of the province; such action would instigate dissatisfaction and political controversy out in the Province of British Columbia. If you decide that this bill should receive second

reading, I shall have pleasure in moving that it be referred to the Standing Committee on Banking and Commerce.

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

TERRITORIAL SEA AND FISHING ZONES BILL

THIRD READING

Hon. Eric Cook moved the third reading of Bill S-17, respecting the Territorial Sea and Fishing Zones of Canada.

Motion agreed to and bill read third time and passed.

DIVORCE

AMENDMENT OF STANDING RULES AND ORDERS—ADOPTED

The Senate resumed from Tuesday, May 12, the adjourned debate on the motion of the honourable Senator Roebuck:

That the Standing Rules and Orders of the Senate be amended as follows:

1. Immediately after paragraph (g) of clause 1 of Rule 162 insert the following:

(h) a statement of all previous proceedings instituted with reference to the marriage or to any children thereof, including applications to the Parliament of Canada, petitions and writs for divorce actions, alimony or maintenance, separation from bed and board and the custody or maintenance of any children of the marriage, and the results of any such proceedings; and a statement of any agreements or financial arrangements between the spouses with reference to the marriage or any children thereof;

2. Re-letter paragraph (h) of clause 1 of Rule 162 as paragraph "(i)".

3. Immediately after paragraph 5 of Form C-1 (General Form of Petition) insert the following:

6. That the following is a statement under Rule 162 of all previous proceedings instituted with reference to the marriage or to any children thereof, including applications to the Parliament of Canada, petitions and writs for divorce actions, alimony or maintenance, separation from bed and board and the custody or maintenance of any children of the marriage, and the results of any such proceedings; and a statement of any agreements or financial arrangements between the spouses with reference to the marriage or any children thereof. (If no previous proceedings, so state).

4. Re-number paragraphs 6 and 7 of Form C-1 as paragraphs 7 and 8.

Hon. Lionel Choquette: Honourable senators, I have nothing further to add. I made my speech by way of making certain suggestions. I am now awaiting the answer of the committee. If the honourable Senator Roebuck is not ready, I am in no rush.

Hon. Arthur W. Roebuck: Honourable senators, in the first place I want to thank Senator Choquette for the thought he has given this matter. We of the Senate Divorce Committee welcome the interest others take in our work, particularly when they have a bright idea such as this. We welcome such ideas being brought forward, and I thank Senator Choquette for doing so.

The suggestion he made was considered this morning by the Divorce Committee, and I have the authority of the majority—the practically unanimous authority—to proceed somewhat along the lines of his suggestion.

Senator Choquette called our attention to the rules of the Province of Ontario with regard to divorce, page 450 of the *Debates of the Senate,* which may be summarized as follows—these are not the exact words, because I have condensed them somewhat:

"Where a petitioner is himself guilty of a matrimonial offence, he shall state the facts in a statement, place the statement in a sealed envelope and give it to the judge who shall read it and replace it in a sealed envelope and leave it in the file where it can be opened only on the order of a judge."

Now there are two considerations here; first, that he shall divulge the facts, and second, that they shall be kept secret. I think Senator Choquette agrees with me that any secrecy on our part is quite out of the question, and the practice of putting something in a sealed envelope would not conform to our procedure. Obviously, we could have a closed envelope containing secrets given to the Commissioner, but I assure you that I am not voting for anything regarding which a secret is kept from me, and that would apply to the 23 members of the committee. I am sure Senator Choquette does not wish for any such rule.

On the other hand, I am quite agreeable, that we should have some provision in our rules with regard to divulging such facts. In adopting such a rule we shall not change the law as it now stands and has stood for a long, long time. That is the common law with regard to a guilty petitioner divulging the facts to the court.

Hon. Mr. Choquette: He must divulge it.

Hon. Mr. Roebuck: And if he fails to do so the courts in all the provinces take a very dim view of his plea.

I have taken the trouble to make a very hurried review of the laws of the various provinces in this regard.

In Alberta, a plaintiff guilty of adultery is under no duty to divulge that fact in his statement of claim or at trial. He may make the disclosure, should he wish to do so, but even when the facts are elicited by the defendant the discretion of the judge is not to be prejudiced by the non-disclosure of the plaintiff. That is rather an opposite view, but that is the only province that takes that view.

In Nova Scotia there is no rule of the court requiring disclosure, but it may be required by the court.

I have read the rules of court of New Brunswick and I see no reference whatever to the case of a petitioner who is himself guilty of adultery, and I presume that the general law as to disclosure and the exercise of discretion is followed.

In Prince Edward Island, I see nothing in the rules in this regard. The Prince Edward Island statute establishing a divorce court was passed in 1835 and continued in force following the British North America Act of 1867.

In the Province of Saskatchewan where a defendant pleads the alleged adultery of the plaintiff, the defendant gives full particulars of the persons with whom, the time when, and the place where the adultery is alleged to have been committed. At the trial the parties are not allowed to bring forth the names of any others who have not been mentioned and served.

I mention that fact because Senator Choquette, of course, has mentioned the rules of the Province of Ontario, and I wish to show that the Ontario rule is confined to that province. In all these provinces, Ontario included, with such modifications as I have indicated, it is the common law that rules, and it is the common law which we in this committee have followed, to my knowledge, for many years. Let me give you some indication of what I mean.

I read from the most recent edition of Power—*The Law of Divorce in Canada,* and I quote from page 71, where he says:

> Adultery as a bar seems to stem from the doctrine of recrimination applied by the ecclesiastical courts.

For many years in England the ecclesiastical courts operated on the principle that a petitioner shall not benefit by his own default, by his own wrong. And so when it became known that a petitioner—or a plaintiff, I should say in this instance—was guilty of adultery it was a complete bar to his petition. Power goes on to say:

> Although its basis has not been formulated with precision, it is essentially a refusal, by a court, of relief from obligations which a suitor has himself flouted and a refusal to hear him complain of a consequence to which his own conduct has contributed; inherent in it, also, is a recognition of the fundamental interest of the state in the maintenance of the marriage unity.

That phrase was adopted in a Canadian case and quoted by Mr. Justice Rand. In New Brunswick, and this is also from that same case, Power says:

> —the appellate court held that under the provincial law the adultery of the petitioner was an absolute bar to the granting of a divorce but this decision was reversed by the Supreme Court of Canada which held that the adultery raised only a discretionary bar.

May I pause to mention that the rights of our courts to grant a divorce is limited to the law of England as it existed in 1870, and so we who are administering law here must be very careful in following decisions in England which may be based on a change of law after that date. But when we follow decisions of our own courts, we are assured that such decisions are based on the limitations under which we work. We can depend on a decision in our own courts with confidence without examining the basis upon which the decision was made.

It is perfectly clear that in modern jurisprudence the court has the right to exercise its discretion in cases where the petitioner himself has been guilty of a matrimonial offence. And these are the four considerations governing the exercise of such a discretion.

> (1) The position and interest of any children of the marriage; (2) The interest of the party with whom the petitioner has been guilty of misconduct, with special regard to the prospect of their future marriage; (3) The question whether, if the marriage is not dissolved, there is a prospect of reconciliation between husband and wife; and (4) The interest of the petitioner, and in particular the interest that the petitioner should be able to remarry and live respectably. To these four considerations Viscount Simon ... added a fifth, saying:
>
> "To these four considerations I would add a fifth of a more general character, which must indeed be regarded as of primary importance—namely, the interest of the community at large, to be judged by maintaining a true balance

between respect for the binding sanctity of marriage and the social considerations of which make it contrary to public policy to insist on the maintenance of a union which has utterly broken down. It is noteworthy that in recent years this last consideration has operated to induce the court to exercise a favourable discretion in many instances where in an earlier time a decree would certainly have been refused."

The committee has been functioning, as I am sure the Commissioner is today, along the lines of that common law so concisely stated. The only question is: Shall we state in our rules that there is an obligation upon the petitioner to divulge such facts to the court? It is already common law that he shall do so. I think it would be well for us to make it clear in the rules. So, with the consent of the house I propose to amend my motion by adding this provision:

5. Immediately after Rule 192 insert the following:

"192A. Where a petitioner has been guilty of a matrimonial offence, all the facts in connection therewith shall be disclosed by the petitioner to the Commissioner at the Hearing."

I might add that Rule 192 of *The Standing Rules and Orders of the Senate of Canada relating to Resolutions for the Dissolution or Annulment of Marriages* reads:

If adultery be proved, the respondent (or co-respondent) may nevertheless be admitted to prove connivance at, or condonation of the adultery, collusion in the proceedings for divorce, or adultery, or cruelty to the respondent or her children or bad conduct on the part of the petitioner.

This amendment is the law already, and when the petitioner fails to disclose such facts, and it is later brought to the attention of the court that he has asked for equity while his own hands are dirty, then the court regards his nondisclosure as a very serious default on his part. If this provision is included in our rules it will give to counsel and to others notice of what is expected of them.

With the consent of the house, I shall add this to my motion, I thank Senator Choquette again for the kindness of his thought, and for his suggestion, which we have adopted. I compliment him on it, and I have no doubt it will be of value to the future work of the Commissioner and the committee.

Hon. Senators: Agreed.

Hon. Lionel Choquette: Honourable senators, I am most pleased that I was able to make some contribution. Although I am not a member of the Standing Committee on Divorce, the honourable Senator Roebuck knows of the interest, from a legal standpoint, I have always taken in its work. On other occasions I have sent precedents from different provinces to my learned friend, and I am very happy that he has moved the addition of this clause to the rules.

Motion as amended agreed to.

The Senate adjourned until Tuesday, May 19, at 8 o'clock in the evening.

THE SENATE

Tuesday, May 19, 1964

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

Prayers.

DOCUMENT TABLED

Hon. John J. Connolly tabled:

Supplementary Report of The Canadian Wheat Board on the 1962-63 Pool Accounts for wheat, oats and barley, certified by the Auditors, pursuant to section 7(2) of the Canadian Wheat Board Act, chapter 44, R.S.C., 1952. (English text).

DIVORCE

RESOLUTIONS PRESENTED

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the following resolutions:

Resolution 252, for the relief of Francesco Clemente.

Resolution 253, for the relief of Robert Brooks.

Resolution 254, for the relief of Mina Weiss Zimmerman.

Resolution 255, for the relief of Joan Alice Ainslie Jameson.

Resolution 256, for the relief of Pauline Sharko Martel.

Resolution 257, for the relief of Iren Roth Bak.

Resolution 258, for the relief of Joseph Emile Serge Jean Guy Paquin.

Resolution 259, for the relief of Marie Marguerite Aline Normandeau Bedard.

Resolution 260, for the relief of Patrick Howard Boucher.

Resolution 261, for the relief of Phyllis Sandra Sloan Ostrovsky.

Resolution 262, for the relief of Annabelle Susan Silver Sostak.

Resolution 263, for the relief of Paul Bedard.

Resolution 264, for the relief of Ruth Auerbach Bernstein.

Resolution 265, for the relief of William Sharko.

Resolution 266, for the relief of Susan Guttmann Van Den Bergh.

Resolution 267, for the relief of Edith Mary Henderson Kelly.

Resolution 268, for the relief of Stanley Frank White.

Resolution 269, for the relief of Cyril Edward Wood.

Resolution 270, for the relief of Morris Alexander Kulba.

Resolution 271, for the relief of Thomas Wesley Dixon.

Resolution 272, for the relief of Ruth Wiseblatt Ward.

Resolution 273, for the relief of Constance Phyllis Penny Stewart.

Resolution 274, for the relief of Maria Adalgisa (Gisele) Rossignoli Abbruzzese.

Resolution 275, for the relief of Marie Nicole Lacaille Gagnon.

Resolution 276, for the relief of Eva Livia Iranyi Blumberger.

Resolution 277, for the relief of Pauline Abrams Foster.

Resolution 278, for the relief of Walter Barber.

Resolution 279, for the relief of Ethel Mickenberg Agulnik.

Resolution 280, for the relief of Doreen Eleanor Bishop Mulcahy.

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

Hon. Mr. Roebuck: Honourable senators, I move that these resolutions be considered on Thursday next.

Motion agreed to.

THE ESTIMATES

MOTION TO EMPOWER FINANCE COMMITTEE TO EXAMINE AND REPORT—DEBATE ADJOURNED

Hon. John J. Connolly moved:

That the Standing Committee on Finance be authorized to examine and report upon the expenditures proposed by the estimates laid before Parliament for the fiscal year ending 31st March, 1965, in advance of the bills based on the said estimates reaching the Senate; and

That the said committee be empowered to send for persons, papers and records.

He said: Honourable senators, I think it is highly appropriate that the Leader of the Government in the Senate should sponsor a motion of this kind, and I am pleased indeed to do so.

The order of reference is a general one, as honourable senators will notice, and, in view of the practice of the Finance Committee in respect of estimates in other years, I think it is wholly appropriate that the terms of reference should be general.

I think the authority of the Senate to deal with the estimates tabled by the Government each year is clear and unquestioned. In the first place, the Senate is an integral part of Parliament. In the second place, the Senate, like the other house, is required to pass appropriation bills because each one is an instrument not only of the House of Commons but of the whole of Parliament.

The question of the desirability of referring the Government's estimates to a committee of this house has been debated on other occasions. There was a rather notable debate some 14 years ago, in 1950, when Dr. King who, in his career here had been a very prominent member of the Senate—having served as Leader of the Government and as Speaker—took issue with the idea of a Senate committee investigating and studying the estimates, on the ground that these were concerns primarily of the elected representatives of the people and of the Government in the other place. However, the view which he then expressed was not accepted generally in the Senate, and our friend, the honourable Senator Crerar, made what I think I can refer to as a most helpful contribution to the debate on that occasion. I should like to quote briefly from his remarks as reported at page 234 of Senate *Hansard* that year.

> It may be a nice question how far the Senate, being a non-elective house, has the power or the right to inquire into the amounts of money asked for by the government for administrative purposes. Personally, I very strongly hold the view that the responsibility of senators in this respect, although we are appointed rather than elected members of parliament, is just as continuing and just as important as is that of members of the Commons. To anyone who accepts that view it follows logically that we are quite within our right in examining the proposals that the government submits to parliament—bear in mind, not to the House of Commons alone, but to parliament—for the expenditure of public moneys raised through the ordinary processes of revenue.

A little later in the same speech he said this:

> The point I am trying to make is that the more attention we give to these expenditures and the more light we throw upon them, the more intelligent will public opinion about them become, and to my mind that is a valuable service which our committees will render through their current examination of estimates.

The honourable senator from Inkerman (Hon. Mr. Hugessen) also participated in the debate on that day, and he supported the views of Senator Crerar. He said too that he felt work of this kind, as projected under that resolution, and indeed under the present resolution, would help carry the work load of Parliament. I believe this is still true and that it is perhaps even more necessary today. Senator Hugessen also emphasized the value of using the special facilities which a Senate committee affords to enable officials to be questioned by members of Parliament on the details of the estimates, to the extent that members of the committee might desire to do so.

In passing, I should say that the debate on that occasion arose as a result of the leadership given in this respect by our good friend from Shelburne, honourable Senator Robertson, who was leading the Government in this chamber at that time.

Hon. Senators: Hear, hear.

Hon. Mr. Connolly (Ottawa West): I think it fair to say that at that time the Senate saw very clearly the problem before it, and that it acted upon it in a judicious way. Indeed, the report of the committee—which commences at page 530 of the *Debates of the Senate* of 1950—is one that bears examination today, not only by members of the committee but by all honourable senators; in fact, those in another place might profit by reading it. Of course, I need not say that the chairman of that great committee was our friend from Churchill, Senator Crerar.

Without reading from the report itself, I would like to summarize a few of the recommendations made at that time. There were valid and useful suggestions made as to the format the estimates should take and, as I understand it, these recommendations were acted upon. There was a good deal of discussion concerning the volume of Government publications which had then been undertaken, and some firm recommendations were made as to how this situation could be improved and how overlapping could be prevented. It suggested in the report that the estimates of each department should also reflect the actual cost of running that department—all the costs incurred by that department. The report further suggested that any increases in departmental spending should be subject to the approval of Treasury Board.

Another significant feature of the report and another effective recommendation subsequently adopted was that every annual estimate book should contain a table of government spending in the nation at all levels—federal, provincial and municipal. I believe this has been a valuable contribution to the content of the estimates book, and it enables honourable senators and members of Parliament generally to appreciate something of the

magnitude of the spending for public purposes in this country.

Without labouring the point, I should like to refer briefly to a report of another finance committee, made in 1956, under the chairmanship of the late and lamented Senator Hawkins. That report commences at page 753 of the *Debates of the Senate* of 1956. I remember the occasion very well because Senator Hawkins had presided at the committee hearings and at the preparation of the report, and died just hours before it was presented in the house. Senator Horner had the very difficult task at that time of presenting the report on behalf of his late chairman.

That report also made a distinctive and useful contribution to the work of Parliament. Among other things, it was careful to define the meaning of the terms gross national product, net national income, and expressions of that kind, in their relationship to the tax levels which prevailed in the country. It repeated a recommendation made in the 1950 report, that the estimates of each department should reflect the actual costs incurred by that department. It also recommended that the erection and maintenance of public buildings be the prime responsibility of the Department of Public Works, and that land procurement generally on behalf of the federal authority should, with certain statutory exceptions, be the responsibility of that department. It reviewed the whole problem of the use of rental accommodation by government departments and agencies, and it recommended that the rules of depreciation normally applicable in business be applied to the capital assets owned by the federal Government.

There was another memorable report of the Finance Committee, made in 1959, under the chairmanship of Senator Emerson, our late and lamented colleague from New Brunswick. That committee made a special study of inflation, a problem which was of serious national concern at that time, and which indeed can become a matter of national concern almost any time in a developing and expanding economy.

Those were three good reports which might well be considered by a new committee as patterns for their activities.

Honourable senators, I shall not comment further at this stage on the Senate's powers in respect of supply bills. I think the views I hold, and which I think are pretty generally held in this chamber, were adequately placed upon the record when I spoke on this matter on April 13. The pattern set by those earlier Finance committees dealing with the estimates seems to indicate little disposition to consider or to report on too many of the details of the estimates, but they all reflect a desire on the part of those committees to deal generally with financial policy and financial administration. While all their recommendations were not acted upon immediately, I think all members of this chamber philosophically realize that Rome was not built in a day.

I would invite discussion by honourable senators on this motion. I think we should clear up any misunderstandings we might harbour on our approach to the consideration of the estimates. The Senate's position can, if necessary, be clarified as we debate the motion. I think the committee can perform a useful function. I hope it will be an active and a fruitful committee because it will be working in an area of vital public concern.

I close by saying that I think all honourable senators would see the committee embark upon this work with great confidence, because it will be under the chairmanship of our distinguished colleague from Toronto, Senator Leonard.

Hon. Walter M. Aseltine: Honourable senators, I would like to speak for about ten minutes on this motion. I am going to support it, but I would like to go into the history of motions of this kind a little deeper than did the honourable Leader of the Government (Hon. Mr. Connolly, Ottawa West).

Generally speaking, it has not been the practice to refer the estimates to any committee of the Senate before they are first considered in the other place. But, during the session of 1943-44, the late Senator J. H. King, the then Leader of the Government, referred to the Supplementary 1942 War Appropriation Bill being passed in one sitting on the last day of the previous session, and went on to make this statement:

> It seems to me that this session, in anticipation of such a Bill coming from the House of Commons, we might well study its provisions through a standing committee, or set up a special committee for the purpose, and so familiarize ourselves with them before actual receipt of the Bill. I understand there would be no objection to that procedure and I believe that for our own satisfaction and in the public interest it would be wise to follow it.

Those words of Senator King were spoken on February 16, 1943, and appear at page 66 of the *Debates of the Senate*, 1943-44.

On March 3, 1943, Senator King introduced his motion, which was similar to the one before us tonight except that it referred also to "resolutions relating to war and other proposed financial measures." The debate on that motion was very brief, and the Standing Committee on Finance was set up with its membership increased from 17 to 25. The committee held several meetings before the bill

arrived from the other place. As far as I can learn, honourable senators, that is the first time that such a study was ever attempted by the Senate.

No further motion such as this was introduced in the Senate until 1950. The Leader of the Government at that time, the honourable Senator Wishart Robertson, conceived the idea of introducing a series of motions such as this, and they appear at pages 70 to 75 of the *Debates of the Senate* for 1950. His first motion was to refer Votes 269 to 274 inclusive, Votes 459 to 527 inclusive, and Votes 557 to 561 inclusive to the Standing Committee on Transport and Communications. By another motion he referred a number of Votes to the Standing Committee on Canadian Trade Relations. By another motion he referred Votes 48 to 62 inclusive and Votes 150 to 170 inclusive to the Standing Committee on Immigration and Labour. By yet another motion he referred quite a large number of votes which appeared in the estimates of that year to the Standing Committee on Natural Resources, and by another motion almost all of the other votes were referred to the Standing Committee on Finance.

The Standing Committee on Finance commenced work, but came to the conclusion that the reference was not quite enough. So, on May 8, 1950, the Senate adopted a report from the committee extending its terms of reference by granting authority to secure statistical information on:

> Total revenues from taxation collected by the federal, provincial and municipal governments, showing sources of income and expenditures of same under appropriate headings for the year 1939 and for the latest year for which the information is available.

That report was adopted by the house, and the committee commenced its work.

With the standing committees on Transport and Communications, Canadian Trade Relations, Immigration and Labour, Natural Resources, and Finance all studying similar matters, it was found almost impossible to arrange the sittings of the committees. The same senators were members of several of these committees, and it was impossible to obtain the necessary quorums. However, as has been stated by the honourable Leader of the Government, the Standing Committee on Finance, under the chairmanship of the honourable Senator Crerar, held many meetings, and presented its report on May 9, 1950. The report is printed as an appendix to the *Debates of the Senate* of that year, and covers pages 530 to 548. Honourable senators will find many tables and references attached to this report which give a great deal of information on financial matters and supplement what the honourable Leader of the Government has told us about the committee.

As I remember it, no actual items of the estimates were studied. I was a member of the first committee to be so set up, and I have been a member of the Committee on Finance ever since. Although no actual items of the estimates were studied, many recommendations were made with respect to the form that the estimates should take in the future, as to the increase in Government publications, and particularly as to the total cost of governments, federal, provincial and municipal, and many other matters of that nature.

Another motion of this nature was presented in 1951, another in 1952, and another in 1953. These three resolutions passed during those years referred the estimates to the Standing Committee on Finance, and during that period of time the honourable Senator Crerar was the chairman of the committee. He rendered, as has been said, very valuable service, and the information in the report that he presented to the Senate has been quoted widely throughout the whole of Canada.

I come next to 1956, when the Honourable W. Ross Macdonald, P.C., was Leader of the Government in the Senate. He moved a motion that appears at page 157 of the *Debates of the Senate* for that year. At that time the honourable Senator Hawkins was elected chairman of the Standing Committee on Finance, and I remember attending many meetings under his chairmanship while the estimates were being considered. The report he presented is dated June 20, 1956, and is printed at pages 753 to 777 of the *Debates of the Senate* of that year.

It did not deal with specific items or votes but, as has been stated by the Leader of the Government, it reported extensively on eight items. I mention those items now in order to have them inserted in *Hansard*. They are:

1. The gross national product and expenditure.
2. The preparation of the estimates.
3. Responsibility for public works.
4. Government annuities—which the last report of the former chairman of the committee suggested should be taken up the next time the Finance Committee dealt with estimates.
5. Land procurement.
6. Rented accommodation.
7. Financial accounting.
8. Inflation and export markets.

As I have said, I have been a member of the Standing Committee on Finance over the years. I have no objection to this motion;

however, I point out that it was found practically impossible to get ministers and deputy ministers to appear before the Finance Committee and explain the estimates in advance, before they were first explained in the House of Commons.

As has been stated, we have the right and power to look into and deal with such matters as were considered and reported on by those earlier committees which were headed by the honourable Senator Crerar and honourable Senator Hawkins.

However, when it comes to a full investigation of individual items, that is another matter. I for one do not know how it can be done. There is nothing to hinder the committee, when it is set up, looking into very important matters generally. I would like the Leader of the Government to tell us just how he would expect the committee to proceed, and what Government officials he thinks could be summoned to appear before the Senate committee.

Hon. Mr. Pearson: May I move the adjournment of the debate?

Hon. Arthur W. Roebuck: Honourable senators, before honourable Senator Pearson moves the adjournment of the debate, I would like to say a few words, with the honourable senator's consent.

I have made no special preparation for this debate, as have the two gentlemen who have preceded me, and they have left very little to be said by the comprehensive treatment they have given to the subject. However, there are two points in my mind that I would like to express.

Some years ago, this house appointed a committee to go into the question of the right of the Senate to review the expenditures of the Government. It was known as the Ross Committee. That committee, composed of eminent legal minds, brought in a report that the Senate had a perfect right to reduce the appropriations of the government but, according to the British North America Act, the Senate is prevented from increasing them or adding to them. The important point in that report was that we of the Senate have a right to reduce the expenditures of Government—and goodness knows, Mr. Speaker, this is a time when somebody should do something on the question of reducing the expenditures of government.

Honourable senators, we have had a long series of deficits, of extremely large amounts, averaging more than $500 million a year. So far as I can see, there is little prospect, if the matter is left entirely to the Commons, of any material reduction in those over-expenditures in relation to the revenues of this nation.

I should point out that we can go on for some time to come with deficits of that kind; but as surely as the sun rises in the morning, if we keep on having deficits of half a billion dollars a year, we will pay the price, or rather, the creditor portion of our population will pay the price in the steadily decreasing, and perhaps drastically decreasing, purchasing value of the Canadian dollar.

One may look ahead and wonder when the elected representatives, and those who elect them, will wake up to the fact that governments are never in bankruptcy, that governments are always safe in that regard, because the creditor class bears the real responsibility and suffers the real penalty of improvident spending.

If we go on long enough in this kind of expenditure, such as has been the habit of the Commons for some years back, the time will come when we will pay off the national debt of Canada with a postage stamp. That is an exaggerated statement, but it has in it an element of truth. They will pay off the borrowings of this nation with a very small amount indeed.

The mortgages, the debts, and so forth, will be settled at a trifle as compared with their original value. Therefore, I suggest to my fellow senators that we are embarking at the moment on something which might be of vast importance to the people of Canada.

The British North America Act gives to this chamber the responsibility of voting for every dollar that is spent by the Government of Canada, and accordingly throws upon us not only a privilege but also a responsibility. Included in that responsibility is the obligation to know what we are doing. We must not vote with blinkers on our eyes, as would be the case if we admitted that we have not the power or authority to inquire into the expenditures of the Government. That would put blinkers on our eyes. No one would suggest that those who framed the British North America Act and gave us the power either to reject or to pass expenditures of the kind thought that we would hesitate for one moment to ask all the questions that are necessary and to make all the inquiries that are required so that we would thoroughly understand the votes that we are required to cast.

Honourable senators, someone has told us in this debate that we are not elected as are members of the Commons. That is true, but I question whether the manner of our coming here has much to do with the responsibility that we bear when we arrive here—and there is something more to be said even than that.

In a debate only last week, the honourable Senator Farris pointed out that in the Legislature of British Columbia there is not

one single Conservative member. That is to say, all the Conservatives of the Province of British Columbia are without representation in the Legislature of British Columbia. That is a condition which has general application throughout the entire Dominion of Canada. The Government of this country at the present moment is a Liberal Government, that is, elected by Liberal voters and have not one single Liberal representative from the Province of Saskatchewan in the House of Commons as at present constituted. Not one single member.

Furthermore, every member of the House of Commons is elected by a group that happens to be more than 50 per cent of the electors who actually vote.

Hon. Mr. McCutcheon: Or 40 per cent.

Hon. Mr. Roebuck: I said those who actually vote. Yes, 40 per cent or perhaps less than that, of all the electors on the list—and there are some people who are not even electors. That means that those who actually sent members to the House are not by any means 100 per cent of the people of the riding which the member represents.

Honourable senators, all of the people are taxpayers, every mother's son of them—at least every person in our entire community who is a producer is a taxpayer, and only those producers who vote for the successful candidate are represented in the House of Commons. They talk about representing all the people. Who represents the losers, I would ask you? We do! The only representatives of the losing voters in every constituency are the members of this house, and not the members of the other house. They talk about the member, after he is elected, representing all the people of his riding. Poppycock! Members who are elected represent those who elect them, and should they represent those who were the losers, they will not long hold their seats in the House of Commons; they must represent that side of the argument which they helped to make successful in the previous election, and in elections to come.

Our responsibilities, on the other hand, are to all the people of Canada, irrespective of how they vote or voted. That is why this assembly is as non-political as it appears to be. It is true that we all hold membership in our party caucus, in our party associations, that we still are Liberals, still are Conservatives, still have our attitudes toward public questions; but as we sit here we are representatives not of the Liberals, not of the Conservatives, or any other party. We in this house are representatives of all the people. Therefore, when someone speaks of our putting blinkers on our own eyes and of our not examining this most important of all questions, the expenditures of state, either he does not know what he is talking about or he has not recognized the broad considerations that prevail. Certainly he is not impressed with the present urgent necessity for financial reform in the government of our country.

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

PRIVATE BILL

LES SCOUTS CATHOLIQUES DU CANADA—BILL WITHDRAWN

Hon. Jean-François Pouliot: Honourable senators, I beg leave of the Senate to withdraw Bill S-19, to incorporate Les Scouts Catholiques du Canada.

The Hon. the Speaker: Has the honourable senator leave to withdraw his bill?

Hon Senators: Agreed.

Bill withdrawn.

STE-FOY—St. NICOLAS BRIDGE BILL

PASSAGE OF BILL

On the Order:

> Passage of Bill S-21, intituled: "An Act to authorize the Construction and Maintenance of a Bridge across the St. Lawrence River between the City of Ste-Foy, in the County of Quebec, and the Municipality of St. Nicolas, in the County of Levis, both in the Province of Quebec".

The Hon. the Speaker: This bill has been read the third time, and is now ready to pass. Is it your pleasure, honourable senators, to pass this bill?

Bill passed.

MARRIAGE AND DIVORCE ACT

MOTION TO REFER BILL TO SUPREME COURT—DEBATE CONTINUED

The Senate resumed from Thursday, May 14, the adjourned debate on the motion of Hon. Mr. Pouliot:

> That in the opinion of this House, the Government should immediately refer to the Supreme Court of Canada, for the opinion of that Court, the question of the constitutional validity of Bill S-16, intituled: "An Act to amend the Marriage and Divorce Act."

Hon. Jean-François Pouliot: Honourable senators, I will try to be brief in order that we may come to a conclusion at the earliest possible opportunity. You are all familiar with this bill. The explanatory note gives the background of the legislation.

On two occasions, April 28 and May 14, I had the opportunity of saying a few words

about this legislation. You should not consider it with concern or apprehension, because all that it seeks to do is to submit the bill in reference to the Supreme Court of Canada.

Some objection was made in the first place as to the right of senators to discuss the bill. As this is a motion to submit the bill to the Supreme Court of Canada, the matter before the house now is not only the motion but is the motion and the bill together. If the motion is adopted, I will withdraw the bill so that the Government can refer it to the Supreme Court. If the motion is defeated, I will proceed with the bill. That seems to be clear. Nobody has to ask permission to discuss the matter of the bill on the motion, because the bill is pertinent to the motion. But this bill will not come into effect if this house adopts the motion. The only body that has the right now to give a ruling about it is the Supreme Court bench, which will have an opportunity to decide whether the bill is *intra vires*—that is, within the jurisdiction of the Parliament of Canada. The Supreme Court shall have to say yes or no. If the court's decision is favourable, we will proceed with the bill. If the decision is unfavourable, there will be no more question of the bill.

I have done my best to make it as clear as possible, and if there were a few repetitions I hope there were no contradictions. However, I wanted what I had in mind to be well understood.

With this bill I seek no political advantage of any sort. All I want is the triumph of the truth, which must exist in law to a certain degree, a relative truth, an objective truth, which we must find in law as in any other science.

The reason I would suggest that this bill not be referred to a committee is obvious. It has already been referred to a committee presided over by one of our colleagues, a well-known lawyer and jurist who belongs to a legal family and has all the qualities of a good lawyer. Besides that, at this point I wish to express my gratitude to the members of the committee who formed a quorum to listen to the evidence. I would name them, but I am afraid that by so doing I would hurt their modesty.

A suggestion has been made that the attorneys general or other witnesses should come before the committee to give their opinions. I had the privilege of communicating with all those gentlemen, but only one has deigned to acknowledge receipt of my communication. I speak of my friend the Honourable Fred M. Cass, the former Attorney General of Ontario who no longer belongs to the government of that province. All the other attorneys general have remained silent. As I say, there was a suggestion that they should be called before the committee to give opinions. What need have we of the expression of opinions of those gentlemen before the committee? Our aim and purpose should be to ascertain whether or not this piece of legislation is within the jurisdiction of this Parliament.

If in its wisdom, the Supreme Court finds that the bill is not within the jurisdiction of the Parliament of Canada, then nobody will hear any more about it. On the other hand, if the Supreme Court decides it is within the jurisdiction of the Parliament of Canada, then the bill will receive second reading and may be sent to a committee of the Senate, or studied in the Committee of the Whole, as you like. It will receive third reading in the Senate, and then will receive its three readings in the House of Commons. It will then need royal assent to come into force.

This matter is not complicated, but you know, honourable colleagues, it is most difficult to succeed in discovering what is the relative truth in law: some say "white" and others say "black". At this time I do not necessarily intend to win; nor am I afraid to lose. As I have told you, I have no personal interest in the matter. All that impels me is my ambition to discover what is the truth, and to determine whether or not we have the power to legislate concerning married women's rights. The law is a strange thing, as you know.

Hon. Mr. Roebuck: Hear, hear.

Hon. Mr. Pouliot: This is why I want the bench of the Supreme Court to do its share.

I have in my hand a very interesting booklet. It forms part of The Hebrew University of Jerusalem, Lionel Cohen Lectures, of December, 1962, and is entitled, "Some Aspects of the Development of English Personal Law in the Last Century," by Sir Seymour E. Karminski, Judge of the High Court of Justice, England. The reason I mention this is that, in part, it concerns a suggestion made by Lord Denning. I quote from the last page of that booklet, page 40:

> As Lord Denning M.R. put it in Formosa v. Formosa 1962 3 W.L.R. 1246, the old notion that the husband and wife were one, and the husband that one has been swept away in nearly all branches of the law. There remains the rule that a wife still takes her husband's domicile, a rule described in the same judgment by Lord Denning as the last barbarous relic of a wife's servitude.

I know full well that if I mentioned this to a jury of married women they would scream; they would not agree at all with Lord Denning, that the wife should have a domicile separate from that of her husband. I remember

that not long ago one of our learned colleagues raised the point, but he has very discreetly not insisted. Unquestionably, married women have rights. I do not agree that all married women should have a separate domicile, but they have other rights which are theirs and which cannot be denied.

Honourable senators, in numerous copies of *Hansard* and the *Minutes of the Proceedings* of the Senate for more than two years you have read a question put to the previous Government and this Government too. I will refer to it briefly. It was put on the official papers of this chamber in order to know what action had been taken with regard to the transfer from Ottawa to the provinces of jurisdiction over married women's rights. I wanted to know if anybody had made representations to the Government asking for the transfer of that jurisdiction and asking the federal Government for an amendment to the Marriage and Divorce Act.

The answers given by the Acting Leader of the Government under the previous administration and by the previous Leader of this Government were similar. Both those honourable colleagues informed us that no representations had been made by anyone, neither for the transfer of federal jurisdiction to the provinces nor to the Government to have some legislation passed by this Parliament to amend the Marriage and Divorce Act in order to rectify the position of married women with regard to the sale of immoveable property. That question was not drafted in Greek; it was drafted in English and in French, the two official languages of this country. They refer to the Constitution, which is the law of the land, the British North America Act.

Whether you like it or not, whether you praise it or decry it, the Constitution as amended binds us. You are entitled to your opinion, but the Constitution shall prevail, and if you have difficulty concerning the right to amend, the right to legislate, it is for the courts to decide. You are subject to the decision of the courts for the validity of your legislation. This is a fundamental principle in law, and it has existed from the time of the Babylonian Code.

The Constitution, the British North America Act, says on the one hand, regarding the powers of this Parliament, that matters of divorce are within the exclusive jurisdiction of the Parliament of Canada. That is to be found in section 91. In section 92, it states that the celebration of marriage is all that belongs exclusively to the provinces.

This matter has been brought before the courts. A bill was referred by the government of the day in 1912, first to the Supreme Court of Canada and then to the Privy Council. Both courts decided that according to the Constitution all powers to legislate on marriage and divorce belong exclusively to the Parliament of Canada, with one exception, and that is the celebration of marriage. And the jurisprudence which explains the Constitution, the Supreme Court of Canada and the Privy Council likewise—of course the Privy Council is no longer our highest tribunal.

In one of the three volumes of the Supreme Court Reports, 1912, you will find a lengthy judgment of that Court. The factums of both parties were published before the judgment, and therefore you will have the full explanation of the case by reading that report. However, in all deference I suggest that you also read the judgment of the Privy Council which can be found in Appeal Cases, 1912, at page 880. It is also to be found in Olmsted's compendium of constitutional cases before the Privy Council.

The case of *Conger vs. Kennedy* was mentioned before the committee. That was a case involving legislation concerning married women who lived in the Northwest Territories. You will find in the explanatory notes to the bill some comment about that judgment, which is anterior to the judgments of the Supreme Court of Canada and the Privy Council in 1912. It was a judgment rendered by the Supreme Court in 1896, and which is very clear. It is based on the federal legislation of the Parliament of Canada concerning the Northwest Territories, and the matter is explained as clearly as possible. If you read the judgment of Chief Justice Strong you will see that the judge quoted in full the federal legislation concerning married women living in the Northwest Territories, so that there could be no error about it. Furthermore, the question was published again as an appendix to one of the committee reports last year, the committee that studied the previous bill, Bill S-32, and there is some legislation referred to. These are not cabalistic figures. I say that for those who do not belong to the bar or to the bench. These are references tc statutes which have been passed by this Parliament to amend the Marriage and Divorce Act, and also to the revised statutes which have been published by authority, and which have been approved in the normal and legal way.

Therefore, all that being said, we have the Constitution which says that we have full jurisdiction about marriage and divorce; we have the support of the jurisprudence in the *Conger vs Kennedy* case in 1896 and in the case in 1912 to which I referred; and we have the act of the Parliament of Canada amending the Marriage and Divorce Act. Is it not enough to convince you that we have jurisdiction?

Last year the bill that I sponsored had only one sentence, which read:

> Married women shall have the same rights as unmarried women for the sale and alienation of immoveable property.

I have not met one person who has disagreed with that principle. I think you all agree with it. On the other hand, since we had difficulty in some quarters, I decided to do better and to sponsor this year a bill containing the very text of the federal legislation concerning married women as we find it in the Northwest Territories Act, and as it was for a period of nearly 80 years. For some reason, which I do not know, that piece of legislation was struck out from the new Northwest Territories Act in 1952. It is one of the last chapters of the revised statutes of that year.

I submit my view to you, honourable colleagues; that what was good for the parliamentarians of Ottawa for a period of 75 years, could not be bad for us. Fashion could not change as much as that, even in law. Therefore, if you look at Bill S-16 which is on your files now, you will see the text of the legislation concerning married women as it was in the *Revised Statutes of Canada* of 1886. Exactly the same legislation was on the statute books from 1875 until 1952. I do not see how that legislation could be found to be *ultra vires* the Parliament of Canada, or illegal.

May I mention also the regulations of the Supreme Court of Canada? I refer you to section 55 of the Supreme Court Act, which deals with the reference of legislation to the Supreme Court for a decision as to validity, and the jurisdiction of this legislative body.

I wonder if I should tell you about my experience with the Bar of the Province of Quebec with respect to that legislation. I wonder if it would interest you. I think it was unique, but I do not want to take up the time now in telling you about it. I will keep it for another occasion. If the bill is declared valid I will have an opportunity then of telling you about it.

However, it is extraordinary, honourable colleagues, that with the exception of the honourable Mr. Cass, who is no longer a member of the Government of the Province of Ontario, that all the other provincial attorneys general did not show a sign of life in regard to this matter when they were asked for an opinion. If this bill is submitted to the Supreme Court it will then be for each one of them to appear before the court in order to submit their objections before the judges can give their judgment.

Do you not think that is fair? At the present time, why should they come here? Perhaps this is their reasoning. Why should they come and spend some time in Ottawa when the only occasion upon which their trip could be useful would be to argue their case with success before the Supreme Court? Do you follow my argument? We have already asked a member of a provincial government to appear before the committee, but she wrote a very gracious letter to the chairman telling him that she was unable to come. She was invited, but she did not come. If we send this bill to a committee of the Senate in order to call witnesses, and, in particular, the attorneys general of the provinces, I can bet with anyone that not one of them will come, because a committee of the Senate is not a place where they can argue their case with a chance of impressing the judges.

To summarize the steps I have taken in order to awake the Bar of the Province of Quebec I will tell you, in the first place, that last year I attended the eleventh convention of the bar of that province. The Bâtonnier was a former president of the Quebec Provincial Liberal Federation. He told me that the structure of the bar was democratic enough, but when the time came for me to address the convention, well, he was not democratic himself. I was not to tell about the insistence I have shown in order to inform the bar about what should be done in this matter, namely, to inquire for the truth. But they did not seem to be interested in that. Why? I do not know, but I find, honourable senators, and you may find it also, that the importance of the law is such that nothing should be neglected in order to make truth and justice prevail.

This is why I suggest that the motion should be agreed to in order that the Government may refer this bill to the Supreme Court. For me this is the only thing to do in order to stop all the political propaganda that is made about it, and at the present time in some quarters there is some political propaganda. It is undignified. What we need is a clarification of the matter.

I have many other papers that I will mention in due course. There is a letter I wrote to the bar. All this will be put aside for the time being, as I told you. What concerns me personally is of little interest; what is important for me is that our rights, the rights of the Senate of Canada and the rights of the House of Commons of Canada—the rights of the Parliament of Canada—should be recognized in order that women can be secure in their dealings with everybody. Married women should have as much freedom as unmarried women in the management of their own property, and their actions should be valid and not open to attack in the courts.

I thank you for the interest you have shown in this matter. I see many members

of the legal fraternity present, and also some other of my honourable colleagues who are not members of the bar. They have followed my remarks with praiseworthy attention. I thank you all, and I hope that you will understand that the motion I am sponsoring now is to ascertain the power of Parliament to legislate with respect to the rights of married women.

Hon. Jacques Flynn: Honourable senators, I will move the adjournment of the debate in a minute, but first I would like to say a word in explanation of the objection I raised at the last sitting, which may have been misunderstood by the mover of this motion.

It would be temerity for me to try to prevent the honourable Senator Pouliot from explaining the very important matter which is contained in this motion, and that was not my intention. I was concerned only with the procedure to be followed in considering this question, which is an important one from a legal viewpoint. It is an interesting constitutional matter. I am not to sure that it is as urgent as one might think at first sight but, in any event, the Senate would do well to look into it.

On the next occasion when this motion is before us I shall try to express my own views.

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

PRIVATE BILL

BANK OF BRITISH COLUMBIA—MOTION FOR SECOND READING—ORDER STANDS

On the Order:

Resuming debate on the motion of the Honourable Senator Farris, seconded by the Honourable Senator Beaubien (Provencher), for second reading of Bill S-20, intituled: An Act to incorporate Bank of British Columbia.

Hon. George S. White: Honourable senators, I would ask that this order stand until a week from tomorrow.

Hon. Mr. Farris: Does my friend have any serious reason for doing that? I would like to adjust my time so that I can be here when the opportunity for reply comes.

Hon. Mr. White: I would like to point out to the honourable senator that he finished his remarks only late on Thursday afternoon, and the Senate adjourned then until this evening. I did not receive my copy of *Hansard*, like everybody else, until today.

I see by the Order Paper that there is considerable business before the house. Also, I would point out to the honourable senator that at the present time there are two applications for bank charters, which have been referred to the Standing Committee on Banking and Commerce; therefore, it would seem to me that it might be some time before this bill could get second reading and go to that committee.

I am not prepared to go on at the present time, but I will be prepared a week from tomorrow. In the meantime, if there is any senator who wishes to speak, I am quite willing to give him my place. Otherwise, I would ask that the second reading order stand until a week from tomorrow.

The Hon. the Speaker: Honourable senators, the order stands until Wednesday, May 27.

ESTATE TAX ACT

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

Hon. Daniel A. Lang moved the second reading of Bill C-94, to amend the Estate Tax Act.

He said: Honourable senators will recall that the Estate Tax Act was first enacted in 1958, as a completely new departure in the field of estate taxation, superseding the old Dominion Succession Duty Act. Honourable senators also will recall that the Estate Tax Act has been amended since that time on two occasions, namely, in 1960 and 1962. The bill before us tonight is the third amending bill since the original act came into force.

Honourable senators, of the amendments contained in this bill, 13 changes are involved, and I might refer to four of them as being of a relieving nature, to one as dealing with matters of enforcement and to the balance as being of a restrictive nature or, for lack of a more appropriate explanation, as clauses dealing with the closure of loopholes in the legislation.

First, I would draw the attention of honourable senators to Clause 1, subclauses 1 and 3, which I would categorize as in the nature of loophole closures.

As the act now stands, property in Quebec disposed of under a settlement by a person during his lifetime, property in which that person retains a life interest, or some other interest of that nature, reserving the same to himself, that is, property under the wording of the act as it now stands, escapes taxation in that province.

This is due to the difference between the common law concepts and those of the Quebec Civil Code, and as they bear on the interpretation of the words "interest in property" as contained in the act in its present form. In the Province of Quebec, a life interest so retained by a person during his

lifetime is not an "interest in property" so as to bring it within the meaning of the act and render the corpus of that property taxable at the time of death.

Accordingly, the amendments in Clause 1, subclauses 1 and 3, are required for the purpose of bringing such property within the taxing provisions of the act as far as property in the Province of Quebec is concerned, and thereby making the provisions of the act uniform in their application throughout Canada, that is, in the Province of Quebec under the Civil Code as well as in the common law provinces.

Similarly, Clause 1, subclause 2, deals with an anomaly in the present legislation. Under the act today, avoidance of tax is possible by the use of a device whereunder an insurance policy is purchased at the same time as a single premium annuity is purchased. Specifically, it involves the placing of a life insurance policy on an otherwise uninsurable person on condition that a single premium annuity somewhat larger than the face value of the life insurance policy be taken out at the same time.

Honourable senators will appreciate that this transaction, accomplished under the terms of the act as it now stands, effectively removes the proceeds of a life insurance policy on the death of the deceased from the assets of that estate for tax purposes, and specifically because the ownership of that policy is not ownership by the deceased.

Clause 1, subclause 2, defeats this device and taxes the amount of the reduction of the value of the estate thereby accomplished, or the value of the benefit accorded the beneficiary, whichever be the lesser.

Similarly, under Clause 1, subclause 4, another anomaly in the act is to be repaired. I would refer to this provision as a relieving provision.

As the act now stands, the proceeds of a life insurance policy effected on the life of a deceased in the course of his employment are included in his estate for tax purposes, except to the extent that the proceeds were payable to his employer. This exception in its present wording creates an anomaly, in the event that such proceeds become payable to a subsequent employer or to an individual or corporation not related to the deceased in any way, or where the policy having been assigned to the deceased was not re-assigned to the employer of the deceased or to the trustee of a fund established to pay pension or death benefits to the deceased.

This clause in the amending act is also to exempt from taxation the proceeds which never were intended to be included under the act as it originally was provided, because such proceeds are not in fact assets of the deceased.

Clause 1, subclause 5, refers to the disposition made out of community property by a spouse during his or her lifetime. As the act stands now, such dispositions are taxable entirely in the hands of a deceased husband's spouse in the event that the husband predeceases his wife and the disposition is made within three years of death.

This obviously creates an inequity. This amending act provides that such a disposition will be deemed to have been made in the ratio according to the deceased's share in the community property. This amendment brings the provisions of the Estate Tax Act in this connection into conformity with the concomitant sections in the Quebec Succession Duty Act.

Similarly, as the act now stands, the value of a gift made by a person in his or her lifetime to a charitable organization, or to the Government of Canada, which gift is subject to a power in favour of a third party, such as a right to encroach thereon, may nevertheless be treated under the act as an outright gift if the beneficiary renounces his or her rights therein within two years of the death of the donor. Such persons who have such rights to encroach, or otherwise, sometimes die within the two-year period, without renouncing the rights in the charitable gift, and thereby the estate of the donor from the standpoint of tax is adversely affected.

Clause 2 of the bill makes death under such circumstances—that is, by the person who holds a right or reservation in a charitable gift—effective in itself as a renunciation permitting the total value to be deductible for tax purposes.

Honourable senators, if I may, I would try to deal very briefly with what at first glance appears to be a rather cumbersome part of this amending act, namely, clauses 3 and 5. In fact, notwithstanding the rather involved wording of these sections, the principles behind them are quite simple. The necessity for the inclusion of both these clauses in the amending bill arise from the dominion-provincial conferences held during November of last year.

Clause 3 specifically is required to defeat a possible tax avoidance device. Under the new arrangements made with the provinces that levy succession duty, the abatements with respect to property in one province may be greater than in another. For example, in the 1964-65 fiscal year a 75 per cent abatement will be in effect in British Columbia, but only a 50 per cent abatement will be in effect in Ontario and Quebec. Of course, as honourable senators will recall, Ontario and Quebec receive the equivalent of the additional 25 per cent abatement by direct payment from the federal Government. In other

words, Ontario and Quebec have not undertaken directly the collection of that 25 per cent tax, as yet, but have left it with the federal Government for the time being. However, because of this mechanical differentiation between Ontario and Quebec, on the one hand, and British Columbia, on the other hand, it is now possible for a person domiciled in, say, Alberta, to take advantage of the present estate tax rule governing the situs of shares, with the result that on his death the estate tax in respect of his shares would be abated by the higher of the two rates of abatement, that is, 75 per cent for British Columbia. But the succession duty paid in respect of them would be in a province with a lower succession duty rate, that is, in a province where a 50 per cent abatement applies, as in the province of Ontario or the province of Quebec.

Such a testator would then have successfully avoided tax at the expense of the federal Government, or at the expense of a provincial government, and may at the same time have defeated or distorted the federal provincial tax sharing arrangements which are now in effect.

Tax avoidance made possible by the difference between a 50 per cent abatement for taxing provinces and no abatement for non-taxing provinces was blocked by an amendment passed in 1962. This new amendment extends the blocking mechanism to deal with the difference between 75 per cent abatement provinces and 50 per cent abatement provinces. In the result, the additional 25 per cent abatement will be given only if the shares are transferable in the province where the additional 25 per cent abatement applies.

Linked with clause 3 is clause 5, which provides in Part II of the act a 15 per cent tax on property situate in Canada passing on death of a foreign domiciliary, an additional deduction of 25 per cent where succession duty has been paid to a designated province, which under the regulations is a 75 per cent tax abatement province, and the existing 50 per cent deduction will continue to apply where succession duty has been paid to a prescribed province under the regulations, that is, a province with a 50 per cent tax abatement.

Honourable senators, clause 3 strictly is what I have referred to as a "loophole closing" clause.

Clause 4 is the one I referred to earlier as dealing with an enforcement provision. Under the present act penalties are provided for wilfully in any manner evading or attempting to evade payment of tax. Evidently the minister does not consider this provision adequate. Accordingly, clause 4 is concluded in this bill, enlarging the penalty provisions to include assenting to or acquiescing in the making of a statement, or omission, knowingly, under circumstances amounting to gross negligence. Such wording is contained now in similar provisions in the Income Tax Act.

The amendments go on to provide that this is an alternative penalty to the one that is now in the act and does not apply to a person liable to a penalty under the old section and in respect of the same matter.

Honourable senators, in conclusion we come to a relieving provision of this bill contained in clause 6. It will be recalled that certain property, generally speaking, moneys on deposit in various forms, are made available to the executors or the personal representatives of a deceased immediately after death, and without the prior consent of the minister, up to the amount of $1,500.

Clause 6 increases this amount so available and, in addition, extends the exemption, i.e., the exemption from the minister's prior consent to include amounts payable under sickness or accident insurance policies as well as to moneys on deposit of the kind referred to.

Honourable senators, I am advised that as a piece of legislation the Estate Tax Act has been most satisfactory, both from the point of view of administration and, by virtue of its clarity, from the point of view of those advising the personal representatives of the deceased. These amendments form the third set of amendments brought forward since the act came into force, and it would seem to me that under the circumstances and in view of the novelty in concept and draftsmanship involved in the act as originally enacted, this speaks very well for that piece of legislation. This bill further perfects the machinery under the act and is generally designed for that purpose.

Honourable senators, if this bill receives second reading I propose to move that it be referred to the Standing Committee on Banking and Commerce.

Hon. George S. White: Honourable senators, I am sure we all appreciate the clear and explicit explanation given by the honourable Senator Lang with regard to this somewhat complicated bill.

Hon. Mr. Roebuck: Hear, hear.

Hon. Mr. White: Any amendment to the Estate Tax Act is, in my opinion, very important because this is one act that affects the individual citizen. This is a taxation statute and is a clear indication of the extent to which every individual in Canada is subject to control by the state.

I, for one, was rather disappointed that when the Minister of Finance delivered his budget speech he did not announce that the federal Government would retire from the

succession duty field entirely and return it to the provinces, where it rightly belongs. The amount collected under this act by the federal Government is not large when you consider the budget is approximately $7 billion, and it is to be decreased under this act; and when you take from the amount collected the cost of administration, I am sure the amount remaining is not great. Some people believe the only real reason this act is retained by the federal Government is to give the Income Tax Department a chance to look over the assets of the deceased and to compare them with the information contained in his income tax returns.

The honourable senator who introduced the bill made several references to "plugging loopholes" in the act, and in the other place the parliamentary secretary to the minister used somewhat the same words at page 2985 of *Hansard* in introducing the legislation:

> The proposal in paragraph 5 is intended to prevent the use of tax avoidance devices.

When the bill was before the house, at page 3201 of *Hansard*, he further stated:

> The final item was to close a loophole with respect to a single premium annuity coupled with a life insurance policy whereby certain individuals, taking advantage of the provisions of the Estate Tax Act as it existed, were evading estate tax.

The only reason I mention that is to point out how quick the Government is—and what I say about this Government applies equally to the former Government; they are all the same—to move to plug any loopholes; and yet, on the other hand, where injustices exist as far as taxpayers are concerned, it takes years and years to catch up.

I was in the House of Commons when the old Dominion Succession Duty Act was introduced early in the war, and there were certain provisions in that to which I objected. I remember the minister telling me, "After all, this is a new statute, this is a new field, and we will just see how these things operate. If they develop as you think they may, they can always be changed." Well, it took just a "short" period of 18 years before they caught up with that.

The amendment in the bill regarding the agreement made at the provincial-federal conference last fall as to the abatement of 75 per cent instead of 50 per cent of the federal estate tax affects only three provinces—British Columbia, Ontario and Quebec. It appears to me that as far as the estate of the deceased is concerned there is going to be no benefit whatever. It was stated in the other house that the province of British Columbia has already raised its provincial succession duty tax by an amount approximately equal to the 25 per cent abatement.

From reading the debate in the other house and listening to the honourable Senator Lang this evening, I am quite satisfied that in the provinces of Quebec and Ontario, while to date they have not increased their provincial succession duties, the estate of the deceased is not going to benefit in any way.

I wish to commend the Government for the increase they propose from $1,500 to $2,500 as far as moneys on deposit in the bank and proceeds of insurance policies are concerned. This has been asked for by many honourable members, both in the house of Commons and the Senate, because members of the bar who handle estates know only too well how often funds are urgently needed in the case of death for funeral, medical, nursing and hospital expenses, and many other items at such a time.

When introducing his budget, the Minister of Finance had this to say of the Estate Tax Act at page 980 of House of Commons *Hansard*:

> In reviewing the Estate Tax Act in the light of the representations that had been made about it, I was impressed with the case made by women's organizations saying that more recognition should be given to the special contribution that a wife makes to the accumulation of property by her husband.

This refers to the great number of briefs presented by various women's organizations, both to the minister and the Royal Commission on Taxation. These briefs covered many items and subjects of great interest to women and children. One of the main things they asked for was that the basic exemptions be increased, largely on account of the great increase of the valuation of real property. One of the sore points was the present method of taxation of pensions and annuities. Now that the Estate Tax Act is before the house, I personally regret the Government did not go into this item and do something regarding the way it is capitalized at the present time.

I am sure every honourable member, at least those from the Province of Ontario, could recall and state different cases that have come to him through his own office where there has been a death, where the widow is middle aged or below that, and where there is a fair pension which, when capitalized and brought into the estate, puts the value of the estate for succession duty purposes at a sky-high rate. I believe the women's organizations who have presented briefs on this point are 100 per cent correct.

The minister also said in his remarks:

> Death duties are under review by provincial commissions of enquiry as well as by our royal commission on taxation. We have therefore deferred any action on this matter, and hope that there will be consultations with the provinces on it, as well as on other aspects of death duties, following the reports of the various commissions.

I hope that will be carried out. On the other hand, if it is the intention of the Government to retain this field of taxation, I would repeat the suggestion I made when speaking on the address, that the Leader of the Government in the Senate should set up a special committee of the Senate to review the Estate Tax Act and to present a list of recommendations to the Government to modify and correct the abuses and injustices that now exist under this act.

The various other amendments to the act, as stated by the honourable Senator Lang, have to do with the situs of property, community property, property held jointly, life estate, and the new penalties listed under the act. These are all of a more or less technical nature, and I am sure that when the bill goes to committee we will be able to obtain full information on these matters.

On motion of the Honourable Mr. Choquette, for Honourable Mr. McCutcheon, debate adjourned.

DIVORCE

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of reports of the Standing Committee on Divorce Nos. 264 to 292, inclusive, which were presented on Wednesday, May 13.

On motion of Honourable Mr. Roebuck, Chairman of the Standing Committee on Divorce, reports adopted on division.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, May 20, 1964

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

Prayers.

DOCUMENT TABLED

Hon. John J. Connolly tabled:

Copy of "Data from Radiation Protection Programs", dated March, 1964. (English and French texts).

ROOSEVELT CAMPOBELLO INTERNATIONAL PARK COMMISSION BILL

FIRST READING

Hon. John J. Connolly presented Bill S-26, respecting the commission established to administer the Roosevelt Campobello International Park.

Bill read first time.

Hon. Mr. Connolly moved that the bill be placed on the Orders of the Day for second reading on Tuesday next.

Motion agreed to.

PRIVATE BILL

THE MONTREAL BOARD OF TRADE—REPORT OF COMMITTEE ADOPTED

Hon. Mr. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill S-18, respecting The Montreal Board of Trade, and had directed that the bill be reported without amendment.

Report adopted.

THIRD READING

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

Hon. Mr. Molson: Honourable senators, with leave of the Senate, I move that the bill be read the third time now.

Motion agreed to and bill read third time and passed.

CUSTOMS TARIFF

AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the following report of the committee on Bill C-92, to amend the Customs Tariff:

Your committee recommend that authority be granted for the printing of 800 copies in English and 300 copies in French of their proceedings on the said bill.

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

Hon. Mr. Hayden: With leave, I move that the report be adopted now.

Report adopted.

REPORT OF COMMITTEE ADOPTED

Hon. Mr. Hayden reported that the Standing Committee on Banking and Commerce had considered Bill C-92, to amend the Customs Tariff, and had directed that the bill be reported without amendment.

Report adopted.

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

Hon. Mr. Hayden moved that the bill be placed on the Orders of the Day for the third reading at the next sitting.

Motion agreed to.

TRANSLATION BUREAU

TERMINOLOGICAL BULLETINS—MOTION STANDS

On the Motion of Hon. Mr. Pouliot:

That copies of all the terminological bulletins issued in French and in English, and in both languages by the Terminology Service of the Translation Bureau during the years 1959, 1960, 1961, 1962 and 1963 be tabled in the Senate.

Hon. Jean-François Pouliot: Honourable senators, this motion, and Inquiry No. 3, which deals with the reports and publications of the Printing Bureau, and Inquiry No. 4, dealing with translators and interpreters, form a trilogy, and it is very difficult to proceed on one of those items and leave the other two aside.

In this case an informal answer has been given to Inquiry No. 3 and to the motion for the production of papers. However, I cannot use them unless there is an answer to Inquiry No. 4. I will tell you why. One inquiry concerns the publications of the Printing Bureau and another inquiry and the motion concern the Translation Bureau. The information I sought is the kind that should be available to every cabinet minister concerned. The answers to those questions would prove to be very useful to the department of the Secretary of State and of External Affairs.

They must have a broad picture—what we call in French "une vue d'ensemble", of what is done by the department.

The quantity and size of the publications of the Printing Bureau each year are enormous. They would fill the largest room of this building.

Hon. Mr. Isnor: Why not refer it to the Finance Committee?

Hon. Mr. Pouliot: I thank my honourable colleague for his question which is very timely, and I am just coming to it.

The information that we have about the translation services is incomplete because it takes only two pages of the report of the Department of the Secretary of State. The bulletins asked for have been tabled informally, which means that I have them in my office, and they occupy a space of at least one cubic foot. I cannot discuss them now because it will take me some considerable time to extract the information contained in that cubic foot, and save you the trouble of doing that work yourselves.

You will also understand that we need the information asked for about the translations made outside of Canada by the various Canadian diplomatic posts. It is important to have the size of the publications from the Printing Bureau; it is important to know the kind of work done on official translations both within the country and outside, and it is equally important to know the directions given to the translators in the bulletins.

Now I come to the timely question which has been asked by my good and learned friend, honourable Senator Isnor. I am doing the preliminary work for the benefit of the Finance Committee; if we did not have that information before the matter goes to the committee it would take a very long time to obtain it. It would take as long as I have been waiting to get the detailed information before the committee. And when Inquiry No. 4 has been answered I shall be in a position to give more information to the Senate, which the members of the committee may consider to be of some use to them.

Furthermore, I must say to my honourable friend that since the beginning of the session I have been in touch with the Chairman of the Finance Committee, (Hon. Mr. Leonard) and I have given him personally the information that I give now to the Senate.

That being said, I ask that the motion stand.

Motion stands.

ESTATE TAX ACT

BILL TO AMEND—SECOND READING

The Senate resumed from yesterday, the adjourned debate on the motion of Hon. Mr. Lang for the second reading of Bill C-94, to amend the Estate Tax Act.

Hon. M. Wallace McCutcheon: Honourable senators, we are all grateful to Senator Lang for the clear explanation he gave yesterday of the terms of this bill. I would not be speaking this afternoon if I were going to direct myself merely to a particular provision of the bill. The bill will go to committee, and any further explanation we require will be obtained there.

For the ameliorating provisions of the bill, we are all very grateful. With respect to those provisions which are to plug loopholes—which is the expression my honourable friend used—I merely say that they are examples of the very complicated position which our whole system of taxation has reached, where each year we go through the game of plugging loopholes, thus providing lawyers and accountants with twelve months of work in finding out how to get around those provisions, and then the following year there is the plugging of further loopholes.

Hon. Mr. Hayden: It is like squeezing a balloon.

Hon. Mr. McCutcheon: Exactly.

I think a great deal of time and talent is wasted in this country because of the complexity of our system of taxation. I am not suggesting that we take any drastic measures before we receive the report of the Royal Commission on Taxation—which report, rumour has it, might be available this year—but I do hope that when that report is received we do try to simplify the whole tax structure. I know of no body better equipped to make a start on that task, if the Government will permit it to do so, than one of the standing committees of this chamber.

But I want to say this afternoon that I think the time has come when the federal Government should give the provinces notice that when the present dominion-provincial taxation convention expires the federal Government proposes to withdraw from the field of estate tax. It entered the field during the war, in 1941, with the Succession Duty Act. As my honourable friend Senator Lang said, that act was subsequently replaced by the Estate Tax Act. I think the present act is better than the old Succession Duty Act, but we are now reaching a ridiculous situation.

My honourable friend Senator White read from the budget speech of the Minister of Finance. He quoted two sentences, both of which occurred in the same paragraph, but he omitted what I regard as the most important sentence. Senator White, in referring to some of the hardships the act imposes, referred particularly to the position of a widow who inherits an annuity from her husband's firm

and suddenly finds that when that is capitalized on a quite proper actuarial basis it becomes subject to succession duty and to income tax. The sentence that Senator White omitted from the speech of the Minister of Finance is this:

> Any action to give effect to suggestions of this nature—

The suggestions he was referring to were that more consideration should be given to widows with respect to their husbands' estates—in other words, that the tax should be reduced.

> Any action to give effect to suggestions of this nature, however, would now affect provincial revenues more than our own budget position.

Of course, that is the situation. We find that 75 per cent of the succession duties, under the recent agreement, now go to the provinces. So the position now is that the Minister of Finance is saying—that means the federal Government is saying—"I cannot reduce these taxes, because I get only 25 per cent of them; the rest goes to the provinces. I would be interfering with provincial revenues were I to do such a thing."

That is an intolerable position for the Government of Canada to be in. We had an example of co-operative federalism in the last month or two. We have seen the Minister of Finance—I will acquit the Minister of Finance of this, as I doubt if he was happy about it—we have seen the minister's colleagues give away $135 million to $145 million a year to the provinces in order to get an agreement on a measure on which I hope to have an opportunity to speak later in this chamber.

Already we have the Minister of Finance issuing warnings, sending up kites and telling the Canadian people that there is but one way to get back that $135 million to $145 million, and that is to increase taxation.

Here now is an opportunity to get ourselves out of an anomalous position in one tax field, to move out. One asks, what will it cost?

In his budget speech, the minister estimated that it would mean $90 million to the federal Government. My estimate, and it is only my estimate and a very rough one, is that, now that 75 per cent of these revenues are going to the provinces, it will cost a net of $35 million to $40 million. That is nothing compared to the money which was given away, as I say, quite casually.

Hon. Mr. Croll: "What is a million?" What is $35 million?

Hon. Mr. McCutcheon: I know, I have heard that. What is $135 million? That is what the minister's colleagues gave away in Quebec a few weeks ago, for a reason that I do not regard as of overriding importance.

If you assume that you will not have to take into account revenues you might otherwise have obtained from succession duties in the equalization tax, then the figure that I have mentioned can be cut almost in half. In other words, if you assume that you do not need to compensate the provinces which do not now impose succession duties, you will not have to include that in your equalization formula.

I realize that this cannot be done today. The provinces must be given fair notice. There are only three provinces that are in this field now. The others may or may not want to come in. I suspect that some of them will not come into it.

There is of course also the problem of the estates of persons of foreign domicile. It may be that in order to see that the assets in another jurisdiction of persons domiciled in Canada are put in the same position as foreigners here, we will want to renegotiate the treaties. I do not think that is too important, but at least it is a matter into which we should look.

However, I will not go along with the suggestion which has been made from time to time that the federal Government must be in this field because this serves as a useful policing function, to make sure that people paid their proper income tax while they were alive. If you carry that principle to the extreme—and I saw it carried a long way during the war, on the ground that if you cannot catch up with man here, you catch up with him there—then you just have a police state.

The people who are really hit by this procedure are those thrifty, frugal people who put aside a modest competence which it is hoped will provide their widows with $6,000, $7,000 or $8,000 a year.

The last statistics for the fiscal year ending March 31, 1962, show that out of 3,892 estates assessed in Canada that year, 2,599 were of gross value under $125,000.

As I say, the money involved is small. We are getting ourselves into the position where we are not our own masters. It is very popular to be your own master these days. We are setting up elaborate machinery, passing bills with complicated provisions, in order to do what? In order to protect provincial revenues.

The sooner we move out of this field and turn the matter back to the provinces the better. The provinces have said they want it, or at least some of them have, including the two largest. The treasury will be very little affected and the benefits to Canada in the long run may be great.

Hon. Mr. Roebuck: Why then would you not reduce the subsidy by an equal amount?

Hon. Mr. McCutcheon: That is a matter for the Minister of Finance to decide. As I say, he has some problems. There are provinces which are not in this field. He has to give them time. If my friend is suggesting that we stay in the field, I cannot agree with that. If he is suggesting that we move out of the field and reduce our equalization payments, I agree with that.

Hon. Mr. Roebuck: I did not suggest that we stay in the field. You were suggesting that we get out of the estate tax field and I say, why then, if we hand that to the provinces, do we not reduce the subsidy by an equal amount?

Hon. Mr. McCutcheon: I do not know what the honourable senator means by the subsidy. I merely suggest that there are some provinces now which are not in this field and which might put forward a claim that they are still entitled to some equalization, to have this factor taken into account in what is a very complicated equalization formula. I said that if that was not the case, then the figure I gave of $35 million to $40 million less in revenue could probably be cut by $15 million to $17 million dollars.

Hon. Mr. Hayden: Surely the answer is a very simple one, that if the federal authority gets out of the field, it is then a matter which is solely within the jurisdiction of provincial authority. They could increase the rates to take up the slack, or do anything—it would be entirely in their power. Is not that right?

Hon. Mr. McCutcheon: I quite agree.

Hon. T. A. Crerar: Honourable senators, I did not intend to intervene in this debate on the Estate Tax Act, but some remarks by Senator McCutcheon have brought me to the hasty conclusion that perhaps it would be better to discuss now some of the things I planned to mention in discussing the resolution setting up the Finance Committee, simply because they probably are more germane to the discussion on this bill.

Senator McCutcheon has raised a very interesting point, one that I am bound to say has given me a good deal of thought, and that is the federal Government's tendency, ever since the end of the war, to relinquish more and more of its revenues to the provinces.

May I draw the attention of the Senate to a few factors in this matter that to me are of grave importance.

Under our Constitution, as originally drafted, expenditures for welfare of all kinds were the responsibility of the provinces. In the passing of time there has been a transformation, and, to my mind, not a healthy transformation.

Today Ottawa has accepted practically all the responsibility of the provinces in the broad spectrum of social welfare, and that amounts to very large sums of money. It was my intention to give some of these figures a little later today, when I hoped to take some part in discussing the resolution respecting a reference to the Finance Committee. However, let us look for a moment at the obligations that Ottawa has assumed, as reported in the documents that have been submitted to Parliament.

First, there is the Government's contribution to the Unemployment Insurance Fund of $60,500,000 for the present year. That is the contribution at 20 per cent which the federal authority makes to the Unemployment Insurance Fund. The balance of 80 per cent comes from equal contributions by the employer and the employee. The total cost of administering the Unemployment Insurance Fund is $113 million. If we subtract $60,500,000, the remaining administrative costs amount to about $53 million, which is a very substantial amount. I realize this covers the expense of maintaining employment agencies where people can register for employment, but $53 million is a sufficiently large sum of money to engage the attention of the Finance Committee.

In addition, Ottawa has taken over family allowances. Under the Constitution as it was originally drafted, and under which we functioned for 50 years or more, family allowances, or payments of that kind, were the responsibility of the provinces. The amount provided for family allowances this year is $546 million.

We come to old age assistance, payments to blind persons and disabled persons. In this category, Ottawa puts up 50 per cent and the provinces put up 50 per cent. The federal contribution this year is estimated at $188 million.

Hospital insurance was certainly the responsibility of the provinces, under our original constitutional provisions, but now the provision for hospital insurance and health grants this year by Ottawa will be $471 million.

Then of course we have old age pensions, which the Minister of Finance estimated in his budget would require $885 million.

The point I am making, honourable senators, is that all these matters were originally the responsibility of the provinces. The federal authority has taken them over, and today the cost is well over $2 billion a year.

Honourable senators, how is the federal Government going to finance all this? After the

great depression in the thirties, the Sirois-Rowell Commission was set up to consider the economic position of the provinces vis-a-vis Ottawa, and what could be done. That commission brought in certain reports which have never yet been fully implemented, and probably have since passed into the discard.

During World War II the provinces agreed to surrender their revenues from personal income tax and corporation income tax for the duration of the war. That situation continued after the war. I think that then, with the best intentions in the world, we got off the track. Ottawa undertook the responsibility of the whole broad field of social welfare, and if there had been no interruption in the matter of revenues, probably it could have carried the load. But while the provinces have been relieved of all these responsibilities in the whole spectrum of social welfare, they are not content to leave Ottawa with all the revenues from personal and corporation income taxes and estate taxes that are necessary to discharge these obligations.

In my humble judgment, honourable senators, that is the crucial problem that has to be solved between the provinces and Ottawa. How it will be solved, I do not know. However, I am convinced that we cannot go on as we are at the present time. This is not a criticism that can be directed against any government in particular.

We got along after the war until the change of government in 1957 because we were rebuilding from the devastation of war, and we paid off very large sums of debt. I think I am within the mark when I say that the reduction in our war debt up until 1957 had been close to $3 billion. However, the tide turned. The reason for that was not alone the fact that a Conservative government came into power. Economic conditions had changed. However, I feel bound to say, and I offer this criticism, that Mr. Diefenbaker's government, from 1957 until the time it went out, failed to meet adequately the responsibilities it was obliged to face. I regret to say now that it looks as if we are going to continue this business of deficit financing.

Hon. Mr. McCutcheon: Only doing it bigger and better.

Hon. Mr. Crerar: There is a definite danger in that policy. I am saying now what I intended to say on the other motion for a reference to the Finance Committee.

From 1957 to the present time, with the estimated deficit for this financial year, we shall have gone into the red to the extent of approximately $3½ billion.

It is not without significance that another item in this analysis of expenditures which is worth examination and study is the interest on our public debt, that is, the service of the debt. The interest cost this year is estimated at over $1 billion, and the payments to the provinces at $241 million, which does not include the payments that will arise out of the arrangements made at the recent conference in Quebec.

Now, my question to the house is this: Where are we going to land in the end? If we include old age pensions the total spending today is over $8 billion, and we will have yet another deficit, which the Minister of Finance estimates at $420 million. Notwithstanding the fact our revenues are buoyant, the deficit may well exceed that amount, because there are these additional payments to the provinces that have to be met. I simply say to the house, that is the most serious problem we are facing today.

We have gone along by deficit financing. There is nothing new about it; anyone who is familiar with history in all western countries recognizes that this is not a new phenomenon at all. We have had the experience of history to guide us, and as a result of that it is apparent that when we have deficit financing, in the end you get a rising cost of living. Then this is bound to bring more or less inflation, and it is not without significance that since 1949, when the new cost-of-living index was established, the cost of living has increased by 34 or 35 points. This means that an article costing a dollar in 1949 now costs $1.34. It is interesting to note at the same time that an article that cost a dollar in 1939, before the outbreak of war, now costs well over $2. Where is this going to end? Deficit financing will continue this business of inflation of the cost of living, and when you get inflation of the cost of living you get labour troubles. There is no surer way to destroy a nation than to destroy the purchasing power of its money; and I think, honourable senators, that today it is one of the supreme matters that should have the first consideration of this Parliament.

I know how difficult it is to resist the pressures to spend money, but sooner or later some government will have to do it, and it will have to bring order out of financial disorder. It is in the interests of the freedom of our people and of their welfare in the long run that this be done. I am bound to say that from present indications I am not too hopeful for the immediate years ahead, but I shall say also that if a change of government took place now I would be much less hopeful about what might happen under such a change.

Hon. Mr. McCutcheon: I never knew you were so pessimistic.

Hon. Mr. Crerar: Honourable senators, it was my intention to discuss these matters on the resolution to refer the estimates to the Finance Committee. Now I forgo that. Usually when I speak I put my colleague Senator Power to sleep, but I note from present appearances he is wide awake. Therefore, honourable senators, I must have achieved some success in the contribution I have made to this discussion.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Lang, bill referred to the Standing Committee on Banking and Commerce.

THE ESTIMATES

FINANCE COMMITTEE EMPOWERED TO EXAMINE AND REPORT

The Senate resumed from yesterday the adjourned debate on the motion of the Hon. John J. Connolly:

> That the Standing Committee on Finance be authorized to examine and report upon the expenditures proposed by the estimates laid before Parliament for the fiscal year ending 31st March, 1965, in advance of the bills based on the said estimates reaching the Senate; and
>
> That the said committee be empowered to send for persons, papers and records.

Hon. Arthur M. Pearson: Honourable senators, before speaking on this motion I would like to know how an honourable senator can switch from one item to another. When he is prepared to speak on finance, how can he switch to the Estate Tax Bill? I do not see how those two topics gibe. However, the honourable Senator Crerar's excellent speech applies also to the motion for a reference to the Finance Committee. Therefore, I believe that when the committee has concluded its deliberations, it will present a good report.

Honourable senators, I would like to congratulate the Leader of the Government in the Senate for bringing this motion before the house; it is most timely, and we should have a thorough review of the estimates by the Senate.

I understand that the honourable senator Crerar, and also the late Senator Hawkins, when each served as chairman of the Standing Committee on Finance, produced reports, but in the reports of the committee of those days they dealt largely with topics other than the estimates. I hope that at this time the committee will stay within the bounds of the subject under review, the estimates themselves, and that it will not stray and deal with other subjects.

There is an urgent need at this time for a study of Government spending. We seem to be caught in a vicious circle just now, with a continuous round of deficit budgets, which are getting larger and larger as the years go by.

Just prior to the last war the total budget estimates were in the neighbourhood of $1 billion. In 1958-59 the budget stood at $5,179 million-odd. Two years later, in 1961-62, the total budget stood at $6,123 million. Now, in spite of the election promises of the present Government to have a balanced budget, the 1964-65 spending estimates stand at $6,703 million, very nearly $600 million more than they were in 1961-62, with every indication that there will be a further deficit.

I have taken some of the estimates, not by dividing them into separate departments but rather by taking the totals for all departments under separate headings, such as appear on this white sheet at the back of the Blue Book. One heading is "Travelling and removal." In 1958-59 the total spent by all departments under this heading came to $57,720,000-odd. In 1961-62 this had gone up to $67,258,000—an increase of $10 million. Now, in 1964-65, the estimates stand at $69,929,000-odd. So the spending under that one heading is still rising.

Under the heading of "Postage", in 1958-59 there was a total of $5,882,000-odd in 1961-62, a total was $6,319,000-odd; and this year the total has gone up to an estimated $7,068,000-odd. The Postmaster General, as quoted in the Regina *Leader-Post* of May 2 last, said that the real deficit of the Post Office Department is $37 million. He made that statement in the other place when he sought to have the four-cent urban postage rate raised to five cents. There have already been increases in the rates on registered mail, C.O.D. orders, special delivery, and other services.

Referring to the estimates under the heading "Telephone Communications" we see that in 1958-59 the total was $17,505,000. In 1961-62 the total was $22,574,000, and for 1964-65 it made an extremely high jump to $47,891,000, more than double that of 1961-62.

Honourable senators, these figures are small when we are considering a total budget of nearly $7 billion, but unless we start checking on our smaller items we will never arrive at the point where we will get rid of the deficit spending.

The telephone account is something that should be looked into quite seriously. I well

remember a very small instance of the squandering of public money by a bus driver. Apparently it became necessary to carry out some minor repairs on his bus in a small town, and he put through a long distance telephone call for authority to pay for the repairs because he had no authority to buy the parts locally. He got through to his headquarters, and when he had finished talking about the necessary repairs, he continued discussing matters of a social and general nature for almost 15 minutes. It is such disregard for cost that cause these extremely high telephone accounts.

Now looking at the estimated spending for one or two of the departments, we find that the Department of Labour anticipates reducing its 1964-65 spending by some $112 million as compared with the 1963-64 estimates, and the estimates of the Department of National Defence for 1964-65 are reduced by $108 million compared with those of 1963-64. Nevertheless, despite these large reductions, the total expenditure for 1964-65 is estimated to be $84 million more than in 1963-64. Why are other departments not making the same effort, as are the two I have mentioned, in achieving reductions?

Our economy is expanding quite rapidly and we should consolidate our prosperity at this time, allowing our people, as individuals, to consolidate their position through savings and investments, rather than encourage more and greater spending on welfare projects. It has always been held that given good exports and high gross national product there should not be any unemployment. Yet today we have both of these in good measure. We have good exports and an expanding economy, and yet unemployment stays with us. What then is the cause? Can the inquiry of the Finance Committee of the Senate into the budget estimates bring forth an answer? Is high taxation one of the causes? We must get the facts and give the facts to the public.

I trust that we will have a very full inquiry into the estimates and not into a great many outside subjects as was the case in previous reports.

There is some concern that we might run into a period of inflation in spite of the general prosperity we have in Canada. The cost of living is rising, and labour may make a determined effort very shortly to overtake this rise in the cost of living. If labour succeeds in getting an increase in wages, this, plus the high spending of government, will unquestionably lead to inflation. In this connection I shall read to you a quotation from the Ottawa *Journal* of May 13:

> Those who scoff at the dangers of inflation could well afford to acquaint themselves with the fact that this is one of the pressing problems now facing the western world. Over the last few years we have been more successful than many of the nations of western Europe in holding the price line against this enemy.
>
> We are courting trouble if our Federal Government proceeds in a manner which ignores inflationary dangers.

Further, in the Regina *Leader-Post* of May 14 there was an editorial which read as follows:

> On March 1, Canada's cost-of-living index reached 135 after a month in which prices rose along a wide front. Food costs were up, as well as prices of adult clothing, housing, piece goods, footwear and jewelry.
>
> The rise brought living costs to a record high level, 2.7 points above the index for the corresponding date in 1963.
>
> On a percentage basis, living costs rose in the year by two per cent. The index is based on the value of the dollar in 1949 being represented as 100. In other words, things which cost $1 in 1949 now cost $1.35. Living costs have increased by more than a third. Putting it another way, the buying power of the dollar has dropped by more than a third since 1949.
>
> These disturbing statistics give the lie to those who claim we should not worry about inflation. This enemy is at work in the economy, in an insidious creeping way.
>
> Those who have money put away in dollar savings and who may be happy over reaping a return of five per cent actually receive much less.
>
> On a $100 government bond they received $5 in interest. But the real value of the $100 declined by $2 in the year. So the net return was approximately $3—the equivalent of three per cent. It was even less for those who had to pay income tax on their dollar savings in bonds.
>
> If creeping inflation continues at the rate of two per cent a year, $100 invested in a 20-year five per cent bond has a real value in terms of buying power of only $60 at the maturity date.

Apparently in the United States they are having problems of a similar nature. In a speech at Bethany, West Virginia, Governor Nelson A. Rockefeller of New York said:

> Voters must choose this year "whether to have fiscal integrity and balanced budgets . . . or to continue massive federal spending which in four years will have added $28 billion to the national debt."...
>
> The Johnson administration, Mr. Rockefeller said, "has yet to meet the problems

of unemployment, as evidenced by the 4½ million men and women out of work."

That is an Associated Press report of a speech made at a convention meeting at Bethany College.

Honourable senators, I trust we will have a full inquiry into the spending and estimates for 1963-64, under the leadership of Senator Leonard, who is now chairman of this committee, and for whom most of the members of this chamber have considerable respect, since his career has been connected with financial matters. Under his capable leadership this committee should be in a position to give us a very fine report.

Motion agreed to.

COMPANIES ACT

SECOND READING

The Senate resumed from Thursday, May 14, the adjourned debate on the motion of Honourable Mr. Vien for the second reading of Bill S-22, to amend the Companies Act.

Hon. David J. Walker: Honourable senators, may I pause a moment to say what a very great pleasure it was the other day to have that distinguished corporation lawyer and veteran legislator (Hon. Mr. Vien) expound on the introduction of the second reading of this bill. It was a treat to listen to his words; and his clarity of thought and his simplicity of expression made this complicated bill much more understandable to all of us.

Surely, this bill is long overdue. In Canada we are in almost a jungle of corporation law. Under the letters patent jurisdiction, which includes Canada, we have one Corporations Act in British Columbia, another in Alberta, another in Manitoba, one in Ontario and one in Quebec. As a result, we have great confusion as between the different provinces and Canada.

It was very appropriate that almost a decade ago the Conference of Commissioners on the Uniformity of Legislation in Canada should have set up a special committee in order to bring about a uniform companies act. This committee, after labouring for years, drafted a revised uniform act under the letters patent jurisdiction, which I commend to all honourable senators. It is a very fascinating result after a great deal of labour.

This draft act is helping to bring about some uniformity in what promised to be a chaotic condition. Ontario has partly followed it, and so has Manitoba, and those who drafted Bill S-22 in the Department of the Secretary of State have given much cognizance to it.

This uniform act was studied at great length by that very dedicated body, the Commercial Law Section of the Canadian Bar Association. After amending it, and deleting parts of it, they made recommendations to the Canadian Bar Association which, at its meeting just last September at Banff, adopted it. Another dedicated body, the Canadian Institute of Chartered Accountants, have considered it, and have given a lot of very good advice.

After perusing the Ontario Act, an interdepartmental committee of the Department of the Secretary of State, with outside lawyers and accountants to assist it, has brought in what I consider to be—we have to be perfectly fair about this—a very commendable effort to amend the long-standing Dominion Companies Act.

I have had an opportunity of comparing this bill with the Ontario Companies Act of 1960. A great many of the amendments are taken from the Ontario Companies Act. It is appropriate that that should be so. In Canada when we incorporate a company we want it to be able to do business in many of the provinces, and it would be much simpler if we could have a good Canada Corporations Act, so that we could incorporate under a dominion charter. But there are ten times as many companies incorporating in the Province of Ontario as are incorporating with the Secretary of State at Ottawa. This is something that should not be, and this bill will do a great deal to alter that trend.

As I have said, this bill is long overdue. It is incredible to think that it is 30 years since the act was last revised. The last amending bill was pressed through Parliament by a great corporation lawyer who happened to be the Prime Minister of Canada at the time, the Right Honourable R. B. Bennett. After 30 years have passed we now have another bill to amend the Companies Act.

In saying this I do not mean to criticize anybody. After all, we had to wait until the special committee on the uniform Companies Act brought in its report. That report had to be approved by the Canadian Bar Association and by the Canadian Institute of Chartered Accountants. After receiving all that information the Secretary of State set up an interdepartmental committee assisted, as I have said, by outside help, and it has presented what I consider to be a worthwhile bill, which is a step in the right direction. Having regard to all the tremendous industrial and economic development in Canada during the past years, and the very modern corporate practices that have been adopted, the Companies Act is certainly in need of revision.

Honourable senators, may I review very briefly certain of the provisions of this bill?

I refer you first to clause 2 which provides that the statute shall now be called the Canada Corporations Act instead of the Dominion Companies Act. The connotation of the word "company" is very small. It emanated from joint stock companies, and "Corporations" is all inclusive. The word "Canada" had to be used to avoid confusion with the acts of Ontario, British Columbia and other provinces; and other foreign acts have their own names.

Clause 15, on page 11, contains a very worthwhile amendment which is in keeping with the spirit of Confederation. A company will be able to use either a French name or an English name, or both names at the same time. As a matter of fact, either or both names may be used on the company's seal. This is not compulsory; it is optional. It is an excellent step, one which mirrors the spirit we are all attempting to bring into Confederation.

Clause 6 simplifies greatly the application for letters patent so that it is more in accord with modern corporate practice. Many of us used to wonder why we had to get out a memorandum of agreement when making application. That practice was redundant, and it is now being abolished. The procedure is being simplified.

Clause 11, it will be noted, contains amendments to cover mutual fund shares so that there can now be no question about their legality. Such shares were a source of worry over the years. They were thought to be illegal, but there was no certainty as to whether they were or not, particularly under the dominion legislation. By this amendment they are made abundantly legal, and the amendment so states in a very simple way.

One of the great problems throughout the years has been that there have been so many dead or dying charters, or charters that have gone into disuse. There have been thousands of them in the various jurisdictions. For many it has been difficult to find the money necessary to surrender a charter.

Clause 16 provides a very simple procedure. What a great thing it is, honourable senators, to have simplicity in legislation with respect to surrendering a charter of a company that has no assets, and without paying any fee. The surrender of the charter of a company that has no assets can now be effected by declaration and notice in the *Canada Gazette*.

A great addition to the act, to my mind, can be found in clause 5. In the past great difficulty has been experienced by the Department of the Secretary of State, not in policing the corporations but in seeing that they carry out their duties. By this amendment the Secretary of State, through the Attorney General of Canada, can go to a court and apply for an order that a company be wound up. This is an excellent thing, and it should have been done long ago.

A company can be wound up, for instance, if the annual meeting of shareholders has not been held for two years, or if the company has committed other obvious misdemeanours. This simple procedure gives to the Secretary of State a power he did not possess before and is, therefore very helpful.

Another problem that anybody trying to supervise corporations has had occurs when the Secretary of State is not able to find any director to whom notice can be given. With respect to companies that are in default, part of clause 35 gives another power to the Secretary of State, and provides a procedure by which such a company may be dissolved. If a company has failed to file a summary with the Secretary of State, as is required by the act, for three years in succession, then the Secretary of State may give notice in the *Canada Gazette* of his intention to dissolve the company. If a further year elapses—and surely that is sufficient time—and the summaries have not yet been provided, then the Secretary of State can simply file a declaration that the company has, in fact, been dissolved. All this is very helpful.

Clause 29, on page 17 of the bill, contains an amendment which waives a special prospectus in dominion form. The preparation of a dominion prospectus was always a nuisance, and a lot of hard work, since it was different from the provincial prospectus. If a dominion company is selling shares in, say, Ontario, then even though it is a dominion company it is required to file a prospectus in Ontario form, and that prospectus has to be passed by the Ontario Securities Commission. The requirement that it file as well a prospectus in the dominion form is redundant, and so that provision is waived. It is now necessary only to file at Ottawa a duplicate certified copy of the prospectus filed in the Province of Ontario.

Again, at page 18, Clause 31, we find that, in accordance with our modern practice, it is necessary to tighten up the control over directors and officers dealing in the shares of a company. Instead of being permitted to do what they like for a whole year, the director or officer of the company will be required within 30 days to file a statement of all transactions in the shares, with the secretary of the company, who in turn makes a notation in a book which is open to the public. These are some of the helpful things we have.

Then, starting at page 19, by reason of the representations of the Canadian Institute of

Chartered Accountants, there are several pages setting out simply and succinctly the requirements concerning financial statements, a very important subject.

That is the requirement under modern accounting methods. There have been great changes in modern accounting practice, so that these financial statements, when filed, will comply with, first, modern accounting practice; secondly, with the amendments to the Companies Act; and, thirdly, with the new amendments to the Income Tax Act.

It is most important that proper financial statements should be filed. The law is rapidly changing.

In England, at the end of 1963, a decision in one of the most important cases in this generation was handed down by the House of Lords, entitled *Hedley-Byrne Limited vs. Heller Limited*, 1963 2 All England Reports. Under that decision, the liability for making a negligent or careless statement goes beyond any contractual relationship and goes as far as third parties not even known to the person making the statement but who nevertheless rely on the accuracy of the statement.

Of course there is a limit as to how far that can go, but it is of very great moment to the accountants, and renders the statements which they now make under contract to their corporations such that the accountant can be held responsible for them to third parties who rely on them provided they turn out to be made negligently or carelessly.

Therefore, Clause 34 makes it simple for the accountant or the actuary who is drawing up statements for the company to follow in detail the subclauses here, and so keep out of a great deal of trouble.

There are so many things in Bill S-22, I am trying to confine my remarks to show the advantages which accrue as a result of this bill. It is long overdue that we should have clauses to make it possible to amalgamate dominion companies. For years we did not have such procedures as are now set out in Clause 37, page 37. The trouble is that it is only applicable to Canadian companies, and to Canadian companies alone.

For instance, a Canadian company cannot amalgamate with a provincial company, although provincial companies—one in Manitoba and one in Ontario, for example—can amalgamate. This may be due to some conflict as to the effect of the British North America Act. It is hoped that some way may be found by which, in addition to amalgamating dominion companies, it will be possible to amalgamate a dominion company and a provincial company.

In conclusion, may I say that I approve of the principles of the bill. I hope that it may be sent to the Standing Committee on Banking and Commerce, presided over by that able chairman, Senator Hayden, where it can be studied and where I trust the chairman will give an opportunity to the Commercial Law Section of the Canadian Bar Association to make representations. I suggest that because there have been many omissions from this bill. There are certain clauses which are harsh, and others difficult to comprehend. This is not the time, in a discussion on the principle of the bill, to go into these details or to make any carping criticisms; but I trust that those persons I have mentioned may have an opportunity of being heard.

Furthermore, may I suggest to the honourable Leader of the Government in the Senate, who is so obliging in matters of this kind, that as and when the bill is finalized and royal assent is given, it should be the aim of the Government that what will now be known as the Canada Corporations Act will be consolidated. It is most unwieldly, as I know Senator Hugessen and other distinguished corporation lawyers have found, at the present time; and that will be found to be even more so with all these amendments added.

May I suggest also that the Department of the Secretary of State may have gone as far as it could go. It is true that if you have a suit of clothes and you get it changed to bring it up to style, you cannot do that more than two or three times, as the suit begins to look funny. So it is with an act which has been amended generation after generation. It becomes very cumbersome and unwieldy.

Honourable senators, my respectful submission to the Government is that, since corporations are so important to the economic life of this country, there should be set up a royal commission on corporations, which would also take into consideration what is now a very important element, share issues. Also the security laws of Canada should be gone into very carefully.

All of us appreciate the importance of banking. Every decade we set up a royal commission on banking; and the Porter Commission, which has brought in its report, has done a very efficient job. However, if banking is important, to my mind corporations are equally so.

There are literally thousands of corporations in Canada crying out for proper laws and for modern direction. My respectful suggestion is that a royal commission on corporations should be set up, composed of distinguished citizens who have a lot of common sense; and, after that, experts should draft a new act—not revise the old one.

This royal commission should take cognizance of the acts in many foreign countries. There are excellent clauses in many of those in the United States, where they have splendid corporation acts. There are some good acts in Europe also. Furthermore, the provinces can also be of valuable assistance.

This study would take a long time. It should not be left to a department to undertake. Therefore, we might get rid of this overly cumbersome act we have at the present time.

All in all, may I repeat that Bill S-22 is a step in the proper direction. I have no hesitation in supporting the principle of the bill on second reading, on the understanding that it will go to the committee for detailed working out, clause by clause.

Hon. A. K. Hugessen: Honourable senators, I think we must all feel greatly indebted to Senator Vien for his lucid explanation of this bill the other evening; and also to Senator Walker for his further explanation of the bill and the additional comments that he has made in respect of it. My only objection to both of those honourable gentlemen is this. They have said most of the things I intended to say and leave me with but little to go on with.

Having practised corporation law for over 40 years, I have had a great deal to do with this Companies Act and its predecessor. I fully agree with my honourable friends, that it is high time the act should be amended and brought up to date. As Senator Walker said, the last revision of the Companies Act was exactly 30 years ago.

Since that time, as my friend said, there have been a number of important developments in corporation law, and quite a number of those developments have been embodied in some of the provincial legislation dealing with provincial companies acts, particularly in the Province of Ontario. I think I can say that it is generally agreed that the Province of Ontario, as a result of its fairly recent amendments, has an extremely good and up-to-date corporation act. I am delighted to find that this bill that we now have before us proposes to insert in our present act provisions substantially similar, if not indeed entirely similar in some respects, to those now contained in the Ontario Corporations Act.

There are a good many provisions in this bill which I welcome very warmly, and which have been mentioned by those who preceded me. The provision in regard to mutual fund shares and the redemption of shares by mutual funds is very necessary. The changes that have been made and the simplifications that have been made in the sections dealing with alterations of capital structure are, I think, valuable. I agree also that the prospectus provisions, in so far as they have been simplified to make it unnecessary for a company to comply with the dominion prospectus requirements, when it has already complied with similar requirements in its own province, is valuable.

I am particularly happy to see in section 116 and following, changes which greatly enlarge and put into more detail the information which companies are required to give to their shareholders in submitting the annual accounts—requirements as to what is contained in the profit and loss account, the statement of surplus and the balance sheet, and the additional information which companies may be required to give under the circumstances set out in section 120. I think that is all to the good, and all in accordance with the modern practice under which, I think everybody agrees, every shareholder of every public company is entitled to a full and complete disclosure of the financial position of that company at the end of every fiscal year.

I also agree that the provisions covering amalgamation of federal companies as included in this bill may be of considerable value.

I have one minor comment to make in relation to a provision which will be found on page 37 of the bill, as the new section 125A. Section 125 of the present act is the section which requires every federal company to file an annual summary with the Secretary of State, accompanied by a moderate fee. This summary contains a certain amount of information, not very much; but here we have section 125A, which it is proposed to add, and which I will take the liberty of reading to the house.

> 125A. The Secretary of State may at any time by notice require any company to make a return upon any subject connected with its affairs within the time specified in the notice, and on default in making such a return every director of the company is guilty of an offence.

That seems to me to be going rather far, honourable senators. I do not make any immediate criticism of that provision, other than to say that I think when the bill comes before us in committee we should make very certain that there is justification for giving this extraordinary power to the Secretary of State. That is the only criticism of any detail that I have been able to find so far in my consideration of the bill. This section looks much like some of the sections that we used to see in the wartime legislation, where ministers could do anything or require anything, and insist upon and demand anything. I am, you might say, from Missouri in respect

of section 125A, and I think we should investigate that when we have departmental officials before us in the committee.

Hon. Mr. Farris: Does that section give the length of the term?

Hon. Mr. Hugessen: No. It says, "within the time specified in the notice." The minister can make it as short as he likes, and if the company does not comply with that requirement, every director of the company is guilty of an offence. That is pretty strong, honourable senators.

I do not think I ought to finish these remarks without paying what I think is a very well-deserved tribute to the Companies and Corporations Branch in the Department of the Secretary of State. They are the people who administer this very important act. They have a very great deal to do. It affects vast numbers of corporations. From my personal experience, lasting over many years, I can say truthfully that I think we have received out of the Companies and Corporations Branch in the Department of the Secretary of State excellent service, and service which has been for the good of the country.

I agree with Senator Walker that this bill deserves the most careful consideration before the Banking and Commerce Committee, and I am quite sure that when we are through with it and when the bill has been enacted into law it will substantially improve the present provisions of our Companies Act.

Hon. John J. Connolly: Honourable senators, I do not propose to detain the house for more than a few minutes in respect of this bill.

I should like, first, to thank Senator Vien for undertaking the explanation of the bill and for having done so in such a thorough and clear way. I should like also to thank Senator Hugessen for the comments that he has made, which have been very helpful. And, if I am not impertinent, I should like to congratulate Senator Walker, a very experienced parliamentarian, on what I think may have been his maiden speech in the Senate, and to say how helpful the remarks that he has made have been to the house, and I am sure will be to the committee as well. To all three honourable senators, we are greatly indebted.

It has been said that this is a lawyer's bill. In one very restricted sense it is, because I think it is the lawyers who are primarily concerned with the operation of company law. However, it is also a bill for the accountants; and as Senator Walker said, a good many of the provisions in this measure are there because of developments in corporate accounting practices. I think, too, as has been emphasized, that because of the multiplicity of corporate citizens we have in this country, because of the economic development we have experienced over the years, it is highly important that our corporation law should keep step with that industrial and commercial development.

Senator Walker drew attention to the fact that there are a great many companies, important companies, in many communities which are not incorporated under federal law but are incorporated provincially, mainly because their objects are carried out within the scope of the provincial jurisdiction. Many of them, as Senator Walker well knows, are so incorporated because of the special mortmain laws which apply in the given province; sometimes it is an advantage for a corporation to incorporate locally for that reason alone. However, the fact is that the corporation law of Canada must at all times be in step with Canadian development. When a company wants to incorporate federally and operate in various jurisdictions, it should not experience many of the difficulties and impediments that exist under the act as it stands today.

I believe these amendments are a step forward. However, I would say—and I speak on behalf of the Government—that this bill has been entrusted to the Senate because of the special kind of work a Senate committee can do. This bill is before us for the purpose of being improved by amendment, to the extent honourable senators feel it can be done.

I have been informed that the Canadian Bar Association, the federal Chartered Accountants' Organization, and several of the important boards of trade and chambers of commerce of this country, who have done important studies on these matters, will seek representation before that committee. I am sure these representations will be listened to with sympathy; they will probably be helpful, I think, not only to the discussion in committee but also with regard to the terms of the bill itself.

I believe that the Companies and Corporation Branch of the Secretary of State Department are fortunate in finding themselves in such competent hands as the Senate Committee on Banking and Commerce. The committee might well consider and make a recommendation, if this is within its terms of reference, that the act should very shortly be consolidated, when these amendments have been put together.

I sincerely thank all honourable senators who have participated in this debate for the contributions they have made.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Connolly (Ottawa West), for Hon. Mr. Vien, bill referred to the Standing Committee on Banking and Commerce.

PRIVATE BILL

SEICHO-NO-IE—SECOND READING

Hon. David A. Croll moved the second reading of Bill S-23, to incorporate Seicho-No-Ie.

He said: Honourable senators, in moving the second reading of the bill may I say, first, that it is in the usual form so far as religious incorporations are concerned. However, it is perhaps unique in that it is, as far as I know, the first incorporation by the Parliament of Canada of a religious body having its origin in Japan.

Let me assure honourable senators that this bill is not unprecedented. In 1949 the Parliament of Canada incorporated, by Chapter 25 of the statutes of that year, the National Spiritual Assembly of the Bahá'ís of Canada, which was assented to on April 30, 1949.

The name of this religious body in English means, "The House of Life, Wisdom and Abundance." The founder of the movement was Dr. Masaharu Taniguchi, a scholar born in Kobe, Japan, in 1893, who majored in English literature at Waseda University in Tokyo. He was a student of many religious philosophies and was ardent both in prayer and meditation. Indeed, the movement which he originated reveals the eclecticism of the founder in that he sought the truth wherever it might be found.

The movement is non-denominational, being based on universal truth. It neither bars nor excludes any true religion. Its basis is the essential brotherhood of all men and the essential unity of all religions which, in their view, are confirmations of a basic truth which has appeared in various forms, depending on time, place and race—for example, Christianity, Judaism, Buddhism and Shintoism. One rule common to all and basic to Seicho-No-Ie is the so-called Golden Rule: Do unto others as you would be done by.

I will not go further into the characteristics of the religion, other than to assure honourable senators that it is a peaceful, non-violent and sincere religious movement, and one that has no connotations inimical to the welfare of this country. It has more than five million adherents in Japan, with 1,800 assemblies, including centres in all the principal cities. There are also assemblies in Brazil, Peru, Germany, France, the United Kingdom and Sweden. There are approximately 1,200 adherents in Canada, with assemblies in Vancouver, New Westminster, Richmond and Steveston in British Columbia, and others in Hamilton, Montreal and Toronto. The organization is incorporated in California, Japan, Hawaii, Brazil and Mexico. Its main centre in North America is Los Angeles.

In this country, with its deep tradition of freedom, I do not think it is necessary for me to enter a special plea for freedom of religion. Freedom of religion is, of course, the first human right claimed under any bill of rights and, needless to say, is set forth in the clearest possible terms in the Canadian Bill of Rights.

If this bill receives second reading I shall move that it be referred to the Standing Committee on Miscellaneous Private Bills, where members of the movement will be able to answer any questions which may occur to honourable senators.

Hon. Mr. Farris: Have we a copy of the bill?

Hon. Mr. Croll: Yes. It is Bill S-23.

Hon. Mr. Hayden: Yes, we have it.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Croll, bill referred to the Standing Committee on Miscellaneous Private Bills.

INCOME TAX ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-91, to amend the Income Tax Act.

Bill read first time.

Hon. John J. Connolly moved that the bill be placed on the Orders of the Day for second reading on Tuesday next.

Motion agreed to.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, May 21, 1964

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

Prayers.

ROYAL ASSENT

NOTICE

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

GOVERNMENT HOUSE
Ottawa

May 21, 1964

Sir,

I have the honour to inform you that the Hon. Robert Taschereau, P.C., Chief Justice of Canada, acting as Deputy to His Excellency the Governor General, will proceed to the Senate Chamber today, the 21st May, at 5.45 p.m. for the purpose of giving Royal Assent to certain bills.

I have the honour to be,
Sir,
Your obedient servant,

A. G. Cherrier
Assistant Secretary
to the Governor-General

The Honourable
The Speaker of the Senate

LIBRARY OF PARLIAMENT

REPORT OF JOINT COMMITTEE

The Hon. the Speaker: Honourable senators, I have the honour to present a report from the Joint Committee on the Library of Parliament, recommending that salary rates of the professional classes in the Library of Parliament be brought in line with the recently revised salaries paid for comparable positions in the public service.

Honourable senators when shall this report be taken into consideration?

Hon. John J. Connolly moved that the report be placed on the Orders of the Day for consideration at the next sitting.

Motion agreed to.

For text of report see appendix, p. 538.

DOCUMENT TABLED

Hon. John J. Connolly tabled:

Statutory Orders and Regulations published in the *Canada Gazette*, part II, of Wednesday, May 13, 1964, pursuant to section 7 of the Regulations Act, chapter 235, R.S.C., 1952. (English and French texts).

ESTATE TAX ACT

BILL TO AMEND—AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. William H. Taylor, for Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the following report of the committee on Bill C-94, to amend the Estate Tax Act:

Your committee recommend that authority be granted for the printing of 800 copies in English and 300 copies in French of their proceedings on the said bill.

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

Hon. Mr. Taylor (Norfolk): I move, with leave of the Senate, that the report be adopted now.

Report adopted.

REPORT OF COMMITTEE ADOPTED

Hon. Mr. Taylor (Norfolk) for Honourable Mr. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill C-94, to amend the Estate Tax Act, and had directed that the bill be reported without amendment.

Report adopted.

THIRD READING

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

Hon. Daniel A. Lang: Honourable senators, with leave of the Senate, I move that the bill be read the third time now.

Motion agreed to and bill read third time and passed.

THE ESTIMATES

REFERRED TO FINANCE COMMITTEE—AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. T. D'Arcy Leonard, Chairman of the Standing Committee on Finance, to whom was referred the Estimates laid before Parliament for the fiscal year ending 31st March 1965, presented the following report:

Your committee recommend that authority be granted for the printing of 800 copies in English and 300 copies in French of their day to day proceedings on the said estimates.

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

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

Report adopted.

ADJOURNMENT

Hon. John J. Connolly: Honourable senators, I move, with leave of the Senate, that when the Senate adjourns today it do stand adjourned until Monday next, May 25, at 8 o'clock in the evening.

Hon. Mr. Beaubien (Bedford): Would the honourable Leader of the Government not consider sitting Tuesday afternoon and Tuesday evening rather than Monday evening and Tuesday afternoon?

Hon. Mr. Connolly (Ottawa West): I can understand the situation of my honourable friend. I would point out, however, that we have a good deal of legislation on the Order Paper, and there is also a considerable amount of committee work to be done. I think the committee work requires almost as much attention as does the work of the house itself.

I do not wish to give the impression that there is any attempt to overwork this honourable chamber, but I should say that we may be sitting Monday evening, Tuesday afternoon, and Tuesday evening as well. That announcement may help my honourable friend, and other honourable senators.

Hon. Mr. Beaubien (Bedford): Can we count on sitting Monday night?

Motion agreed to.

GOVERNMENT PRINTING BUREAU

INQUIRY ANSWERED

On the Notice of Inquiry of Hon. Mr. Pouliot:

1. What reports and other publications were published during the last fifteen months by the Printing Bureau for each house of the Parliament of Canada and for each one of the various branches of each department, each commission and each agency of the Government of Canada and what are those which have been printed only in English or only in French, or in both English and French languages?

2. What reports and periodicals are being published daily, weekly, semi-monthly, monthly and yearly by the Printing Bureau in English or in French or in both languages?

3. What aforesaid reports and periodicals are edited by a French editor or by an English editor or by both an English and a French editor?

4. During the above-mentioned period, did the Printing Bureau print any books which had nothing to do with the Parliament or the Government of Canada, and, if so, what were their titles and the names of their authors?

Hon. Jean-François Pouliot: Answered privately.

Honourable senators, yesterday my honourable colleague Senator Isnor made the suggestion that the information which had been personally given to me in answer to this inquiry should be given to the Standing Committee on Finance. Therefore, I am pleased to pass to my honourable friend a voluminous answer in French, and the same in English, concerning the Printing Bureau. It is the catalogue of publications printed by the Printing Bureau during the year 1962. I have asked for the information for fifteen months, but I agreed to accept it for twelve months, and I am sure that it will occupy the leisure moments of my honourable friend during the weekend.

Besides that, I have a list of the publications printed by each department, and the bulky books come from the Printing Bureau, and the bulky file comes from nearly all departments. There are one or two that have not answered, but I am only too glad to send that information to my honourable colleague in the hope it will be useful to him and to the committee.

I see the Chairman of the Standing Committee on Finance (Hon. Mr. Leonard) is at his desk, so I shall send him the English copy and I shall send the French copy to Senator Isnor.

I would suggest, in all deference, that the chairman and other members of the Finance Committee get in touch with the Department of the Secretary of State with a view to having a bus made available to take the whole committee to visit the Printing Bureau before studying those papers, but I shall not insist upon it. If you look at the catalogue you will see that a lot of printed matter comes out of the bureau.

TRANSLATORS AND INTERPRETERS

NOTICE OF INQUIRY STANDS

On the Notice of Inquiry of Hon. Mr. Pouliot:

1. During the last fifteen months, how many translators and interpreters have been employed in each department, agency or commission of the Government of Canada.

(a) in Canada,

(b) in other countries?

2. What is the total number of translators and interpreters who have been, during the said period,

(a) employed and paid by the Government of Canada,

(b) appointed by the Civil Service Commission after examination, and belong to the Translation Bureau,

(c) appointed by Order-in-Council and do not belong to the Translation Bureau?

3. How many translators are employed for the translation of the correspondence of the departments, commissions and agencies of the Government of Canada?

4. How many books have been translated by the Translation Bureau during the same period,

(a) from English into French, and

(b) from French into English?

Hon. Jean-François Pouliot: Honourable senators, with respect to this inquiry I must remind you that a translation made outside of Canada is a very delicate matter, and it is important for us to know who are the translators in the various diplomatic posts of Canada throughout the world. Those translators handle all the secret correspondence.

I remember that when the Canadian Embassy was created in Japan there was for a time no Canadian on the staff who knew the Japanese language. The first Canadian who went there as a translator some years after was Mr. Norman of the Department of External Affairs.

I remember also that at the outset of the war there was a foreign embassy in Ottawa, at the corner of Nelson Street and Daly Avenue, which was a nest of spies.

We must be very careful about translations, and it is as much in the interests of the Department of External Affairs and the country at large that we should have this information. All those Canadian diplomats who should have answered this question a long time ago are too busy in social engagements. They should curtail some of them, and first think of answering the orders of the Parliament of Canada, whether they are given by the Senate or the House of Commons.

Inquiry stands.

CUSTOMS TARIFF

BILL TO AMEND—THIRD READING

Hon. John J. Connolly, for Hon. Salter A. Hayden, moved the third reading of Bill C-92, to amend the Customs Tariff.

Motion agreed to and bill read third time and passed.

JUDGES ACT

SECOND READING

Hon. Arthur W. Roebuck moved second reading of Bill C-96, to amend the Judges Act and the Exchequer Court Act.

He said: Honourable senators, this bill to amend the Exchequer Court Act and the Judges Act has special reference to the proceedings of this house with respect to the dissolution and annulment of marriages. In consequence, the Leader of the Government has very kindly referred the matter to me, and I thank him for doing so.

Honourable senators, in the first place, I would like to make it clear to all my fellow senators that these amendments to the two acts involving the procedure to some extent of the Divorce Committee. in no way change the substance of the law and in no way affect the jurisdiction of the Parliament of Canada or indeed the authority of His Honour the Speaker in this regard. The bill affects only procedure.

The British North America Act, Section 91, states that:

> —the exclusive Legislative Authority of the Parliament of Canada extends to all Matters coming within the Classes of Subjects hereinafter enumerated . . . 26. Marriage and Divorce.

It has been under that authority that Parliament, since 1867, has granted divorces on the individual basis by special parliamentary action in each case.

When, in the last session, we passed the Dissolution and Annulment of Marriages Act, we made no change in that principle: we changed only the procedure. Parliament empowered the Senate at that time to grant parliamentary divorce by resolution rather than by bill of divorce, although the latter procedure was also retained. The principle of parliamentary action by special resolution of this division of Parliament based on each individual petition remained the same.

Honourable senators will remember that the Dissolution and Annulment of Marriages Act also empowered the Speaker of the Senate to designate an official of the Senate to hear the evidence in support of the various petitions under the act and to report to the Senate his findings and recommendations. That act gave the Commissioner no authority to dissolve or annul marriage. The Commissioner recommends only, and the Senate acts on its own authority exclusively—usually in accordance with the recommendation of the Commissioner but not necessarily so.

The Commissioner's reports are received and considered by the Standing Committee of the Senate on Divorce, and it is upon the

reports of that committee that the Senate acts in adopting the resolutions which I, as chairman of that committee, have the honour to move from time to time.

Therefore, the dissolutions and annulments of marriages which we grant in this chamber as a part of Parliament are parliamentary enactments by this branch of the Parliament of Canada.

Bill C-96, to which I am addressing myself and which is before you, opens the way for the appointment of our present Commissioner as a judge of the Exchequer Court of Canada. However, I want this distinction clearly understood, that it does not place the petitions or the proceedings upon the petitions under the Exchequer Court Act. The proceedings remain as they are, under the Dissolution and Annulment of Marriages Act.

Bill C-96 makes no alteration in principle of the parliamentary action. It gives the Commissioner no authority in respect to matrimonial causes which he does not now possess. His recommendations, if this measure is passed, will not be decrees of the Exchequer Court; they will be recommendations, as they always have been, and we will exercise the final authority.

Hon. Mr. Méthot: May I ask a question?

Hon. Mr. Roebuck: Certainly.

Hon. Mr. Méthot: Can we be sure that if this measure is passed by the Senate it will actually have the same effect in law?

Hon. Mr. Roebuck: When the honourable senator says "the same effect," that is a sweeping statement. He is asking me what are all the circumstances, all the possible and imaginable conditions. My only answer could be that it is the same so far as its application to the dissolution of a marriage is concerned. It has the same effect as if a bill of divorce were passed dissolving a marriage. There is no distinction. So far as that is concerned, when we pass a resolution in this house dissolving a marriage, it is just as completely dissolved, and the parties stand in exactly the same position with regard to future marriage, as if a bill of divorce were passed by both houses.

Now, should the Commissioner at some future time find leisure—which I can assure you is most unlikely from present indications—to sit as a judge of the Exchequer Court, he will of course be addressed as "Your Lordship"; but when he is presiding in our jurisdiction under the Dissolution and Annulment of Marriages Act, he will still be "Mr. Commissioner".

Hon. Mr. Farris: Will that be a demotion?

Hon. Mr. Roebuck: Not at all. He is Mr. Commissioner now. If he becomes a judge of the Exchequer Court, his duties in so far as we are concerned will be under the Dissolution and Annulment of Marriages Act, in which he is described in our rules as a commissioner.

Let us now consider the sections of Bill C-96. First, I refer to subsection (1) of section 4, which says:

> The Exchequer Court shall consist of the President and six Puisne Judges, who shall be appointed by the Governor in Council by letters patent under the Great Seal.

If honourable senators will refer to the Exchequer Court Act as it now stands, they will see that that act provides for five judges of the court. The bill now makes it possible for the Government to appoint by order in council six puisne judges. I not only understand, but the Minister of Justice has said, that it is the intention of the Government to appoint our present commissioner, Mr. Allison A. M. Walsh, Q.C., as that sixth judge. However, honourable senators, Mr. Walsh is now the Commissioner appointed by His Honour the Speaker of this house, and so a further provision was necessary in the Judges Act. Section 3 of the bill provides:

> The Exchequer Court Act is further amended by adding thereto, immediately after section 6 thereof, the following section:
>
> 6A. "A judge of the Court designated by the Speaker of the Senate for the purpose of this section after consultation with the President of the Court, if he is granted leave of absence for such purpose by the Governor in Council from his duties as a judge of the Court, has and may exercise and perform all of the powers, duties and functions of the officer of the Senate referred to in section 3 of the Dissolution and Annulment of Marriages Act."

That section gives the power to the Speaker of the Senate, in consultation with the President of the Exchequer Court, to select a judge of that court to sit as commissioner *persona designata*, under the Dissolution and Annulment of Marriages Act.

There is a good deal to be said as to what is to be gained by that procedure. In the nature of things, a judge hearing five, six, seven or eight cases a day cannot continue to do so indefinitely without absence from his work. He may at times want to take a trip; he may fall ill; or, in time—and I hope it will be a long time from now—he may reach retirement age. This provision facilitates this chamber, by action of His Honour the Speaker, to select any other judge of the Exchequer Court, in consultation with the President of

that court, to get by order in council leave of absence for that judge and to designate him a commissioner under this act.

We would, therefore, have much greater facility than at present, should it be necessary to find someone, either temporarily or permanently, to take the place of our present commissioner.

Furthermore, if, for instance, domestic peace should reign in the Province of Quebec, and all the spouses got along well together so that there would be fewer divorces or none at all, our Commissioner would not be left without anything to do. In all probability, he would sit on the Exchequer Court bench as a judge.

Hon. Mr. Walker: May I ask a question of the honourable senator?

Hon. Mr. Roebuck: Yes.

Hon. Mr. Walker: Would the honourable senator be good enough to say, if the present commissioner becomes an Exchequer Court judge, where the sittings of divorce hearings would be held? Would they be held in the Exchequer Court, or here?

Hon. Mr. Roebuck: They would be held in the West Block, where they are being held now. There will be no change whatsoever. This is not an amendment of the Dissolution and Annulment of Marriages Act.

Let me comment further with regard to that. This amendment to the Exchequer Court and Judges Act does not limit in any way the right of His Honour the Speaker to designate any other person than a judge of the Exchequer Court to be the commissioner under that act. In that regard he has the whole world before him to choose from, just as he has had.

Hon. Mr. Aseltine: We would not want him to exercise his right in that way.

Hon. Mr. Roebuck: No. However, there might arise circumstances when it would be most advisable to do so. The Exchequer Court also has its docket of very important cases, and the time might arise when our Commissioner could no longer sit, perhaps temporarily, and the judges of the Exchequer Court might be very busy; or, it might not be desirable for some other reason that a judge be taken from the bench for a temporary purpose. His Honour the Speaker, therefore, retains as much authority as he ever had to select anybody who in his judgment would satisfactorily perform these functions.

Until now I have been discussing our own convenience. The question naturally arises as to what would be gained by authorizing our Speaker to designate a judge of the Exchequer Court. Mr. Walsh is now acting as commissioner and, in my judgment, very satisfactorily so. He is a man of considerable legal knowledge, is a sound and capable lawyer, and very industrious. What I like very much about him is the quiet, judicial manner in which he conducts the proceedings before him; he is very satisfactory. I have no desire, as I suppose no one else in this chamber has, to make any change in that arrangement, but there are a number of reasons compelling us to support this amendment.

In the first instance, the appointment, as I have indicated, will give the Commissioner the status and dignity of a judge of the Exchequer Court, and in my judgment this is desirable both from his standpoint and ours. He is dealing daily with counsel and witnesses in judicial proceedings, and it would certainly be advisable that he should have the status and dignity—shall I call it the "kudos"—to which the public is accustomed.

The salary the Commissioner will receive as a judge of the Exchequer Court and as the Commissioner under us will not be affected by this alteration, but the incidental benefits enjoyed by a judge are considerably superior to those of a civil servant. The Commissioner is a civil servant today; when this act is passed he will be a judge.

The first of these benefits is security of tenure. Under the Dissolution and Annulment of Marriages Act the designation by the Speaker of this chamber may be revoked at any time and on a moment's notice, while a judge's appointment is permanent—formerly for life, and now until his statutory retirement age. Why any lawyer with a successful practice would abandon it to accept a position terminable at any time, at pleasure, on a moment's notice, is beyond my comprehension, and is not a fair deal for us to put up to anybody.

The second of what I might call in colloquial terms "the fringe benefits" is in regard to pensions. A judge of the Exchequer Court can retire at the age of 70 years, and after 15 years' service, with the approval of the Governor in Council, his pension is two-thirds of his salary or, in this particular instance, $14,000 per annum. And note, that pension is not contributory—a very important point. At 75 years, according to the act, he must retire, but he does so on full pension irrespective of the years of service; and in the event of retiring because of disability, he retires upon full pension, and at any time he does retire he has the full pension irrespective of his years of service.

Contrast that, honourable senators, with the pension of a civil servant. To begin with the civil servant's pension is contributory. A person with Mr. Walsh's rate of salary is subject to an annual deduction of $1,040. The normal retirement age of a civil servant is 65

years, when after a minimum of 13 years' service a civil servant such as he would be entitled to a pension of $4,160. A civil servant is sometimes permitted to continue to 70 years of age, in which case the pension would be $5,760. Contrast that with the pension of $14,000 to a judge of the Exchequer Court. And even that is not all the distinction, shall I say, in fringe benefits.

For a civil servant's widow to qualify for any pension, the civil servant must have had five years' service behind him. If he had not, she gets no pension. Then, if there is five years' service she will receive 1 per cent of his salary for each year of his service. Were our commissioner to serve as a civil servant until 65 years of age, his widow would then be entitled to a pension of $2,080. Contrast that with the pension of a judge's widow. It is one-third of the pension a judge would have received had he lived to that time, or $4,666 per annum. This is more than double the pension paid to a civil servant's widow under similar circumstances.

While financial considerations are therefore very important to a person accepting a position of this kind, I am perfectly sure that such considerations rate second in the mind of our present commissioner to the prestige and dignity which this procedure before us will afford him—the dignity attaching to the office of a judge. And yet, when you consider the importance and the quality of a judge's position and his work, the salary paid, the security of tenure, the pension protection to him and his wife are not excessive. What a judge receives is not greater in value than what a successful barrister and solicitor may expect to earn after some 25 years of private practice in his office and at the bar.

Let me emphasize that there is nothing new in this procedure of designating a member of the bar *persona designata* to some extramural service. It is not a departure from the usual; there are many precedents. Let me mention an outstanding one. In 1948 the Railway Act, the Exchequer Court Act and the Judges Act were all three amended to permit a judge of the Exchequer Court to act as Chief Commissioner of the Board of Transport Commissioners. Section 10(2) of the Railway Act was amended, and it is so close to what we are doing in this instance that it is worthwhile reading it:

> Any person may be appointed Chief Commissioner who is a judge of the Exchequer Court, and, notwithstanding anything in this or any other Act but subject to subsection two b, he may continue to be and to exercise the jurisdiction of a judge of the Exchequer Court and may hold and perform the duties of the office of Chief Commissioner.

The qualification of subsection 2 provided for an addition to his salary.

The first Chief Commissioner of the Board of Transport Commissioners who was a judge of the Exchequer Court appointed under the authority I have just read was Mr. Justice Kearney. He served for one term of seven years, and then retired. He retired to the Exchequer Court bench, where he is now rendering distinguished service as a judge of that court. Illustrations are unending. The judges of the Exchequer Court now serve on the Court Martial Appeal Board. They also serve on the Copyright Appeal Board.

Hon. Mr. Choquette: Do they give judgments?

Hon. Mr. Roebuck: They do; and not only that, but they pass on the judgments of others. They are on the appeal board. That is extramural from their work on the Exchequer Court, and is quite different.

The justices on the Supreme Court of Canada, the highest court in the land, have frequently acted in an extramural capacity. Honourable senators will all remember that Mr. Justice Rand acted for the United Nations, inquiring into and reporting on the future of Israel when the British withdrew from Palestine. He rendered splendid service not only to Canada but to the United Nations.

Hon. Mr. Farris: Did you say he was acting as a judge?

Hon. Mr. Roebuck: Well, he was a judge, and he was acting under the authority of the United Nations, just as our Commissioner will be a judge, acting under the authority of the Dissolution and Annulment of Marriages Act.

Honourable senators will also remember that Mr. Justice Kellock was a commissioner appointed by act of Parliament to arbitrate in the dispute in the railroad industry. That is not long ago.

Judges of the supreme courts of the provinces have frequently acted as conciliators in industrial disputes and on royal commissions. A recent example of this is the appointment of Mr. Justice Roach to inquire into organized crime in the Province of Ontario.

From what I have said honourable senators will realize that there is ample precedent for what is proposed in Bill C-96. But let me emphasize again that the elevation of our Commissioner to this status of a judge does not alter in any way the principle of parliamentary divorce, nor does it detract in any way from our freedom of action regarding our own Commissioner. We should bear in

mind, of course, that should we wish at some future time to change our present method of handling these cases, or indeed to change our Commissioner, the Commissioner, who is also a judge of the Exchequer Court, has an open door at all times. That, I think, is very important.

In conclusion, I should mention that Mr. Walsh accepted the position of commissioner under the Dissolution and Annulment of Marriages Act on the undertaking of a member of the Government that he would be made a judge of the Exchequer Court. I understand from him that he would not have abandoned his practice and accepted that position in the absence of such a promise.

Hon. Mr. Choquette: Who had authority to give an undertaking of that sort?

Hon. Mr. Roebuck: I certainly did not give such a promise, and of course it is not at all binding on this house. At the same time, under the circumstances I should not like to be charged with dishonouring that undertaking after he has accepted the position and has worked for some months. I think it would be most unfair for us to lead him into that position on a promise by the Government of his own country, and then to dishonour the promise.

I am not prepared for one moment to suggest that this sets any precedent to be followed in the future, but under the present circumstances I think the situation is exceedingly compelling upon us to honour the promise made by a high official of the Government of Canada.

For all the reasons which I have given, and I have given a good many in this very condensed address, I commend Bill C-96 to your favourable consideration.

Hon. Mr. Farris: I would like to ask my honourable friend a question. I am in entire agreement with what he has said; but I am puzzled to see how we get the Commissioner up to the status of a judge. Section 6A says that if a judge is granted leave of absence from his duties as a judge of the Exchequer Court he may exercise and perform the powers, duties and functions of a commissioner. How then is it that the Commissioner is raised to the status of a judge by this section? This is something I do not understand.

Hon. Mr. Roebuck: This question has many sides. The Commissioner is raised to the status of a judge when he is appointed a judge by order in council. This has in fact already been announced. It is true, there is nothing in the bill to that effect. But judges are not appointed by Act of Parliament; they are appointed by order in council.

Hon. Mr. Farris: But somewhere there is an act that authorized the order in council.

Hon. Mr. Roebuck: I have not gone into that because naturally that is the basis of all appointments. It comes under the provisions of the Exchequer Court Act. But I do not have the details clearly in my mind at the moment.

Hon. Mr. Farris: That is what I wanted to get clear.

Hon. Mr. Roebuck: There is no doubt that the Governor in Council has that authority under the act; nor is there any doubt that the Minister of Justice has assured Mr. Walsh, and has so announced, that he will be appointed to occupy that sixth position.

Hon. C. G. Power: I wish to ask a question along the same lines.

I gathered in listening to the observations of my honourable friend Senator Roebuck that in the Railway Act, or one of the other acts to which he referred, there is a reference to the head of the Board of Transport Commissioners and to the fact that the person so appointed, being a judge of the Exchequer Court, would remain a judge of that court after he had finished performing his duties as the head of the transport board. However, there is no such provision in this case.

Did I understand my honourable friend to say that under the Railway Act there is some provision assuring the person who becomes head of the transport board that when he relinquishes those duties he is once again a judge of the Exchequer Court, and is regarded as such a judge?

Hon. Mr. Roebuck: That is true. But there is nothing in this particular case that disqualifies the Commissioner to be a judge simply because he accepts a position *persona designata*. I think we can assume that if Parliament desired him not to be a judge of the court it would say so in the act. The whole purpose of this legislation, and its obvious purpose, is to make him a judge, and to allow him to act in these judicial proceedings with the title of a judge.

Hon. David Walker: Honourable senators, I hope I will not exacerbate the feelings of the honourable senator who has stated the purported object of Bill C-96 when I ask him if this is really not the thin edge of the wedge in the final and irrevocable transfer of the duties of the Senate in regard to divorce to the Exchequer Court of Canada. This is really the first step in that direction.

Mr. Walsh is by this legislation being raised from the position of a commissioner to that of an Exchequer Court Judge. If this legislation is passed His Honour the Speaker may call on Mr. Justice Walsh, as he then will be,

or on any of the other five judges of the Exchequer Court, to act, and then the Exchequer Court, in reality, will become a divorce court but there will still be the formalities and trappings of the Senate's giving its final approval. Is that not really the object of this bill?

Hon. Mr. Roebuck: Honourable senators, I think I can say positively and effectively that that is not the purpose of this bill. It was not conceived with that thought, nor carried through with that object.

Let me point out that while, perhaps, it would facilitate the transfer of power from Parliament to the court, there has been no difficulty in doing that at any time. If at any time in the future we desire to transfer our authority with respect to divorce to the Exchequer Court, or to any other court, a simple Act of Parliament, passed by a majority of the members, will do the job. We do not need to take that procedure step by step.

There is no need to train our judges in the way we are training our Commissioner. They now handle divorces in all provinces with the exception of two. The judges of the courts of the provinces of Quebec and Newfoundland are entirely competent to take over this work when we, in our wisdom, desire to make the change. These incidental and, in some respects, unimportant procedural changes have very little to do with the object to which my friend refers.

I can appreciate people thinking that we are getting in the thin edge of the wedge, as it were, but that is not so. If we want to do it, then we can do it without any trouble. However, do not think it would be a small matter to do so. It would be changing the whole basis of divorce that has existed since 1867, during which time parliamentary, and not judicial, divorces have been granted. Such a move would be strongly opposed by some people, although not by me. I think it would be fine, but it is not in the interests of Canada to compel any province to have a divorce court if it does not want it.

My answer can be definite, positive and explicit. The answer is that there is no such implication in this move.

Hon. Allister Grosart: Honourable senators, may I make just one comment? I am not saying I am opposed to this bill, but I do have some serious misgivings about it on at least three counts. The first is the very tortuous path by which we have arrived at this lessening of the involvement of the Parliament of Canada as a whole in the dissolution of marriages originating in Quebec and Newfoundland.

The second is the indefiniteness of the path ahead. The point raised by Senator Walker has, I think, more substance than is indicated by the answer he received.

The third count upon which I have misgivings is that we have as yet no clear statement that there has been consultation at the official level with the governments of the provinces concerned, or of their official approval of this step.

I hardly need remind honourable senators that there is some basis for the phrase "tortuous path" that I used. Bills leading to this were brought before this house on two occasions in the last moments of the last day of the session.

On the first occasion the judgment of the Senate was expressed in an amendment that was sent to the other place to the effect that this judicial officer should not be forced upon us. I am sure Senator Roebuck will remember that. I believe he supported that position. We rejected the Commons amendment requiring us to appoint this official. Then, when the Commons insisted, we had hurried meetings of the standing committee, with very few senators present, and it was agreed to accept the imposition of this official on the Senate. This was after the acceptance in substance of the original resolution that there should be this transfer of the sovereignty of Parliament as a whole to one house of Parliament. We said that if we accepted that we would not accept the imposition of this judicial officer.

On the second occasion a bill in this very form came before us, again during the last minutes of the session. Representations were made to the then Leader of the Government who, in my view, very courageously and wisely, and with extreme consideration for the viewpoints of several senators, decided not to proceed with the bill, and it died on the Order Paper.

It comes before us again, and I am very glad to say that now we have time in which to discuss it, and we are not under any pressure of urgency. It comes to us also, I am glad to say, with adequate notice, which was lacking in both the other instances.

On my second point, there is some clear evidence that the course ahead is indefinite. The minister who introduced this bill was asked some questions about it. He was asked whether the Senate would have exactly the same authority it had previously, and also what the power of the Senate is to overrule what would be, in effect, a judgment of a judge of the Exchequer Court. The minister's reply, in part, as reported at page 3238 of *Hansard* of the other place, was:

> But the Senate remains the master, because we are not tampering here with chapter 10—

That is, of the previous act.

> —unless an amendment is brought forward. However, it must be assumed that if the Senate were to set aside the commissioner's recommendation, it would only be because new evidence had been uncovered or for some other very serious reason.

Senator Walker spoke of the thin edge of the wedge. I believe that here is another thin edge of the wedge. Here is a statement by a minister of the Crown to the effect that in his view and in the view of the Government there is a limitation of the power of the Senate. On this point I say that if we are going in the direction of judicial divorce, and going to remove divorce entirely from Parliament, I personally would have no objection, although there may be others who would.

I do object to the method, and particularly to the fact that we have no evidence that the provinces have been consulted. The lack of consultation with the provinces has caused a good deal of trouble, not only in the last few months but over a long period of time. I would like to ask the honourable sponsor of this bill (Hon. Mr. Roebuck) if, before the debate is concluded, or before we are asked to vote on the second or third readings of this bill, we could have that assurance.

Hon. Mr. Roebuck: An assurance as to what?

Hon. Mr. Grosart: An assurance that the provinces have been consulted officially, and have given their consent to this step. The minister in answer to the honourable member of Parliament for Joliette-L'Assomption-Montcalm said, as reported at page 3198 of *Hansard* of the other place:

> I can assure the hon. member, and the house also, that we made the consultations, at least the unofficial ones, which we felt were necessary.

That is a long way from saying there have been official consultations with the governments of the provinces concerned.

The minister went further—and this is very interesting because he indicates again that the fears of Senator Walker and others are not entirely without substance—and said:

> If there is ever some talk of establishing—I am not predicting or announcing that—divorce courts, I think, as Minister of Justice, that one of the essential conditions would be to consult with the provincial governments of Quebec and Newfoundland and also with the religious authorities who, under the circumstances, may be interested.

If I understand the sense of the minister's reply, it is that at this stage he does not think it is necessary to consult with the provinces or with the religious organizations concerned; that all that has to be done is to assure those who might have some views on this matter that there have been at least the unofficial consultations which were felt necessary.

I suggest that that is not adequate assurance to the members of this chamber that this bill has the consent of the provinces concerned.

One or two other questions have occurred to me. There was a statement by the minister that this commissioner, albeit a judge of the Exchequer Court of Canada, would be subject to some kind of authority of the "higher officials of the Senate."

On the question of whether the judge may be overruled by the Senate itself, or by the Divorce Committee, I am not yet fully convinced that the position practically and realistically is that the authority of the Senate remains. I am sure the honourable senator who sponsored the bill (Hon. Mr. Roebuck) will be able to assure me on that ground.

Finally, I would refer, not critically, to the arguments put forward by honourable Senator Roebuck—and he developed them at length—that one of the important reasons why this step is necessary is to assure the Commissioner of some stability of employment, pension for himself and his dependents, fringe benefits, and a status above that of a mere—and I use the term only relatively—officer of the Senate.

The fact that such an argument was put forward, and put forward so forcibly, indicates to me that the other grounds have not as much force as some of us would like. Surely the only way to provide an officer of the Senate with this kind of security and income is not necessarily to make him a judge of the Exchequer Court. I am sure there are many other worthy officers of the Senate who would feel that their just claims could be looked after without their being appointed judges of the Exchequer Court.

Hon. Mr. Power: May I ask the honourable gentleman a question? I was a little puzzled about his suggestion that there should be consultation with the provinces. How are we to consult, on the matter of divorce, with a province that does not believe such a thing should exist—a province such as Quebec?

Hon. Mr. Grosart: I am not a constitutional lawyer and I cannot answer fully, but I would say to honourable Senator Power that the provinces concerned are well aware of the law of Canada and the procedures of this house. We are dealing now with a process of the law of Canada. Surely they are aware of that law, and it would be quite proper for

the federal government to discuss it with the officials and the cabinet of those provinces.

This is a matter of changing the procedure under the law of Canada, regardless of what the subject matter may be. The provinces may not agree with divorce, but they are subject to the law of Canada, and I am quite sure they would be willing to undertake discussions on a matter of this importance respecting the law as it stands.

Hon. F. W. Gershaw: Honourable senators, it has been said that this is a legal problem, but the matter of divorce is more than legal, it has a human aspect to it. There is the question of the public welfare.

I venture to make a few observations, because I have served under the present chairman for quite a long time. It did happen that on the Divorce Committee there were not enough lawyers to act as chairmen of the subcommittees and some of us who were not lawyers had to act in that capacity. We often found great difficulty in ruling on the admissibility of evidence and questions of that kind.

Therefore, the present arrangement, whereby an experienced lawyer and judge does that work, has many advantages. But he has not the last say.

For instance, during this week I have been reading over some of the cases on which he has adjudicated and which he has recommended; and in at least two of them I hesitated to sign them because I thought there was some evidence lacking.

The Divorce Committee still meets and goes over those cases.

I feel quite sure that though the recommendation does not need to be accepted in every case, the big advantage in the present arrangement is that the court procedure can be kept in order by a man with an experienced mind, and that responsibility does not rest with some of us who know little about court precedure.

Hon. J. W. de B. Farris: Honourable senators, when I put a question to my honourable friend, I was concerned with the authority to create the Commissioner a judge. That I am satisfied with now, under the authorities given to me by both the honourable gentlemen who answered me. I am satisfied that there is that power.

The next question is that raised by Senator Grosart and also by Senator Walker. I do not think that is a correct inference. I think there is a circuitous route in the method of getting the proper annuities to the Commissioner, but not as to his authority. By his being made a judge, his authority is not increased but it made clear that he is going to get the pension that a judge would get. That is the way I see it.

So far as the question of his authority goes, it is as it was before. He is not as a judge giving his judgment. He is still giving his report as a commissioner; and as a commissioner, this house has the full right to reject his decision.

My honourable friend quoted from a statement by the Minister, that the power to reject his report would be exercised with great care and hesitancy. But that does not affect the question of jurisdiction; it affects only the question of discretion.

Honourable senators, I am thinking these points through pretty well as I am on my feet, since they did not occur to me until I heard those two speeches. As I follow it, as to the authority of the judge, whether it is the authority of a commissioner made a judge, or the authority of a judge made a commissioner, in either case he is acting as a commissioner in any decision he renders. In his capacity, acting as a commissioner, he is entirely under the control of this Senate. If the Senate does not agree, it may overrule a decision. The fact that he happens to be a judge as well as a commissioner does not in any sense limit the power of the Senate.

I repeat that I can quite understand that whether one of these distinguished lawyers originates a commissioner or as a new commissioner who is also a judge, this house would hesitate, except on very good grounds, to overrule him; but on the question of jurisdiction, our power to do so is absolute.

Hon. Mr. Choquette: I wonder if my honourable friend knows that since this man has been appointed a commissioner, he cannot and has not given any rulings or decisions. So all we have now from the honourable senator is that we can overrule his decisions. The Commissioner does not make decisions: he makes recommendations.

Hon. Mr. Power: I can elucidate on that point. When the bill came before us last year it contained a clause to the effect that divorce could only be granted on the "recommendation" of an officer appointed by the Speaker of the Senate. To that phraseology I took very strong objection. Certain changes were made in committee, and were then carried in this house. However, my recollection is clear that when the bill came back to us from the Commons—I believe on the very last day of the session—our phraseology was changed slightly, but the word "report" remained instead of the word "recommendation", to which strong objection was taken in this house.

If my memory serves me aright, the language still is to this effect, that a divorce can only be granted after a report, instead of a recommendation, is made by the Commissioner. So that in effect it is only a report. But with the original bill as it came to us, I do not know what the Senate committee could have done. All it had to do was to say "Yes" to whatever the Commissioner reported.

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

DIVORCE

RESOLUTIONS ADOPTED

The Senate proceeded to consideration of resolutions, numbered 252 to 280, inclusive, which were presented on Tuesday, May 19.

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved the adoption of the following resolutions:

Resolution 252, for the relief of Francesco Clemente.

Resolution 253, for the relief of Robert Brooks.

Resolution 254, for the relief of Mina Weiss Zimmerman.

Resolution 255, for the relief of Joan Alice Ainslie Jameson.

Resolution 256, for the relief of Pauline Sharko Martel.

Resolution 257, for the relief of Iren Roth Bak.

Resolution 258, for the relief of Joseph Emile Serge Jean Guy Paquin.

Resolution 259, for the relief of Marie Marguerite Aline Normandeau Bedard.

Resolution 260, for the relief of Patrick Howard Boucher.

Resolution 261, for the relief of Phyllis Sandra Sloan Ostrosky.

Resolution 262, for the relief of Annabelle Susan Silver Sostak.

Resolution 263, for the relief of Paul Bedard.

Resolution 264, for the relief of Ruth Auerbach Bernstein.

Resolution 265, for the relief of William Sharko.

Resolution 266, for the relief of Susan Guttmann Van Den Bergh.

Resolution 267, for the relief of Edith Mary Henderson Kelly.

Resolution 268, for the relief of Stanley Frank White.

Resolution 269, for the relief of Cyril Edward Wood.

Resolution 270, for the relief of Morris Alexander Kulba.

Resolution 271, for the relief of Thomas Wesley Dixon.

Resolution 272, for the relief of Ruth Wiseblatt Ward.

Resolution 273, for the relief of Constance Phyllis Penny Stewart.

Resolution 274, for the relief of Maria Adalgisa (Gisele) Rossignoli Abbruzzese.

Resolution 275, for the relief of Marie Nicole Lacaille Gagnon.

Resolution 276, for the relief of Eva Livia Iranyi Blumberger.

Resolution 277, for the relief of Pauline Abrams Foster.

Resolution 278, for the relief of Walter Barber.

Resolution 279, for the relief of Ethel Mickenberg Agulnik.

Resolution 280 for the relief of Doreen Eleanor Bishop Mulcahy.

Resolutions adopted, on division.

CROWN CORPORATIONS (PROVINCIAL TAXES AND FEES) BILL

SECOND READING

Hon. Harold Connolly moved the second reading of Bill C-95, respecting payment of certain provincial taxes and fees by crown corporations.

He said: Honourable senators, unlike some other measures which have gone before this, I submit this is the ideal piece of legislation. It is a measure on which there cannot possibly be any controversy, because it represents the best public and political thinking.

Although the bill is presented on behalf of the Government, it is not the brain child of this Government. On the contrary, it was first introduced by the former government, and was in fact debated in the resolution form during the session of 1962. Subsequently, because of an error in the date of the application of the proposed measure, it managed to find itself somewhere down at the bottom of the heap, was resurrected this year, and is now before us with no major change whatever in the principle involved.

The purpose of the bill is to compel—I use that word advisedly, although it does not appear in the bill—28 crown corporations to pay special taxes to those areas in which they function. The taxes, for example, would be the sales taxes, the gasoline licence taxes and motor vehicle licences. The reasons for this are in the main three-fold—two major reasons I think , and one of lesser importance.

First, many of those agencies are engaged in commercial or semi-commercial operations and are in direct or indirect competition with private interest which is subject,

of course, to the payment of taxes. Secondly, provincial agencies already pay the federal sales tax, and this legislation will put the federal agencies in the same position with respect to provincial sales tax. Thirdly—and perhaps as important, although I do not regard it as such—is the fact that certain administrative difficulties have been encountered over the years out of problems arising from sales tax exemptions, which this policy of mutual taxation should avoid.

Honourable senators will find the 28 Crown companies affected listed on page 3 of the bill. They consist essentially of bodies listed in schedules A and D of the Financial Administration Act. However, there are certain exceptions. These are Canadian Arsenals Limited, Crown Assets Disposal Corporation, and Defence Construction (1951) Limited, which are listed in Schedule C of the Financial Administration Act. They are excepted from the provisions of this bill, as I understand it, because they are servicing corporations, in the real sense of the word, and are not competitive in any sense, and therefore, it is felt, they ought not to be obliged to pay these three forms of taxes which I have just mentioned.

Five corporations which are not listed in the Financial Administration Act have been added to the original group. They are the Bank of Canada, Canada Council, Canadian Wheat Board, Industrial Development Bank, and the Northern Ontario Pipe Line Crown Corporation.

These changes, both the additions and the several deletions, have been made to achieve as logical a division as possible between those bodies which are departmental in nature, and those which are not. In other words, while these companies mentioned on page 3 of the bill will pay the taxes already referred to, there is no suggestion that departments of government should do so. That, of course, is consistent with the age-old practice in matters of that kind. The basic intention is that our federal corporations and agencies will be exposed to the three kinds of provincial taxes, but the departments of government will not.

There may be some curiosity as to the amount of money involved in this proposal. I have not been able to ascertain what it will mean in terms of dollars and cents to the provinces affected, but my understanding is that a rather rough approximation of the total moneys involved would be in the nature of $3.5 million annually.

Honourable senators, I am going to wind up briefly, because I see no point in an overly long debate on this matter. I should say that my specific interest, aside from the general principle in which I have always believed, revolves around the crown corporations in my native City of Halifax, where, for example, the National Harbours Board makes a puny, pigmy-like grant in lieu of taxes, and where the Canadian National Railways does likewise. My hope is that this is the first step in a new type of thinking within the federal setup of this country which will admit the rights of provinces, and perhaps municipalities, to collect all taxes, real taxes, as well as these mentioned, from the various agencies of government, departmental or otherwise, which are located in those areas. If that were to happen in Halifax, for example, or in the City of Saint John, as another outstanding example, the tax load carried by the ratepayers of those cities would be considerably reduced.

So, honourable senators, while I present this measure to you in the form in which it was handed to me, I express the pious hope that this is the first hesitant step in the direction of real taxation on all government properties—both crown companies and departments—which I hope will one day be enjoyed by the various areas in this country which house government agencies.

Honourable senators, if this bill receives second reading, I shall propose that it be referred to committee.

Hon. A. J. Brooks: Honourable senators, as the honourable senator from Halifax North (Hon. Mr. Connolly) has so eloquently explained to us, this is a bill over which there is not, nor has there been, any controversy. I followed the debate in the other chamber, and there was no controversy there.

Senator Connolly also pointed out that it was an ideal piece of legislation, and explained to us why it should be considered so, because it was prepared by the former Government and was a measure already on the orders in 1962.

Hon. Mr. Connolly (Ottawa West): That is part of its virtue, anyway.

Hon. Mr. Brooks: That is the chief reason; and I am sure my honourable friend from Halifax North (Hon. Mr. Connolly) will agree with me.

May I say it was a pleasure to hear the lucid explanation of the honourable senator from Halifax North.

Hon. Mr. Aseltine: And the melodious voice.

Hon. Mr. Brooks: Yes; he is always eloquent. When he speaks in the chamber we always listen with care, whether he is making a speech on a particular topic or introducing a bill.

He has pointed out that municipalities—and not only that of Halifax but others all across Canada—and provincial governments will benefit. It is a piece of legislation that probably should have been thought of and placed on the statute books many years ago. The bill is straight forward and is designed to cover this anomalous situation which has been pointed out to us.

Under the present circumstances many federal corporations are exempt from certain provincial taxes. The honourable senator has mentioned principally the sales tax in the different provinces, but I believe there are two provinces in Canada which do not have a sales tax. Then there is the gasoline tax and the motor vehicle licensing tax. As we know, the federal Government collects taxes from the provincial governments. We are in agreement with this legislation which will place more money in the hands of the provinces and place crown corporations on all fours with private companies as far as paying taxes is concerned.

I notice that some 27 crown corporations are affected; they are listed in the schedule to the bill, at page 3. These crown corporations are all well known to us and are very important. There are some other crown corporations which possibly will be considered later. Most of these do many millions of dollars worth of business and are well able to pay their share of the cost of the services provided to them by the various provinces and municipalities in which they are located.

I notice that an estimate of the cost was given in the other place during the course of the introduction of the resolution precedent to the bill. As the honourable senator has mentioned, the cost to the federal Government would be in the vicinity of $3½ million. However, the amount involved in the actual taxes that would be paid to the various provinces and municipalities is considerably in excess of this amount, and this is where they are to be the great beneficiaries. To my mind, it is a small price for the federal Government to pay in providing this legislation by which the provinces will collect more revenue and by which there will be better relations between the federal Government and the provinces.

Whilst I am a firm believer in the principle of crown corporations and a great admirer of the useful services they perform, nevertheless I feel there is a tendency to look upon them as a sort of sacred cow. In the past it has been felt they should be more or less excluded from taxation. That concept has been a mistake, one which this bill corrects. In most instances these crown corporations should be and are able to stand on their own feet and assume the same obligations as other corporations. In my own province the collection of taxes will not be large. It will be very large, of course, in provinces like Quebec, Ontario and some of the western ones.

Our government departments do not pay taxes, as crown corporations will under this bill. I think particularly of the Department of National Defence in my own province, where they have huge trucks and army vehicles of all kinds using the roads. They are very hard on the roads, but I am not going to advocate that the departments of the federal Government should pay taxes in that respect. However, it would be of great benefit, because it is quite a burden on smaller provinces like New Brunswick to have to maintain roads when there is a terrific volume of heavy traffic such as we find through Gagetown.

Hon. Mr. Connolly (Ottawa West): It is a great thing to have Camp Gagetown there though, is it not?

Hon. Mr. Brooks: Yes, it is a good thing to have Gagetown there; that is where I was born.

Hon. Mr. Connolly (Ottawa West): That is another good reason.

Hon. Mr. Farris: I was born within eight miles of it.

Hon. Mr. Brooks: Gagetown was very important before they built the camp there, as Senator Farris and I well know.

This is a good bill, and it is going to be welcomed in the provinces. There should be unanimous agreement on it. There was in the other place, and there should be here.

Hon. Norman P. Lambert: Honourable senators, there is one point in connection with the schedule that interests me. I think it is one possible reason why this bill should be referred to committee for further inquiry.

I notice among the corporations listed is the Canadian Wheat Board, which is virtually a central selling agency for a series of co-operative wheat pools. The question naturally arises concerning the exemption from taxation of a corporation dealing with private enterprise pools.

I am not making any invidious reference to my friend's speech, because it was an excellent one, but it would be enlightening to have an analysis made of the contributing and integral parts of the organization that support the Canadian Wheat Board.

Hon. Malcolm Hollett: Honourable senators, I always look askance at any piece of legislation which brings in new taxation. When I look down the schedule I come to certain organizations, such as Trans-Canada Air Lines, and others that are consistently in

arrears at the end of the year, and the federal Government has to supply funds to keep them going.

Where is the federal Government going to obtain the money in this case? From us, from the people. What we are doing is inflicting additional taxation on the people in order to pay taxes to the provincial governments on behalf of these crown corporations listed in the schedule. By doing this I do not think you are relieving the people; rather, you are inflicting additional taxation on the people in order that the provincial governments may get a little more out of it—$3½ million.

I would like to have some explanation on that point when the bill goes to committee, because I do not like additional taxation, and I am sure none of you do.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Connolly (Halifax North), bill referred to the Standing Committee on Banking and Commerce.

TOURIST TRAFFIC

MOTION TO EMPOWER COMMITTEE TO MAKE INQUIRY—DEBATE CONTINUED

The Senate resumed from Tuesday, May 12, the adjourned debate on the motion of the honourable Senator Isnor:

> That the Standing Committee on Tourist Traffic be empowered to inquire into and report upon the activities of the various agencies concerned with promoting tourist travel in Canada and that the committee be authorized to send for persons, papers and records.

Hon. Allister Grosart: Honourable senators, as this is the last item on the Order Paper I would ask the Leader of the Government if he would like me to stand it.

Hon. Mr. Connolly (Ottawa West): If the honourable senator is prepared to proceed I would suggest that he do so, unless there is any desire to the contrary on the part of honourable senators. I know he has been waiting to make his speech for a few days, and if he wishes to proceed now, I have no objection.

Hon. Mr. Grosart: It is not that I particularly wish to proceed, but that I hesitate to inflict myself on the chamber for a second time in one day.

Hon. Mr. Connolly (Ottawa West): It is not an infliction.

Hon. Mr. Grosart: I thank the honourable leader. It is a case of man proposes and the Leader of the Government disposes, as best he can.

Hon. Mr. Connolly (Ottawa West): I propose and the others dispose.

Hon. Mr. Grosart: Quite properly so. It, can, however, be said that being the day of the week and the hour of the day it is, at no time has such an infliction been borne by so few senators.

We have had a very interesting discussion on the motion by Senator Isnor, and there has been no lack of very aggressive selling of the attractions of the provinces. As a matter of fact, at the weekend I was speaking with some advertising friends in Toronto and I told them that if they were looking for well-informed, enthusiastic, and non-exaggerating copywriters they could do no better than to come to the Senate. I also said if they were looking for bigger and better fish stories they would not have to look farther than the front benches.

Hon. Mr. Connolly (Ottawa West): On both sides.

Hon. Mr. Grosart: I am sorry we have not heard from Senator Choquette, because at the weekend I encountered him along the shore of a lake not far from here; he was in fishing attire, and he had that unmistakable gleam in his eye which showed that he was catching. He has the secret of success, because every weekend in the summertime I see him hauling in fish not 25 miles from here. I know this is a secret he might not wish to share with the 31 million people who cross the border into this country each year. I have heard it said he does not even feel favourable to sharing his secret with his colleagues in the Senate.

We have heard much about what could be done to maintain and improve our position in the tourist industry. Having had some considerable contact with this industry in the past, I was glad to note that every single suggestion that has been made by senators in this debate, with one exception, has been actively under consideration for definitive action in the last few years. The result is that we can say Canada is very definitely among the leaders, if not the leader, of the 80 nations in the world who are competing for the world tourist trade. I say that because at the present time at the government level, both federal and provincial, the combined expenditure on the promotion of this industry amounts to approximately $10 million. Last year about one-third of that was spent by the Canadian Government Travel Bureau and the rest by the provinces.

It is rather interesting to note that there is wide disparity between the expenditures of the various provinces. I realize there is often a good reason for that, so it is no

reflection on the provinces at the lower level; but, on the other hand, I think Senator Isnor's committee might look at these figures and indicate to some of the provinces that there may be an area where their own self-interest is perhaps being neglected.

On last year's figures the total expenditure of the Canadian Government Travel Bureau on tourist promotion amounted to 18 cents per capita for the population of Canada. Against that, the combined expenditure of the federal Government and of the provinces is 54 cents.

Hon. Mr. Connolly (Halifax North): What would that include? Does it include overhead?

Hon. Mr. Grosart: This is everything. I have here a document supplied by the travel bureau dated May 14, 1964, headed "Per Capita Spending on Travel Promotion by the Federal Government and the Provinces, Fiscal Year 1962-63." Before I conclude this short recital I am sure the honourable Senator Connolly (Halifax North) will be very happy at the position his province holds in this list.

Looking over the list, Saskatchewan spends 12 cents per capita, Alberta 21, Quebec 25, Newfoundland 26, Ontario and British Columbia grouped together at 35 cents, and, Manitoba 38. And here we get an extraordinary jump as we go to the Mainland Maritime provinces, from a high of 38 cents per capita in Manitoba to 97 cents in New Brunswick, $1.05 in Nova Scotia and $1.48 in Prince Edward Island.

My honourable friend asked if this figure included overhead. I would say that by and large the overhead is rather a small part of the total of all these as I have listed them. Most of the money is spent on newspaper, magazine, television and radio advertising. For example, the Canadian Government Travel Bureau "travel shorts" last year reached 180 million Americans.

Hon. Mr. Lambert: Is that the total amount spent in advertising, $180 million?

Hon. Mr. Grosart: No; perhaps I did not make myself clear. The 180 million was the total number of American viewers reached by these travel bureau shorts that are made particularly for the use of television.

Hon. Mr. Lambert: Can my honourable friend supply the answer to the question as to how much would be spent on advertising and publicity?

Hon. Mr. Grosart: You are asking for the total amount by the Canadian Government Travel Bureau for last year?

Hon. Mr. Lambert: Yes.

Hon. Mr. Grosart: It would depend to some extent on what you mean by advertising and publicity. If you take radio, television, newspapers, magazines and booklets—

Hon. Mr. Lambert: The whole thing.

Hon. Mr. Grosart: I would guess that, out of a total of $3,326,000—I am quoting now from casual memory—the actual expenditures on advertising would be about $2½ million. The rest would go into the maintenance of bureaus at various places and to other activities of the travel bureau, which in the narrow definition you could not call advertising. It is very difficult to break these down. If you take television, for example, do you take only the cost of time or do you take the production and staff required, as well? It is difficult to break down.

Hon. Mr. O'Leary (Carleton): Surely there must be figures available showing the costs, including the administrative costs of the Canadian Government Travel Bureau. I would like to know about the administrative costs in particular.

Hon. Mr. Grosart: There are such figures, but I am not at this time introducing or sponsoring a bill, and I am not here to defend the Canadian Government Travel Bureau. If I were given notice I would be delighted to undertake to supply the figures.

Hon. Mr. Connolly (Halifax North): On the other hand, there might be some able criticism.

Hon. Mr. Grosart: Possibly, but my disposition at the moment would be to say I know of very few criticisms of the current activities of the Canadian Government Travel Bureau. I cannot say I have studied it intensely, but I have followed its activities and I have looked at the annual reports which are very comprehensive. I would say to honourable Senator O'Leary and to all honourable senators, that the administrative costs are to be found in a booklet published by the Canadian Government Travel Bureau, but I would not undertake at this time to break them down.

The result of all of this activity is well known. There are many indications of it. For instance, the Canadian Government Travel Bureau received last year 1,200,000 inquiries as a direct result of its promotional activities. This is the highest number of inquiries received by any travel bureau anywhere in the world, and is a very good indication of the effectiveness of what it is doing. I repeat that I am not here to defend that bureau. I am just impressed with what I know of its activities.

Last year Canada brought in 10 million tourists. Earlier I mentioned the figure of 31 million, but that figure includes all those who crossed the border, of which 20 million, apparently, were not tourists. Ten million

of that number stayed a day or more last year and spent $600 million in Canada. They gave us, for the second year running, a favourable balance in the tourist travel trade. This is extremely important, because for a number of years we had an unfavourable balance, which in turn affected our over-all balance of payments.

I would say on this point that one of the problems—and one which could engage the attention of Senator Isnor's committee—is that although we have a very high rate of tourism we do not have a correspondingly high rate of per capita expenditure. There are many reasons for that. The average per capita expenditure by tourists in Canada last year was less than $10 a day, which is much less than that spent on the average by the Canadian tourist abroad. One reason is that the bulk of our tourists come from places fairly close at hand. Eighty-five per cent or more come from within 500 miles of the border. Some of them are cottagers who live here throughout the summer at more or less the same rates of family expenditure as other Canadians. In the tourist business this is just as important an indicator of the public usefulness of the tourist trade as is the total number.

I come now to some suggestions as to what I think the committee might deal with, among many other things. I suggest, first of all, that the committee take a look at the over-all effort in this field. I have spoken of the Government bureau and the provincial government bureaus; there are also our great transportation systems, the C.N.R., C.P.R., T.C.A. and C.P.A., and also some of our larger hotel and motel associations. However, there do appear to be areas in which some who are benefiting greatly from our tourist business are not, from observations, pulling their weight.

I would suggest to the committee that it takes a very careful look at the oil and gas industry, and perhaps examine some of its representatives. That industry is in many ways the largest single beneficiary of the tourist trade. Ninety-seven per cent of all our American trade, which is 90 per cent of the total, comes into Canada by car. Yet, one seldom sees any indication of any expenditure by the oil and gas companies in promoting tourist trade abroad. Yet they are, as I say, very great beneficiaries.

The second suggestion I would make is that the committee take a careful look at the position of what in the trade is called our tourist "plant". I mentioned the figure of expenditure of less than $10 per capita per day. That is one indication of the fact that our tourist plant is not a highly efficient money-producing plant.

In the past we have had a tendency to think that what tourists wanted in this country was only hunting and fishing, and that if we gave them that they would continue to come. Very comprehensive surveys have been made, and checked over the years for accuracy, and it may surprise honourable senators to know that 54.5 per cent of all the tourists coming to Canada say that their primary reasons for coming are to take part in scenic tours, to go sightseeing, and to view our historic sites. Only 14 per cent say they are interested in fishing, and only 3.5 per cent say they are interested in hunting.

That brings me to the point that the main division of the whole tourist business is as between the promotion effort directed to bringing people in, and the effort directed to giving them something to see and do. I do not think that the latter has even begun to match the former.

The committee might consider whether some of our provincial governments, and perhaps even the federal Government, might either lend money to improve our tourist plant, or actually subsidize such improvements.

There is a good example of this. We have down on the St. Lawrence, as honourable senators know, the St. Lawrence Park, which extends for about 30 miles from Fort Henry to Upper Canada Village. It is estimated that the investment there, made mostly by the provincial government, is about $10 million, but that attraction last year brought in 1,800,000 of the total of 10 million tourists. I am told that this attraction during the few years it has been in operation has paid back the investment of $10 million in both private and public benefits.

Another indication that good plant is a big attraction is the example of Banff, where there is something to see, something to do, and good accommodation. Banff leads all our other attractions in the field of national parks.

The committee might also address itself to the matter of control, which is a very difficult and delicate field. In Ontario, legislation was introduced a few years ago to impose very rigid standards of tourist accommodation. Although the legislation was actually passed, it was withdrawn because the tourist operators did not like it. On the other hand, Nova Scotia, in spite of that experience, has gone ahead recently and developed a measure of control which has upgraded all its tourist plant. I am told by those who are in a position to compare the plant across Canada, that Nova Scotia leads the other provinces in this respect by a substantial margin.

There are many other things that might be mentioned. One of the important minor deficiencies in our approach to this problem

is in the field of guide-books. To illustrate what I mean, I will merely say that if one comes to the City of Ottawa he or she would spend a long time getting any information as to what to see and do. Ottawa has many attractions, but nowhere is there a guide-book. When a visitor enters a hotel, or a transportation terminal, nobody hands him a book which says: "This is an interesting and exciting city. While you are here you should see the National Art Gallery, the museums, and the many other attractions."

An Hon. Senator: And Charlotte Whitton.

Hon. Mr. Grosart: Yes.

This applies to most cities. I would suggest that the committee take a hard look at the degree to which our cities are or are not pulling their weight. The very fact that our promotion has been as good as it has, and that tourists are coming in, tends to make municipalities and others just sit back and say: "This is fine. Somebody else is bringing them here; they are here anyway, so why worry." But, as honourable senators have said in this debate, the tourists do not return unless they are cared for.

In conclusion, may I say that the Minister of Trade and Commerce has set a goal of $1 billion as our tourist income for 1967. This has been accepted as a challenge by the Canadian Travel Bureau and by many others in the business. There will be a tremendous crash program designed to reach this goal. It is a very high goal. It amounts to one-eighth of today's total world tourist business—one-eighth of the business enjoyed by all 80 countries competing. That is what we are looking for in 1967. I am told there is good reason to believe that that goal can be attained.

I am sure that this committee of the Senate, under the direction of Senator Isnor, whom I have already complimented as a world traveller, and whom I now compliment as one who shows every indication of revitalizing this important committee, will make a great contribution to our total tourist trade, and will contribute in large measure towards reaching of the goal of $1 billion in 1967.

Hon. Harold Connolly: Honourable senators, in the same spirit of sweetness and light, I move the adjournment of the debate.

Debate adjourned.

The Senate adjourned during pleasure.

ROYAL ASSENT

The Honourable Robert Taschereau, P.C., Chief Justice of Canada, Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned and being with their Speaker, the Honourable the Deputy of His Excellency the Governor General was pleased to give royal assent to the following bills:

An Act respecting the International Bridge over the St. Clair River known as the Blue Water Bridge.

An Act to amend the Customs Tariff.

An Act to amend the Estate Tax Act.

An Act respecting The General Council of the Canadian Branch of the St. John Ambulance Association.

The House of Commons withdrew.

The Honourable the Deputy of His Excellency the Governor General was pleased to retire.

The sitting of the Senate was resumed.

APPROPRIATION BILL NO. 5, 1964

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-99, for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1965.

Bill read first time.

Hon. Mr. Beaubien (Provencher) moved that the bill be placed on the Orders of the Day for second reading on Tuesday next.

Motion agreed to.

The Senate adjourned until Monday, May 25, at 8 p.m.

APPENDIX

(*See p. 521*)

JOINT COMMITTEE ON THE LIBRARY OF PARLIAMENT

Your committee met on May 14, 1964 and begs to submit the following recommendations:

1. In order to bring the salary rates of professional classes in the Library of Parliament in line with the recently revised salaries paid for comparable positions in the public service (T.B. 622520 dated 20 March 1964) we recommend the following salary revisions to be effective 1 July 1963:

Cataloguing Librarian 1
Reference Librarian 1

From:	4560	4740	4920	5160	
To:	4800	4980	5160	5340	5520

Cataloguing Librarian 2
Reference Librarian 2

From:	5160	5400	5640	5940
To:	5400	5640	5880	6180

Cataloguing Librarian 3
Reference Librarian 3
Vertical File Specialist

From:	5640	5940	6240	6540
To:	5880	6180	6480	6780

Reference Librarian 4

From:	6240	6540	6840	7140
To:	6600	6900	7200	7500

Chief Cataloguing Librarian
Reference Librarian 5

From:	7140	7500	7860	8220
To:	7620	7980	8340	8700

Chief Reference Librarian
Senior Library Consultant

From:	8220	8580	8940	9300
To:	8640	9000	9380	9780

Assistant Librarian, Library of Parliament

From:	8760	9120	9480	9880	10300	
To:	9380	9780	10200	10600	11000	11400

2. In accordance with the establishment proposals approved in the Main Estimates 1964-65, we would recommend that salary revisions and promotions be approved as follows:

(a) that the salary range of Chief Cataloguing Librarian be revised

From:	7620	7980	8340	8700
To:	8640	9000	9380	9780

and that Miss Florence Moore, Chief Cataloguing Librarian, be paid at the rate of $9000 in the new range effective 1 April 1964;

(b) that Mme. Monique Gould, Librarian 4, present salary range (6600-7500) be promoted to Assistant Chief Cataloguing Librarian (new classification) and be paid at the rate of $7620 in the new salary range

7620 7980 8340 8700 effective 1 July 1964;

(c) that Miss Irene Coughlan, Cataloguing Librarian 2, present salary range (5400-6180) be promoted to Cataloguing Librarian 3 and be paid at the rate of $6180 in the new salary range (5580-6780) effective 1 July 1964;

(d) that Mme. Thérèse Foster, Reference Librarian 3, present salary range (5880-6780) be promoted to Reference Librarian 4 and be paid at the rate of $6900 in the new salary range (6600-7500) effective 1 April 1964;

(e) that Mrs. Hazel Manderson, Library Assistant 3, Position No. LP-A-35, present salary range (3930-4380) be promoted to Library Assistant 4 (new classification) and be paid at the rate of $4440 in the new salary range

4260 4440 4620 4800 effective 1 April 1964;

(f) that Mme. Claire Quirouette, Library Assistant 3, Position No. LP-A-34, present salary range (3930-4380) be promoted to Library Assistant 4 (new classification) and be paid at the rate of $4440 in the new salary range

4260 4440 4620 4800 effective 1 April 1964;

(g) that Alexis Vanasse, Library Helper 1, present salary range (2930-3300) be promoted to Library Helper 2 and be paid at the rate of $3520 in the new range (3520-3980) effective 1 April 1964.

3. It is further recommended:

(a) that the position LP-A-8x, Library Clerk 1, salary range (3390-3840) be reclassified as Library Clerk 2, salary range (4050-4500) and that René Bergeron, Library Clerk 1, be promoted to Library Clerk 2, to be paid at the rate of $4050 effective 1 July 1964;

(b) that the position LP-A-13Y, Cleaning Service Woman, be reclassified as Library Helper 1, effective 1 May 1964.

Respectfully submitted,

MAURICE BOURGET
Speaker of the Senate

ALAN MacNAUGHTON
Speaker of the House of Commons
Joint Chairmen

THE SENATE

Monday, May 25, 1964

The Senate met at 8 p.m., Hon. Arthur L. Beaubien, Acting Speaker, in the Chair.

Prayers.

SECRETARY-GENERAL OF THE UNITED NATIONS

NOTICE OF ADDRESS TO MEMBERS OF BOTH HOUSES

Hon. John J. Connolly: Honourable senators, I desire to inform the Senate that U Thant, the Secretary-General of the United Nations, will address a joint meeting of the Houses of Parliament in the House of Commons chamber tomorrow morning, Tuesday, May 26, at 10 o'clock.

Seats will be reserved for honourable senators in the main aisle of that chamber, as has been the custom on similar occasions in the past. I would also inform honourable senators that the seats in the Senate gallery of the House of Commons will be held for wives or husbands of senators who desire to attend. Unfortunately, tickets cannot be made available, as that gallery is rather small; so, ladies and gentlemen who wish to attend should arrive fairly early.

CANADIAN CONFERENCE ON FAMILY

DESIGNATION OF FAMILY DAY

Hon. Mr. Connolly (Ottawa West): Honourable senators, I also desire to announce that the Canadian Conference on the Family, which is sponsored by His Excellency the Governor General and Madame Vanier, will meet in Ottawa from June 7 to June 10. It is the intention of the Governor General to invite the heads of religious denominations in Canada to attend and participate in a special religious observance as part of the opening ceremonies of the conference, to be held on the grounds of Government House, Rideau Hall, Sunday, June 7.

In recognition of this significant meeting, June 7, 1964 is being designated by the Government as "Family Day."

I am sure all honourable senators wish to join me in expressing the hope that the conference will meet with great success.

Hon. A. J. Brooks: Does that mean that there will be a Family Day every year, like Mother's Day and Father's Day?

Hon. Mr. Connolly (Ottawa West): I am unable to answer that question. But since we do have a Mother's Day and a Father's Day, it might be appropriate to have a Family Day as well.

DOCUMENT TABLED

Hon. John J. Connolly tabled:

Copies of letters exchanged between the Prime Minister of Canada and the Premier of the Province of Quebec, dated April 29 and May 14, 1964, on the subject of Federal-Provincial Relations. (English and French texts).

COMBINES INVESTIGATION ACT (CAPTIVE SALES FINANCING)

SUBJECT MATTER OF BILL TO AMEND—REFERRED TO JOINT COMMITTEE

The Hon. The Acting Speaker informed the Senate that a message had been received from the House of Commons to acquaint the Senate that the subject matter of the following bill has been referred by that house to the Joint Committee on Consumer Credit:

Bill C-60, An Act to amend the Combines Investigation Act (Captive Sales Financing).

BANK ACT—QUEBEC SAVINGS BANKS ACT

BILL TO AMEND—FIRST READING

The Hon. the Acting Speaker informed the Senate that a message had been received from the House of Commons with Bill C-98, to amend the Bank Act and the Quebec Savings Banks Act.

Bill read first time.

Hon. Mr. Connolly (Ottawa West) moved that the bill be placed on the Orders of the Day for second reading on Wednesday next.

Motion agreed to.

DIVORCE

REPORTS OF COMMITTEE PRESENTED

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 293 to 331, inclusive, and moved that the said reports be taken into consideration on Wednesday next.

Motion agreed to.

TOURIST TRAFFIC

COMMITTEE EMPOWERED TO MAKE INQUIRY AND REPORT

The Senate resumed from Thursday, May 21, the adjourned debate on the motion of the honourable Senator Isnor:

That the Standing Committee on Tourist Traffic be empowered to inquire into and report upon the activities of the various agencies concerned with promoting tourist travel in Canada and that the

committee be authorized to send for persons, papers and records.

Hon. Harold Connolly: Honourable senators, it seems to me that this debate has been overly long and I wish to reassure you on two points: first, that I shall be brief and, secondly, that I shall not argue that Nova Scotia is the grandest of all the Canadian provinces.

Hon. Mr. Connolly (Ottawa West): Why not?

Hon. Mr. Connolly (Halifax North): I shall not argue that, even though I think it is. As a matter of fact, I participate in this debate for several reasons. The first is based upon my affection and respect for the gentleman who is the Chairman of the Tourist Committee (Hon. Mr. Isnor); my second reason is that this is one debate in which there has not been the least bit of partisanship. Perhaps I should qualify that latter statement.

Honourable senators, my concept of my duties as a member of this Senate is not that I should unduly praise the political party with which I have been associated all my life, or its leaders, any more than I should unduly criticize opposing political parties or their leaders.

As I see it, the function of this Senate is twofold: first, to protect the provinces and, secondly, to review with care and to scrutinize with equal care the legislation which comes here from the other place. In my judgment, the Senate chamber was never intended to be a political arena. Of course, we have the right to maintain our political allegiances, but I submit we have no right to approach problems that come before us with a view to party advantage or disadvantage, as we have so often approached them. Another forum is provided for such tactics.

We do the Senate, the founders of Confederation, and ourselves a great disservice when we permit ourselves to proceed in that way. With all deference, I say that if it were within my power, I would ordain that when men or women become members of this chamber they separate themselves completely from partisan, political activity. I do not know how we can justify the myth, or the fact if you like, that we are a chamber of sober second thought if we allow that sober second thought to be construed according to what we consider to be party need or party desire.

I would hope, therefore, that in so far as it is humanly possible we would avoid that type of bitter, vitriolic partisanship which I have seen displayed here all too frequently.

Honourable senators, I have had a long connection with the tourist industry. I feel that in all the provinces of Canada there has been a belated recognition of the value of that industry. In Nova Scotia, for example, for the major part of our history, no governmental effort was made to attract tourists. The first efforts there were made by steamship companies in the 1850s and by the railway organizations a decade later. In this latter connection, Nova Scotia owes a debt of gratitude to the Dominion Atlantic Railways, a subsidiary of the Canadian Pacific Railway. It was this railway organization which, more effectively than any other, saw the value contained in the new-found money which Nova Scotia needed so badly and which could be provided by visitors.

For many years the Canadian Pacific Railway took advantage of that epic of Nova Scotia's foremost developer, Henry Wadsworth Longfellow, in his immortal poem *Evangeline*. That beautiful poem tells so feelingly of the expulsion of the Acadians—a blot that will remain in the history of Nova Scotia as long as history endures.

It was not until 1923, most belatedly, as you will agree, that the government became interested in tourist promotion. In that year a body known as the Tourist Advisory Council was established. I was one of those who were privileged to become a member of that council. As a result of its twelve months' activities the government of Nova Scotia in 1924 set up what became known as the Information Bureau, which in reality was the Nova Scotia Travel Bureau.

It is ironic and pathetic as we look back over the records to read that in its magnanimity and in its consciousness of the great potential within this industry, the Government of Nova Scotia voted the tremendous sum of $2,000 to enhance the tourist attractions of the province. A year later the government was able to report the result of this "vast investment." It had attracted to the province 65,000 visitors, who had spent an undetermined sum of money at that time.

In any event, that was the embryo of the present travel bureau of Nova Scotia, an organization which is well headed, well directed and well staffed. Progress has been so great that last year 740,000 persons visited the little peninsula, and left in that not-too-well-off province the sum of $54 million. This was not achieved without a great deal of hard work. It was just as difficult for the average citizen of Nova Scotia to visualize the importance of new-found money as it was for governments of those far off days; and the inability, or perhaps the unwillingness, of innkeepers and hotelkeepers to cash in on this new-found wealth, delayed the progress of the industry for a long period of years.

Some progress was made in the late thirties. During the war, of course, all activity ceased. Since 1945, however, Nova Scotia has established an excellent record. The consciousness of the people, once aroused, aided and abetted by their native hospitality, made the province, even without its physical assets, a pleasant place to visit. When the vision of the money that could be made spread among more and more of the people, and all the inns and hostelries and cabins faded out of the picture, to be replaced by the most modern form of hotel and motel appurtenances, then the industry started to zoom.

I say in all modesty that Nova Scotia was the first province in Canada to issue a two-colour travel booklet; and I say also, in the same modest spirit, that while there are others on an equally high plane, I believe that no province of Canada surpasses the little province of Nova Scotia in the tourist literature which it produces year after year. The hopes of those in the business are that in the almost immediate future a total of one million tourist visitors will tour Nova Scotia in a single calendar year. I would remind you that that is several hundred thousand more than the total population of the province. One million visitors into Nova Scotia will, I think, be an epic event, aside altogether from the material value, because they will be able to discover that within that little peninsula there live almost 800,000 people, all of whom are well worth knowing. Inarticulate and bashful they may be, but they have that fundamental kindness which sells itself to people from other parts.

I have great hopes for the industry. In the last ten years I have not been as close to it as I used to be, but my heart is with it.

While I speak in that vein may I say to you that, worthy as they are and wholesome as they have always been, there are more people in Nova Scotia than the Scots. There are many English, Irish and French. Perhaps I should have put the French first, for nowhere along the shores of that province or in its hinterland will you find warmer hospitality or more kindness than that which emanates from the French Acadian people who, in many respects, are the backbone of our entire province.

Hon. Senators: Hear, hear.

Hon. Mr. Connolly (Halifax North): I pause at this point because I do not want to seem to be boasting. However, I should be glad in private conversation to enlarge upon the remarks I now make, should anyone be interested.

I turn next to speak of the Canadian Travel Bureau. I was interested the other day in the statistics offered by the honourable senator from Pickering (Hon. Mr. Grosart), who had obviously made a close study of them; and I was impressed by his kindliness towards the Canadian Travel Bureau. I have no desire to be otherwise, but I think it would be a mistake to assume that every move the Canadian Travel Bureau makes is a good one and that no errors have been committed by that organization, worthy though it be.

For example, I seriously question the desirability at this time of opening offices in remote parts of the world when we have beyond the border immediately to the south a market of almost 200 million people, and that market has only been scratched. I wonder if we would not be better advised, in the interests of the Canadian people, to apply our acumen, knowledge and sales ability to the people of the United States, rather than opening offices in distant parts of the world. Expansion to distant parts may be worth while a quarter of a century hence, but with the condition of our finances, with the devalued Canadian dollar, and the many things we have in common with the people of the United States, it seems to me that is where our effort should be directed. I would hope to convince my associates on the Tourist Traffic Committee that perhaps we might make a change in some of our policies as effected by the Canadian Travel Bureau, with that point in view.

I hope you will understand me when I say that there are two great tourist events on the horizon that are all-Canadian in their scope. I look askance and aghast at what I see going on—or, perhaps I should say, not going on—at the moment. The centennial year 1967 is less than three years off. We look forward to two tremendous events: the World's Fair at Montreal, and Canada's 100th birthday. It is quite true that the World's Fair is being organized at high Government level, but I submit it is not merely a Montreal or Quebec attraction; it is a Canadian World's Fair, in which all the people of all the provinces of this country should take an active interest. I wonder why the activities of all the travel bureaus across this country have not been harnessed in some fashion, as they could easily be, to propagate this fair upon which the reputation of Canada will either shine resplendently or be dulled.

With regard to Canada's birthday—and without meaning to be unfairly critical— I see the provinces reaching out for every dollar they can get from the federal treasury to build monuments, allegedly to recognize Canada and our hundredth anniversary of Confederation, but really to enhance their own real estate; and yet I see no participation by any provincial tourist bureau across this country thus far.

In my judgment, the commissioner who is in charge of this centennial celebration is a competent person, but I suggest, as you already know, that this job is far too big for any one man, that time is fast slipping away and that the potential will not be reached unless more rapid progress is made in the two and a half years that remain before this big event commences. I propose that the travel bureau of each province of Canada be entrusted with the task of looking after its province's contribution to the things that will attract people and make them conscious of Canada's birthday. All these ten bureaus, working together with the commissioner and his aides and assistants, can make Canada's birthday a really outstanding event. Without that assistance I think there is some danger it will not be as good as it ought to be.

Honourable senators, I said in the beginning the debate has been overly long and I did not intend speaking at any length. I merely leave these suggestions with you, hoping you believe I have nothing to gain by what I have said except the greater welfare of my fellow citizens.

Hon. Josie D. Quart: May I first congratulate honourable Senator Isnor, as Chairman of the Senate Tourist Traffic Committee, on his success in stimulating such interest and action among its members. It is quite obvious that his enthusiasm has rubbed off on the members of his committee, and it is indeed commendable, for the tourist industry is big business in Canada.

The honourable senators who have spoken on tourism have treated us to colourful word pictures and travelogues, taking us right across Canada from coast to coast; the speakers have eulogized their native provinces with the greatest display of supersalesmanship. I compliment them for setting a high price tag on the tourist attractions in their respective areas, for every province in Canada has it particular scenic beauty and charm. It makes one proud to be a Canadian, to belong to our magnificent country, and I am equally proud of my native province, Quebec, about which my colleague Senator Jodoin, from Montreal, addressed you in such eloquent manner. But may I add just a few words about someone in Quebec City who is loved by young and old alike. He is a fantastic, huge character, shaped from 40-odd pounds of papier-mâché: our "Bonhomme Carnaval", who reigns as king during Quebec's Winter Carnival.

Now, honourable senators, so as not to be accused of boasting I shall quote from the January 1964 issue of the *Canadian Geographical Journal,* which as you know is published by the Royal Canadian Geographical Society. In this particular issue, the first 15 pages are devoted to Quebec's Winter Carnival, with photographs of "Bonhomme Carnaval" and other important features of this winter festival which, by the way, celebrated its tenth anniversary last winter. I quote:

> Quebec has for several years had cause for pride in its unique carnival. The merry-making, laughter, singing and dancing that characterize carnivals the world over are enacted at Quebec on sparkling snow in a bracing climate.
>
> However, the idea of celebrating with rejoicings the period between Christmas and Lent did not originate in 1954 with the first modern Quebec Winter Carnival.
>
> Actually, this city of Champlain held its first carnival in 1880. Looking back over the history of the old capital, we note that a very successful carnival was inaugurated in that year and reached its peak about 1894. We find in those years a foreshadowing of the carnivals of today.

A principal attraction was the presence of the Governor General. There was great excitement in the city when he arrived at the station, greeted by large delegations of Huron and Montagnais Indians, snowshoers and others. There followed a succession of events and festivities, all marked by a spirit of gaiety and good humour. The city was dotted about with lively structures of ice, chief of which was the sparkling palace in front of the Parliament Buildings.

The modern carnival was inaugurated in 1954 by a large group of enterprising businessmen organized as a carnival committee. Like any enterprise of such magnitude, it had its growing pains. Its brief history and the outstanding successes of each succeeding year are a tribute to those who have so amazingly developed it into one of the principal attractions for visitors in all Canada.

However, the prize publicist of them all is certainly the picturesque and unique "Bonhomme Carnaval". Who does not know of him today? To Quebecers he is the embodiment of happiness and good humour. He is popular in towns across Canada and even beyond its borders, in the United States. The Quebec Carnival is marked by his coming. He is welcome everywhere. Every viewer of the Grey Cup football game telecast saw him strolling in the streets of Toronto during the Grey cup parade.

The carnival opens with the crowning of a carnival queen. For this purpose, the division of the area into duchies with historical names is unique in its way. Even the crown and sceptre of our queen are heraldically correct and are based on our history. For

some time prior to the carnival, young ladies in each of the seven duchies wage a brisk but friendly competition for the honour of representing it as duchess. After being crowned in their duchies, with all their youthful charm and the devotion of their supporters they assemble side by side for the selection of one of them as queen of the carnival.

In Quebec as in any other city, four elements are necessary to the success of such an event as a carnival: decor, imagination, fantasy and humour. All were in evidence at the tenth Quebec Winter Carnival, held in 1964. The public dances and the various balls, such as the Sorcerers' Ball, and masquerades of all kinds for children and adults as well, were the high spots of the season. Most brilliant of these was the Regency Ball, a glittering pageant of periwigs and lace where celebrities of seven centuries mingled till dawn in jovial friendliness under the patronage of civic and provincial dignitaries. Musicians donned costumes of the period and a city choir sang characteristic Canadian songs.

Each year the fabulous Regency Ball affords to all a unique opportunity to absorb the spirit of the golden age. The costuming is not restricted to any particular period, so there we may meet Henry VIII, Madame de Montespan, Monsignor de Laval, Marie Antoinette, Louis XIV and other historical figures. The Regency Ball affords scope for imagination and humour and also recalls the notable phases in the history of Canada and other countries. "Bonhomme Carnaval" moves jovially from group to group, joking or teasing, or chatting of the glorious days revived in the harmonious setting of the Chateau Frontenac.

It is cold in Quebec, but enthusiasm is warm and infectious, with hundreds of thousands singing in the streets of the old capital and joining in the exciting carnival parade.

The carnival spirit also touches off a program of amusements of all kinds—games, tournaments, sporting competitions. The Pee-Wee Hockey Tournament is one of the principal activities, and boys' hockey clubs from all parts of America journey to Quebec to take part in the tournament. There you meet lads from Boston, Providence and other United States cities and many centres across Canada. The competition lasts two weeks from nine in the morning to nine at night. The boys are accommodated in Quebec homes. More than 100,000 people crowd the Coliseum to watch the performance of these young bantams.

Then there is the International Curling Bonspiel, the first activity held at the beginning of the carnival, to determine the curling championship. The curlers flood Quebec with their gay songs and boisterous laughter. They kindle the festive spirit before the carnival itself is officially opened.

The dogsled race, which lasts several days, lends another touch with a typically local flavour, and many other outdoor sports add to the colourful scene. The torchlight descent on skis at Lake Beauport, is a spectacle of unforgettable splendour. Other competitions of various kinds are held out of doors, such as the barrel race on one of the city's main streets; and there are masquerades of various kinds on outdoor rinks in every corner of the city.

One of the main and exclusive attractions at Quebec is undoubtedly the canoe race. Some twenty sturdy canoes, each with a crew of four, race across the river from Quebec to Levis and back. The crews need skill as well as muscle, now paddling at top speed through open reaches of water, now leaping and dragging their boats from ice floe to ice floe to be first at the finish. The mighty St. Lawrence with snowclad banks and icy weather provides the setting.

Besides all these organized activities, there are public outdoor dances every night in the principal squares of the city of Champlain; in Jacques-Cartier Square, d'Youville Square, the 'Rue du Carnaval' and the Carnival Village.

The organizers of the carnival need imagination to embellish and illuminate the old capital. In 1963 and 1964 they reconstructed a typical old Quebec village, correct to the last detail, in one of the principal city parks. There was the church of former days, the traditional village general store, a dance hall, the office of the 'mairie' etc. Various amusements were provided there every evening. This little town in miniature recalled the early days of Quebec, when the colonists had to build with their own hands their dwellings made of logs and heated by a little stove in the middle of the room.

Why does the Quebec Winter Carnival gain momentum and popularity while similar efforts elsewhere have failed? Quebec herself supplies the answer. It is 'her' carnival, supported and enjoyed by her own citizens far beyond any participation by visitors, welcome as they are to join in. The originality, gaiety, colour and magnitude of the celebrations is each year a spontaneous reaction of the old city to the challenge of a long winter with its frosty air and deep mantle of snow. The Quebec Winter Carnival, living up to its reputation of being the biggest winter carnival in the world is celebrated each year during a 20-day period preceding Mardi Gras. "Bonhomme Carnaval," that animated snowman, the living symbol of gaiety, reigns over all the carnival festivities.

One of the interesting and definite characteristics of Quebec's carnival is that it is organized, as I have said, with the participation of, and designed for the amusement of the local population itself. In this way, tourists and out-of-town visitors arriving for the event have the pleasing sense of joining in a genuine movement of gaiety and revelry already established.

The Quebec Winter Carnival, now a permanent feature in Quebec City, has already demonstrated its importance in the field of tourist promotion. Last winter, its tenth anniversary, over 300,000 persons came to the city during the carnival, and the chamber of commerce study indicated that they spent well over $10 million.

Again I quote, this time from the *Chronicle-Telegraph*:

> Quebec City has been called the world's most exciting 'all year round' vacation centre. For rare indeed are the tourist resorts that can count on two full active seasons each year.

Therefore, it is up to Quebecers to boost the popularity of our city. So, I thank you, honourable senators, for giving me this opportunity of doing just that.

May I extend an invitation to all honourable senators to come to our carnival and to join in the fun. Who knows, maybe it could be arranged to have jolly "Bonhomme Carnaval" in person come to Ottawa to issue a special invitation to the honourable members of the Senate, and I hope the Speaker will grant him the privilege of remaining in the gallery. Loved as he is by all who see him—by royalists and separatists alike—Quebec's papier-mâché Bonhomme could well become a symbol of understanding and unity in this era of turbulence and confusion.

Hon. John J. Connolly: Honourable senators, after we heard from Senator Connolly, my namesake from Halifax North, I knew it would be very difficult to follow his great oratorical performance; it is even more difficult, now that we have heard the honourable Senator Quart.

I commend Senator Quart particularly for what she has said, because she pointed up one important aspect of the tourist industry that has not had the kind of attention in the past that I am sure it is bound to get in the future. I refer to the attractions that can be developed during the cold winter months when snow covers the country.

The honourable senator from Halifax North spoke about the importance of the work of this committee in the context of the two events that are to take place in 1967. The doing of something constructive in respect to these two great national events seems to me to be of particular importance at this time. We are all indebted to him, I am sure, for bringing this so forcibly to our attention.

At the outset I should say that the Chairman of the Tourist Traffic Committee (Hon. Mr. Isnor), who is rather anxious to get on with the work of this committee, has suggested that I, by speaking for a few minutes tonight, might conclude this debate. That I am very happy to do.

I congratulate Senator Isnor for his enterprise and for the debate he has inspired in this chamber, for he has drawn speeches from every province of the country. If I may say so, he is performing in the tradition of other very successful past chairmen of this committee, notably Senator Dennis, Senator Buchanan and Senator Horner. He has induced not only good and interesting speeches, but speeches which have persuaded some of the bigger fish, particularly those in the waters of Saskatchewan, to come to the surface and exhibit themselves. I am sure we all regret that the fish Senator Hollett told us he caught in the waters of Newfoundland never had its dimensions recorded. I hope that some time soon the senator will correct that deficiency.

The purpose of the committee, of course, is to stimulate and encourage every area of activity that can be encouraged and stimulated by the tourist industry of this country. It is interested in attracting people to Canada for the primary purpose of enjoying a holiday, but also for the purpose of having them know this country and its people. Without seeming to pat ourselves on the back, I think this should be a rewarding experience for people outside our borders.

But the committee has also the purpose of promoting tourist travel within Canada. This is a most praiseworthy object, because if it is achieved it is bound to develop a pride in Canadians in what they have in their own country. Travel, a knowledge of the different parts of the country, and having friends there, develops within an individual a sense of national consciousness which is all to the good.

We cannot ignore the very significant fact that Canadians are travelling more and more within their own country, as well as travelling abroad. Facilities for foreign travel at the present time are very good. We should never discourage our people from travelling to Europe, to the East, or to Africa. Foreign travel is educational as well as recreational. It is good for our people, and their appearance in foreign countries as ambassadors of Canada is a good thing.

I cannot speak in this debate, of course, without making some reference to the city in which I was born, and in which this

Parliament sits. Ottawa is one of the most attractive cities of Canada, and it is a unique place. The Parliament Buildings, situated as they are on a rocky promontory over a mighty river, occupy such a site as very few other national capitals have. The Ottawa River, which was traversed by explorers, by missionaries and by traders, is within a stone's throw of the chamber in which we sit.

People who visit this city should think not only about the architecture of the buildings, but also of the significance and the symbolism of them. For example, on one side of Sussex Drive is the home of the Queen's first minister, and opposite it is Rideau Hall, symbolic of the contribution made in the early days of this country by people from the United Kingdom. On one side of the home of the Queen's first minister is the beautiful embassy of France, symbolic of the great contribution made to Canada by people from that country.

The Parliament Buildings themselves are structures of beauty and dignity. They were built that way purposely. They are monuments to our continuing devotion to parliamentary democracy. The more we impress our people with this great purpose, the better we serve democracy and freedom.

There are other symbolic buildings in this city. The Supreme Court is also situated on the rocky promontory overlooking the river. It is a symbol of the maturity and sophistication of Canada's legal institutions. Indeed, it is a symbol of the relatively new independence of the country. On Sussex Drive is the National Archives, the repository of the title deeds of the nation.

We have developed, too, the National Capital Plan, under the guidance of the National Capital Commission. This plan was thought of originally as being a memorial to the men and women who served Canada, and who died for Canada in two wars. But, I think it is more than that. The idea of a national capital can be a symbol of the nation. It is true that roads, bricks and mortar alone cannot do that. But together they can symbolize the spiritual aspirations of a young and vibrant country.

Honourable senators, I hope the committee will approach its terms of reference on a plane that is not only businesslike but somewhat higher. Last fall the 18th Federal-Provincial Tourist Conference was held in the Chateau Laurier, in Ottawa, under the auspices of the Department of Trade and Commerce. It was attended by the officers of that department, who are directly in charge of the tourist traffic business. It was attended also by representatives of the tourist industry from all provinces of Canada and the Northern Territories. The reports of the speeches and the arrangements made at that meeting are available. I hope the committee will look to them, as they may contain helpful suggestions for its guidance.

I hope also that the committee will think of what the tourist might take back to his home after his visit. Nothing could be more useful to him and to our country than that he should know what he saw. Therefore, literature not only to attract him but to instruct him should hold an important place in our efforts.

Honourable senators who have travelled to places in Europe and in the United States know that instinctively tourists go to the newsstands and bookshelves for pamphlets and books about the history of the places they have visited.

I wonder if many honourable senators have visited Williamsburg near Richmond, Virginia. There an old establishment of the pre-revolutionary days has been reconditioned and restored, particularly by the munificence of the Rockefeller Foundation. The lectures, moving pictures and literature available there constitute some of the most attractive features of a visit to that historic place.

Senator Grosart said the other afternoon that many visitors are interested primarily in our scenery and not so much in the sporting side of a holiday. Some of our literature might well reflect the views expressed by some of our good Canadian poets about the kind of country we have.

For example, E. J. Pratt, the brother of our late colleague Senator Pratt, wrote in "Brebeuf and His Brethren":

> Skylines unknown to maps broke from the mists
> And there was laughter on the seas.

That poem is full of the kind of imagery which makes more meaningful the Canadian scene as we have it in so many of our provinces.

Charles Sangster wrote:

> Our lakes are deep and wide,
> Our fields and forests broad;

Charles G. D. Roberts said:

> Grey rocks, and greyer sea,
> And surf along the shore—

Wilfred Campbell, writing about one of the seasons, said in "October Morning":

> Bright, pallid, changing, chill October morn;
> Across your windy, keen exhilarant air,
> You loom.

Frederick Scott, writing about the lake country, in "The Unnamed Lake" said:

> It sleeps among the thousand hills
> Where no man ever trod,

And only nature's music fills
The silences of God.

Robert W. Service, whose other poems we know, but perhaps not one about "The Mountain and the Lake", said:

I know a mountain thrilling to the stars,
Peerless and pure, and pinnacled with snow;

Then we have E. Pauline Johnson, who wrote:

West wind, blow from your prairie nest,
Blow from the mountains, blow from the west.

I am sure these words have a special inner meaning to people who live in western Canada. She spoke also about the harvest time and in her poem of that name she spoke of the prairies:

Pillowed and hushed on the silent plain,
Wrapped in her mantle of golden grain.

Another poet whose verse might be appropriate, is Arthur Stringer, who wrote these lines in his poem "Northern Pines":

And I see the glooming pine-lands,
And I thrill to the Northland cold,
Where the sunset falls in silence
On the hills of gloom and gold!

These are beautiful expressions descriptive of the land we live in, of the land we love. These are literary gems. I do not say that every tourist would wish to spend his time reading poetry. But by exposing him to this kind of production we do him a favour, and we certainly do not downgrade Canada and her writers.

Honourable senators, I am sure this committee will perform a notable function not only for the Senate but for the tourist industry.

Hon. Gordon B. Isnor: Honourable senators, many years ago I attended a school concert at Christmas, where the most popular speaker was the reverend gentleman who, when the audience had listened to a fine concert and to other speakers, made a speech of two words only: "Merry Christmas." He received wonderful applause. I do not expect applause, but I intend to make almost as short a speech this evening.

I am reminded of another well-known clergyman who at dinner one evening wore a puzzled expression, scratched his head, and asked his family: "I wonder what I should talk about tomorrow?" His son, a bright boy, replied, "About two minutes."

Honourable senators, I rise to thank all those who took part in the debate. I appreciate that every province from Newfoundland to British Columbia has been represented. Including this evening's speakers, 19 senators, whose names I have noted, took part and said some fine things about our country. They have been kind to me, as the chairman of the committee, and I close with these few words: I thank you, one and all.

Motion agreed to.

LIBRARY OF PARLIAMENT

REPORT OF JOINT COMMITTEE ADOPTED

The Senate proceeded to consideration of the report dated May 14, 1964 of the Joint Committee on the Library of Parliament.

Hon. Mr. Connolly (Ottawa West) moved that the report be adopted.

Report adopted.

GENEVA CONVENTIONS BILL

SECOND READING—DEBATE ADJOURNED

Hon. A. B. Baird moved the second reading of Bill S-25, respecting the Geneva Conventions, 1949.

He said: Honourable senators, Bill S-25, which it is my privilege to move on second reading, seeks explicit statutory approval of the international conventions which are appended as Schedules I, II, III and IV to the bill, as follows:

I. Convention for the Amelioration of the Condition of the Wounded and Sick in Armed Forces in the Field.

II. Convention for the Amelioration of the Condition of the Wounded, Sick and Shipwrecked Members of Armed Forces at Sea.

III. Convention relative to the Treatment of Prisoners of War.

IV. Convention relative to the Protection of Civilian Persons in Time of War.

Most of the requirements prescribed in the conventions can be satisfied under existing Canadian legislation. Consequently, the bill now before us seeks: First, to discharge the obligations arising from articles common to the four conventions to bring to trial in Canadian courts persons who have committed "grave breaches" as listed in the conventions, regardless of their nationality or a place where the grave breach was committed. For this purpose, the relevant offence sections of the Criminal Code are given extra-territorial effect. This is provided for by Part I of Bill S-25.

Secondly, to treat as members of the Canadian armed forces, for purposes of criminal and disciplinary proceedings against them, prisoners of war held by Canada. To this end, Clause 7 of Part II of the bill provides that

prisoners of war held by Canada be subject to the Code of Service Discipline defined in the National Defence Act, thus placing them under the jurisdiction of Canadian service tribunals as if they were members of the Canadian forces.

Thirdly, to afford to prisoners of war and civilian internees in Canadian hands specific judicial safeguards when they are brought for trial during the appeal period and in the execution of a major sentence imposed on any such protected person.

Honourable senators, while I do not propose to analyze in any detail the conventions set out in the schedules to this bill, it might be of assistance if I spoke briefly of their development and significance.

The present text of these Geneva Conventions is the result of a development dating from 1864, when the original convention for the amelioration of the condition of soldiers in armies in the field was signed. In 1906, and again in 1929, revisions were made at Geneva of the original 1864 convention. In 1929 also a new convention relative to the treatment of prisoners of war was drawn up and signed. Canada ratified both the 1929 Geneva Conventions in 1933.

In 1945 a general movement began for the revision of these conventions, which resulted in a conference at Geneva in 1947, an International Red Cross Conference in Stockholm in August 1948 and, finally, in a diplomatic conference for the establishment of international conventions for the protection of victims of war, held at Geneva in 1949. Fifty-nine governments were represented at the diplomatic conference.

The first three of the 1949 Geneva Conventions represent a revision and a modification of the earlier international conventions; in some respects they afford greater protection, and in others they are more practical than the earlier ones. The fourth convention, relating to the treatment of civilians, is now in form and is designed to afford protection to categories of civilians who are particularly exposed to mistreatment in time of war.

The need for the convention has long been recognized, and has been particularly urged by those European countries whose populations had been the victims of aggression during the last war.

Each of the four conventions contains certain general provisions common to all of them, which deal with its application and the mechanics of its enforcement. These common articles contain provisions for the application of the conventions to armed conflicts not of an international character, as well as to formally declared warefare; to resistance fighters or partisans who are entitled to protection; to all protected persons, without discrimination as to race, colour, sex or birth, and for the appointment of a protecting power to act in the interest of nationals of a belligerent country.

Honourable senators will note that under section 9 of the bill where, in legal proceedings, some doubt arises as to whether a state of war or armed conflict existed at any given time or place, a conclusive certificate shall issue from the Secretary of State for External Affairs.

In addition to such common articles, each of the four conventions contains specific provisions related to its own particular field. The first of these, the Geneva Convention for the Amelioration of the Conditions of the Wounded and Sick in Armed Forces in the Field, has the longest history of any of the Red Cross conventions. Its source is the convention similar in name and purpose, which was signed in Geneva in 1864. Its basic purpose is to ensure respect and protection of the wounded and sick and dead in the field, and also medical personnel and establishments. Military chaplains are accorded the same treatment as medical personnel.

The second of the four schedules is the Geneva Convention for the Amelioration of the Condition of Wounded, Sick and Shipwrecked Members of Armed Forces at Sea, referred to as "Maritime Convention." It adopts the principles of Convention I and applies them to the conditions of maritime warfare. In so far as it departs from the provisions of the convention for the wounded and sick, it does so by reason of conditions peculiar to the conduct of war at sea.

This brings me to Schedule III, the Geneva Convention relative to the Treatment of Prisoners of War. It is based on the 1929 Prisoners of War Convention, and contains 143 articles, as compared with 64 and 63 respectively for Conventions I and II. It provides protection for the prisoner from the time he falls into enemy hands until final release and repatriation.

It therefore becomes of prime importance to discover who comes within the definition of a "prisoner of war." It includes not captured soldiers alone, in the traditional sense, but also persons accompanying the forces. For example, war correspondents and welfare workers are given the status of prisoners of war; crews of merchant vessels and civil aircraft of the belligerents fall within the definition. Included as well are members of organized resistance movements, and even inhabitants of non-occupied territory who lacking time to organize themselves spontaneously spring to arms to resist an invader, provided they carry arms openly and respect the laws and customs of war. If there is doubt as to a belligerent's status, he must be afforded the protection of the convention until it is determined.

The last is a new definition. The fourth convention known as the Civilian Convention, is new in form and is designed to afford protection to categories of civilians who are particularly exposed to mistreatment in time of war. Previously there were few rules for the protection of civilians in wartime. The fourth Hague Convention of 1907 provided certain rules for the protection of civilians in occupied territory, which were admittedly inadequate and lacked precision, but they were the only rules in existence during the First and Second World Wars.

The Geneva Civilian Convention of 1949 goes far beyond The Hague rules in endeavouring to ensure humane treatment for civilians in wartime. The need for an international convention on this subject was brought home by the lessons of World War II when, it is estimated, war crimes were the cause of more loss of life than military operations. The Geneva Civilian Convention of 1949 is a charter of fundamental rights for civilians in time of war. It attempts to give to civilians those rights and safeguards which have been established for prisoners of war, the wounded and sick military personnel.

Honourable senators, in closing may I say that none of the conventions is inconsistent with former conventions by which Canada is bound. There may be room for differences on points of detail, in the conventions, but I doubt if there is any room for disagreement with the fundamental principles upon which they are all based, and their ratification by Canada would be in keeping with this country's traditions of record for individual rights, human freedoms and the welfare of man.

I therefore hope that second reading will be accorded this legislation and that it will then be referred to the Standing Committee on External Relations for detailed study and examination.

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

EXTERNAL RELATIONS

MOTION TO EMPOWER COMMITTEE TO STUDY REPORT—DEBATE CONTINUED

The Senate resumed from Wednesday, May 13, the adjourned debate on the motion of the honourable Senator Thorvaldson:

> That the fifty-fourth report of the Department of External Affairs, covering the calendar year 1963, laid before the House on February 25th, 1964, pursuant to section 6 of the External Affairs Act be referred to the Standing Committee on External Relations for consideration.
>
> That the committee have power to send for persons, papers and records, and to report from time to time.

Hon. Paul Yuzyk: Honourable senators, I would like to go on record in support of Senator Thorvaldson's motion which, in effect, would make the Standing Committee on External Relations a useful and, I hope, indispensable instrument for the study of Canadian external relations and of the pursuance of Government policies on the international level. I am sure the chamber is grateful to him for his comprehensive survey of Canada's foreign affairs for the year 1963.

I agree with Senator Grosart's arguments concerning the expediency of this matter, which certainly is in the public interest. There are many members of the Senate whose great knowledge, ability and experience could be used beneficially for Canada in the solution of her problems in international affairs.

Senator Lambert's observation that perhaps the tendency of Canadian governments was simply to deal with external relations and that perhaps the time has come to consider seriously a foreign policy, warrants deep thought. The fact that many senators can and are willing to devote their whole life to Canada's international affairs can greatly aid governments in the pursuit of a long-range and stable foreign policy, which would be able to adapt itself readily to changing circumstances and conditions.

If Canada desires to continue her role as a leader of the increasing number of middle nations of the world, her principles of foreign policy must be constructive and lucid, inspiring confidence in all nations who are striving to achieve peace, progress, prosperity, justice, co-operation, freedom and democracy.

Honourable senators, I am taking this opportunity to make an appraisal of Canadian policy in the United Nations regarding the Soviet Union. Having been a senatorial observer in the Canadian delegation to the Eighteenth General Assembly of the United Nations last fall and having lectured for many years at university on Russian, Soviet and Eastern European history, I believe that I have a contribution to make in this field.

While at the United Nations I was privileged to see and hear the late President of the United States, John Fitzgerald Kennedy, deliver his last speech to that assembly. His tragic assassination on November 22, 1963, caused a tremendous loss not only to our southern neighbour but to all freedom-loving mankind. Canadians mourned his death as if he were one of our own. In his short term of office, the young president—for Kennedy was only 46 years of age when he was ruthlessly shot down—proved that he was a great statesman, possessing a keen insight into the human struggle of the twentieth century and

a vision of the future of a rapidly changing world.

Kennedy's ideas, so eloquently and profoundly expressed by him, stir all men of reason and good faith. His comprehension of the essence of the struggle of humanity and the highest values of mankind is clearly evident in his famous speech to the Senate of the United States on July 2, 1957, on the eve of the celebration of American independence. Here is an extract from that speech.

> The most powerful single force in the world today is neither communism nor capitalism, neither the H-bomb nor the guided missile; it is man's eternal desire to be free and independent.

Kennedy, who at that time was a senator, followed up by stating that the single most important test of United States foreign policy is what should be done to further man's desire to be free. It is a test that should as well be applied to Canadian foreign policy.

Kennedy perceived that the direction of mankind was not toward uniformity but rather toward "a world based on diversity, self-determination, freedom." As an historian and a philosopher, when he was addressing a university convocation in 1962, the late President noted that the emerging world would inevitably reject the communist concept of a monolithic world. Here is the significant part of that speech:

> No one who examines the modern world can doubt that the great currents of history are carrying the world away from the monolithic idea toward the pluralistic idea—away from communism and toward national independence and freedom. No one can doubt that the wave of the future is not conquest of the world by a single dogmatic creed but the liberation of the diverse energies of free nations and free men.

The greatest enemy of the freedom of man and nations is imperialism with its attendant colonialism. Empires, however, have risen and fallen. In our age we have witnessed the fall of the Austrian Hapsburg Empire, the Russian Tsarist Empire, and others, as these are not the natural condition of mankind today. Britain, France and other colonial powers have been progressively relinquishing their control over their colonial territories.

The liberation of man and nations, which was ushered in by the French Revolution, has become the spirit of our age. For example, we have witnessed the rapid decolonization of Africa. A little over a decade ago only four independent states existed in Africa. Today there are 35 independent states, of which 26 are seven years old or less.

The United Nations, which began its life 20 years ago with 51 members, today has 113, more than double its original membership, and during that time almost one billion people have achieved their independence. In its efforts to bring an end to the era of colonialism, the United Nations has helped many peoples to gain their independence and statehood.

With the disappearance of imperialism and colonialism throughout most of the world, the great paradox of our age is the existence of a United Nations member, the Soviet Union, which has emerged as the world's greatest imperialist power. It is most ironical that the U.S.S.R., while steadily expanding, has been the loudest in the United Nations in denouncing imperialism. The greatest threat to the freedom and independence of man and nations and to the peace of the world today is Soviet Russian imperialism, under the guise of spreading revolutionary socialism and communism to all peoples.

We can be proud that Canada was one of the first in the United Nations to challenge Russian colonialism. In his famous speech of September 26, 1960, Prime Minister John G. Diefenbaker reminded Khrushchev of the Soviet declaration for "the complete and final elimination of colonial regimes." Diefenbaker then presented the record of Britain and France regarding the elimination of colonialism:

> Since the last war seventeen colonial areas and territories, comprising more than 40 million people, have been brought to complete freedom by France. In the same period, fourteen colonies and territories, comprising half a billion people, have achieved complete freedom within the Commonwealth...this with the approval, the encouragement and the guidance of the United Nations, the Commonwealth and France. There are few here that can speak with the authority of Canada on the subject of colonialism, for Canada was once a colony of both France and the United Kingdom. We were the first country which evolved over a hundred years ago by constitutional processes from colonial status to independence without severing the family connection.

Later the Canadian Prime Minister posed the following questions:

> How many human beings have been liberated by the U.S.S.R.? . . . How are we to reconcile the tragedy of the Hungarian uprising in 1956? . . . What of

> Lithuania, Esthonia, Latvia? What of the freedom-loving Ukrainians and many other Eastern European peoples? . . .

And very emphatically he stated:

> There can be no double standard in international affairs.

Our Prime Minister later elaborated his views to a large gathering of ethnic groups in Toronto on November 22, 1961. I quote for the record:

> The Soviet Union, while pretending otherwise, is a colonial power and a colossus of empires.
>
> It dominates, subjugates, and exploits vast areas of Asia and of the Caucasus, initially colonized in the nineteenth century and earlier by Imperial Russia, using them as a source of cheap raw materials, cheap labour, and as a captive market.
>
> Furthermore, the Soviet Union, by force of arms, has deprived highly developed countries of their independence, deported tens of thousands of their citizens to misery and death, exploited their riches, and ruthlessly suppressed every attempt on the part of their people to maintain any semblance of national identity . . .
>
> This was the course followed in 1919 when the Red Army trampled on the newly-attained independence of the Ukraine. This occurred while the new Bolshevik Government of Russia was piously declaring that, under its new nationality policy, every part of the former Russian Empire was free to go its own way. The same story could be told of Trans-Caucasia and Central Asia.
>
> Soviet representatives will tell us that the peoples of these subject countries invited the Soviet Army to invade them because what they wanted most was to become part of the Soviet Union.
>
> Is there any sovereign state in the world—independent, democratic, economically vigorous and having a high standard of living—which would willingly invite military occupation and political subjugation by a large neighbour? Would such subjugation be welcomed when that neighbour had a lower living standard, had no democratic institutions, and was under the rule of dictatorship?
>
> No free country would invite such invasion and subjugation. The peoples of the Ukraine, the Baltic countries, or other Eastern European countries or Trans-Caucasia and Central Asia did not invite it. They had it thrust upon them. They were never given an opportunity to choose freedom. They are still being denied the right by the U.S.S.R., which the U.S.S.R. contends should be the right of all peoples.
>
> Is the Soviet Union to be the only colonial power remaining in the world? Why should the Soviet empire be more sacrosanct than any other? Different rules do not and should not apply to Soviet imperialists. There must be no double standards in the United Nations.
>
> The United Nations Declaration makes no distinction as to the colour or race of people subjected to alien domination and exploitation, it does not qualify the right of peoples to self-determination. It uses the all-embracing word 'all' in the preamble that 'all peoples have an inalienable right to complete freedom, the exercise of their sovereignty, and the integrity of their national territory.'

The United States took a firm stand against Soviet imperialism at the Sixteenth General Assembly in the fall of 1961. President Kennedy expressed American sympathy and support for the continuing tide of self-determination in the following statement:

> But that is why there is no ignoring the fact that the tide of self-determination has not yet reached the Communist empire, where a population far larger than that officially termed 'dependent' lives under governments installed by foreign troops instead of free institutions—under a system which knows only one party and one belief—which suppresses free debate, free elections, free newspapers, free books, and free trade unions—which builds a wall to keep truth a stranger and its own citizens prisoners. Let us have the choice and the practice of free plebiscites in every corner of the globe.

The American Ambassador to the United Nations, Mr. Adlai Stevenson, at the same session, on November 25, 1961, condemned all forms of colonialism and urged the United Nations to focus attention on the colonialism of the Soviet Union by applying the key of self-determination. He related the historical events of the Soviet conquest of several peoples who had established independent states after the fall of the Russian monarchy at the end of the First World War, noting how the Bolsheviks employed a double standard with complete impunity. This is the reference to Ukraine, one of the large so-called "republics" of the Soviet Union and a voting member of the United Nations:

> We are told that the peoples of the Soviet Union enjoy the right of self-determination. Indeed the Soviet regime at its inception issued a Declaration of Rights which proclaimed 'the right of the nations of Russia to free self-determination including the right to secede and form independent states'.

> How did this 'right' work in practice? An independent Ukrainian Republic was recognized by the Bolsheviks in 1917, but in 1917 they established a rival republic in Kharkov. In July 1923, with the help of the Red Army, a Ukrainian Soviet Socialist Republic was established and incorporated into the U.S.S.R.

Ambassador Stevenson then explained how the Soviet Government attempted to justify the double standard:

> The right of self-determination has never been accepted for its own dependent areas by the Soviet Government. Stalin in 1923 explained that 'there are instances when the right of self-determination comes into conflict with another, higher right, the right of the working class to fortify its own power. In such cases the right of self-determination cannot be and must not serve as an obstacle to the realization of the right of the working class to its own dictatorship. The former must give way to the latter.' In short, self-determination is a right which can only be upheld when the peoples concerned have not fallen under Communist domination.

Stevenson warned the United Nations members that the ascendancy of the smiling Khrushchev has brought no changes in the Soviet nationality policy, whose announced design was to eradicate all national differences between the diverse nationalities and the Great Russian model. The ambassador called attention to the Soviet Communist Party program, which lamented that "the obliteration of national features, particularly of the language differences, is a considerably longer process than the obliteration of class differences." Khrushchev's speech to the 22nd Congress of the Party warned that "even the slightest vestiges of nationalism should be eradicated with uncompromising Bolshevik determination."

Stevenson concluded:

> This is the unique aspect of Soviet colonialism—an aspect that differentiates it from all other historical examples of one state's suppression of another's freedom. Through the total state controls of mass culture, propaganda, education, and movement, the Soviets seeks to wipe out forever the national characteristics that differentiate the Turk from the Ukrainian, the Kazakh from the Armenian, the non-Russian from the Russian. They not only seek the eradication of differences and the suppression of freedom, but the eradication of the desire for freedom.

At the Seventeenth General Assembly of the United Nations in 1962, the Canadian and American policies continued to be identical with respect to Russian imperialism. The Canadian representative, Mr. Heath Macquarrie, M.P., on November 23, reiterated the original stand of Prime Minister Diefenbaker, in these words:

> But what about the position of subject peoples within the Soviet empire? Assessments may vary but there are about 96 million people under Soviet rule who have never been permitted to exercise the right of self-determination which the U.S.S.R. so loudly proclaims for others. It is a unique and disturbing phenomenon at this time in world affairs, when one of the highest aspirations of mankind is the peaceful and orderly evolution to viable freedom for all dependent peoples, that the U.S.S.R. should continue to deny the rights of free election and expression to subject nations under its domination...
>
> Consistent with the position outlined by the Prime Minister, the Canadian Government has continued to urge that the focus of United Nations' attention be brought to bear on conditions within the Soviet empire and more particularly on the denial of human rights and fundamental freedoms. These conditions should be placed in the context of all Assembly discussions about these rights and freedoms and about the status of dependent peoples everywhere. Our aim is to provide perspective for the strident demands which the U.S.S.R. makes on behalf of others for rights and benefits, denied the subject peoples of the Soviet empire.

In view of the harmony of Canada and the United States regarding Soviet Russian imperialism, one would have expected a stronger combined effort at the Eighteenth General Assembly of the United Nations last fall. The American delegate, Mr. Yates, delivered a speech on December 4, 1963, pointing out that "fortunately for the rest of the world, and fortunately perhaps for the Soviets themselves in the long run, this new empire is tending to crack up."

Referring to the fact that the United Kingdom, France and other powers had granted independence to their formerly colonial territories, he asked outrightly, "Can the Soviet Union point to one territory that it has surrendered?" And answered, "It cannot". He called upon the nations of the world "to make sure that every people now under colonial domination is given the chance to exercise the right as well as the pure form of self-determination" according to the promise of the United Nations Charter for all peoples.

In my capacity as senatorial observer I urged the Canadian delegation of the present

government, in our conferences, to support the stand of the United States Government and the former Canadian Government. The response was not forthcoming. It appears that the new Canadian Government decided to pursue a policy of noncommitment, ostensibly in view of the impending wheat sales to the Soviet Union at that time. The fact remains, however, that the sale of wheat to the U.S.S.R. by the former Government of Mr. Diefenbaker did not prevent him from censuring Soviet Russian imperialism and championing the cause of subjugated peoples, as a matter of principle.

It is my belief that this noncommital attitude of the Canadian Government in this issue and many other instances considerably tarnished our image in the United Nations, which means throughout a great part of the world. One of the Canadian journalists, Bruce Phillips, wrote an article in the Ottawa *Citizen* of December 11, 1963, entitled "Fence-sitting begins to hurt." It reads:

> United Nations, N.Y.—The Canadian delegates here are getting to be known among their colleagues from other parts of the world as the Old Abstainers from the Faraway Woods.
>
> And they are not talking about Canadian consumption at the bar in the delegates' lounge, either, which is at least on a par with the best of them from the rest of the globe.
>
> What they mean is Canada's voting record in the General Assembly and in the U.N. committees, which this year includes an unprecedented number of issues on which the Canadian delegation has taken no official position.
>
> There are good reasons for this; at least, the Canadian spokesmen believe they are good reasons. The fact remains that Canada's careful fence-sitting at the United Nations this year is costing the country prestige among the small and new nations whom Canada has tried most energetically to influence.

The annual celebrations by the Ukrainians in Canada and throughout the free world of the Act of January 22, 1918, by which the Ukrainian Parliament proclaimed the independence of Ukraine, serve to remind the free nations of the world that the Ukrainians are an old nation, which had been subjugated by the Russian tsars and finally realized her right to self-determination. The establishment of an independent Ukrainian National Republic was the rejection of Russian imperialism and colonialism in all their forms. The new state rejected the autocracy and tyranny of the tsars and the dictatorship of a single party which was instituted by Lenin. The Act of January 22, 1918, proclaimed full democracy guaranteeing freedom of speech, press, religion, association and to strike; all minorities were granted "national-personal" autonomy.

When the imperial structure of Tsarist Russia crumbled in 1917 under the heavy weight of its oppression, the Ukrainian Government of the Central Rada convened in September a congress of the nations of the former Russian empire, which approved the implementation of the principle of the self-determination of nations. One by one the non-Russian nations followed the example of Ukraine and proclaimed their independence and statehood. This is the sequence: Idel-Ural, November 12, 1917; Finland, December 6, 1917, Kuban Cossacks, February 16, 1918; Lithuania, February 16, 1918; Esthonia, February 24, 1918; Byelorussia, March 25, 1918; Don Cossacks, May 5, 1918; North Caucasia, May 11, 1918; Georgia, May 26, 1918; Azerbaidzhan, May 29, 1918; Armenia, May 30, 1918; Poland, November 11, 1918; Latvia, November 18, 1918; Far-Eastern Democratic Republic (Siberia), April 4, 1920; and Turkestan, April 15, 1922. In most cases, by means of subversion and with the aid of the Russian Red Army, these nations after heroic struggles were re-incorporated into a new Russian empire under the deceptive name of Union of Soviet Socialist Republics.

This newly reconstituted Soviet Russian empire acquired as insatiable an appetite for more territory and world domination as the old Tsarist Russian empire, except that it developed more subtle techniques, and makes use of powerful propaganda to conceal the true nature of its motives and actions. At the end of the Second World War and subsequently the Soviet Union extended its domination over other European nations, which, having become known as the Soviet satellites, in reality became Russian colonies. Even Asian leaders have denounced Soviet colonialism including Moscow's exploitation of the satellite peoples. Here is the statement of Sir John Kotelawala, Prime Minister of Ceylon, spoken to Asian and African nations at the Bandung Conference, April 21, 1955:

> There is another form of colonialism, however, about which many of us represented here are perhaps less clear in our minds and to which some of us would perhaps not agree to apply the term colonialism at all. Think, for example, of those satellite states under Communist domination in Central and Eastern Europe—of Hungary, Rumania, Bulgaria, Albania, Czechoslovakia, Latvia, Lithuania, Esthonia and Poland.

I would also add East Germany.

> Are not these colonies as much as any of the colonial territories in Africa or Asia? And if we are united in our opposition to colonialism, should it not be our duty openly to declare our opposition to Soviet colonialism as much as to Western imperialism?

Subsequently, the declaration of an Asian nation was forthcoming at the United Nations when the Malayan Ambassador, Mr. Dato Ong Yok Lin, spoke to the 17th General Assembly on November 28, 1962:

> We are opposed to colonialism in all its forms and manifestations, whether it is the traditional type practised by Western European powers or the new and more sinister kind of colonialism perpetrated by Communist imperialism. We subscribe to the view that colonialism, in whatever form or shape, is a constant threat to international peace and security, and, as such, it must be speedily liquidated.

Had the Western World recognized and supported the non-Russian states that had emerged after the fall of the Russian Monarchy in 1917, in accordance with Wilson's principle of self-determination, this would probably have prevented the expansion of Bolshevik Russia into a Soviet empire, which has become a menace to the free world. The cure of this cancer is now much more difficult, but it must be consistently and constantly applied. If the United Nations declaration that "all peoples have an inalienable right to complete freedom, the exercise of their sovereignty and the integrity of their national territory" has been made to apply to peoples in Africa and Asia, most of whom have never possessed a historical statehood, then surely it must be equally applicable to all the non-Russian nations and satellites under Soviet Russian domination who had already exercised their right of self-determination about a half-century earlier.

All the free nations of the world, including Canada, must make a constant, concerted effort in the General Assembly of the United Nations to compel the government of the Soviet Union to liquidate its imperialism and colonialism by granting the right of self-determination to the non-Russian nations and satellites under Russian communist rule.

The cornerstone of Canadian foreign policy should always be what Canadians treasure most—to make the world safe for democracy, the freedom of the individual and of nations; peace, prosperity and progress; and to co-operate fully with all nations of the world who recognize these principles and adhere to them in the spirit of brotherhood and in conformity with the Universal Declaration of Human Rights.

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

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Tuesday, May 26, 1964

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

Prayers.

CRIMINAL CODE (HABEAS CORPUS)

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-35, to amend the Criminal Code (*Habeas Corpus*).

Bill read the first time.

Hon. David A. Croll, for Hon. Mr. Lang, moved that the bill be placed on the Orders of the Day for second reading on Thursday next.

Motion agreed to.

HON. JOSEPH A. SULLIVAN

FELICITATIONS ON HONORARY FELLOWSHIP, THE ROYAL SOCIETY OF MEDICINE

Hon. John J. Connolly: Honourable senators will, I am sure, be pleased to know I have been informed that our colleague, the honourable Senator Joseph A. Sullivan, was elected to the Honorary Fellowship of The Royal Society of Medicine, in England, on May 19.

I am told that among the very few Canadians so honoured are Professor Charles Best, Professor Wilder Penfield, Professor Douglas Cannell, Emeritus Professor Robert Janes and Dr. L. C. Montgomery.

I am sure all honourable senators are happy to join in congratulating our colleague on this signal honour.

Hon. A. J. Brooks: Honourable senators, we are all proud indeed that Dr. Sullivan has received this honour. It is an honour not only to him but also to the Senate. I agree wholeheartedly with the sentiments expressed by the honourable Leader of the Government.

GENEVA CONVENTIONS BILL

SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Baird for the second reading of Bill S-25, respecting the Geneva Conventions, 1949.

Hon. Gunnar S. Thorvaldson: Honourable senators, as the Geneva Conventions are part of our international relationships, I hope you will not deem it inappropriate if, at the outset, I refer very briefly to the inspiring address given to both Houses of Parliament this morning by U Thant, the distinguished Secretary-General of the United Nations.

I am sure that all honourable senators who were present at the joint meeting this morning were moved by the serious dedication which was evident in the remarks of the Secretary-General. I am also sure that we deem it a compliment to our country to have U Thant here as a visitor. Indeed, as we were told this morning, it was the first time that any Secretary-General of the United Nations has honoured our Parliament in this manner.

Certainly, he made us all more conscious of a fact of which we are already aware, that this country is playing a leading role in the very important function of the United Nations through our efforts in peace-keeping in various fields of potential serious international conflict.

I am sure that Canadians generally may take pride in the visit to our capital of this distinguished world statesman.

I come now to the purpose of my remarks, namely, to discuss Bill S-25, an act respecting the Geneva Conventions of 1949.

I am sure that we are all most indebted to the honourable Senator Baird, who last evening gave a lucid explanation of the bill and referred at the same time to the Geneva Conventions. Indeed, he covered the subject so fully and efficiently that perhaps no further remarks are necessary. However, I would like to comment briefly on the bill and the conventions.

I am sure we are all aware that the year 1964 marks the one hundredth anniversary of the first Geneva Convention. I refer to the first Geneva Convention because the other three of the four conventions have been developed throughout the years since 1864.

I deem the Geneva Conventions the most important and the most far-reaching international agreements in the history of mankind. The League of Nations lasted, as you will recall, from 1919 to 1933, only 14 years. Even now, the age of the United Nations Organization is only 15 years, spanning the period from 1949 to 1964. Consequently, you will recognize the tremendous achievement which now lies behind the Geneva Conventions in that the original is now 100 years old.

The formation of the International Committee of the Red Cross in 1863 was the precursor of the first Geneva Convention. In that regard I would like to place on *Hansard* one paragraph from an article in the *American Journal of International Law,* for the

year 1951, entitled, "The New Geneva Conventions for the Protection of War Victims." The author Jean S. Pictet, Director, International Committee of the Red Cross, speaks first of the origin of the original convention. I quote this paragraph because it places before the reader the fundamental purposes of the original convention and the reasons for the development of the other three:

> The Geneva Conventions are the basis on which rest the rules of international law for the protection of the victims of armed conflicts.
>
> The International Committee of the Red Cross founded in 1863 the Red Cross organization, whose headquarters have remained at Geneva; it has by tradition the duty of watching over the application of the conventions. In peacetime its constant endeavour is to ensure better protection, under international law, of the individual against the rigours of war. From its inception in 1863 the Committee has been the executive agent of the Geneva Convention for the Protection of Wounded Combatants, and of the humanitarian conventions related to this fundamental agreement. These basic treaties are all founded on respect for the individual and for his dignity; they embody the principle of selfless relief, without discrimination, to all human beings in distress whether they be wounded, prisoners of war or shipwrecked, and thus defenseless and no longer to be regarded as enemies.

I have quoted that paragraph simply because it covers in so few words the field of these international conventions of which I am now speaking.

The three conventions subsequent to the 1864 Convention all relate to the fantastic ability of men to expand the scope and ferocity of war. Of course, we arrived at the ultimate in warfare known to mankind, which we call total war. That was inaugurated by Hitler in World War II.

Senator Baird referred yesterday to these conventions. I will refer to them briefly again, just to indicate them in perspective over the years. The first was in 1864. Its purpose was the amelioration of the condition of the wounded and sick in armed forces of the countries of the world. The second one, in 1906, revised and adapted the first one, and applies to naval warfare. The third, which was completed in 1929, adopted rules in regard to the treatment and repatriation of prisoners of war.

Honourable senators, how fortunate it was that this third convention had been adopted before the war of 1939, because it is generally admitted that it was of tremendous value during that war in the amelioration of the lot of prisoners of war throughout the world.

The fourth and last convention resulted directly from the total war techniques which were adopted by the Hitler regime during World War II, namely, rules applicable to civilian persons in time of war. As I said before, all three latter conventions resulted from the new techniques of warfare which have developed throughout the last 100 years.

The respect in which the Geneva Conventions have been held is shown, for instance, by the fact that in the Korean war, 1950-53, all parties involved declared themselves bound by the conventions. I make this remark because by 1950 very few countries had by then ratified the fourth convention. Nevertheless, all countries involved in that war—including, of course, Canada—declared themselves bound by the conventions.

I would like to make one more general remark in regard to these conventions, by way of paying tribute to the tremendous part that the little country Switzerland has played in the development of these conventions. All four conferences have been held in Geneva. Switzerland has acted in the nature of a world-wide umpire in regard to these matters, and is today the registrar of the various agreements under these conventions. That is all I have to say about the conventions generally.

I come now to the bill itself. In his remarks on the bill last evening, Senator Baird said, first, that Bill S-25 seeks explicit statutory approval of the international conventions. Secondly, the bill gives extraterritorial effect to some provisions of the Criminal Code of Canada in regard to grave breaches of the conventions. "Grave breaches of the conventions" is a term used in the conventions themselves. It is very easy just to use the phrase that the Criminal Code of Canada acquires extraterritorial effect, but for the purposes of the record I would like to read section 3. I think it will give a better idea of what is meant by "extraterritorial effect."

> 3. (1) Any grave breach of any of the Geneva Conventions of 1949, as therein defined, that would, if committed in Canada, be an offence under any provision of the Criminal Code or other Act of the Parliament of Canada, is an offence under such provision of the Criminal Code or other Act if committed outside Canada.
>
> (2) Where a person has committed an act or omission that is an offence by virtue of this section, the offence is within the competence of and may be tried

and punished by the court having jurisdiction in respect of similar offences in the place in Canada where that person is found in the same manner as if the offence had been committed in that place, or by any other court to which jurisdiction has been lawfully transferred.

Let me give you one example in my own words of the type of cases that might come under this section. Supposing a grave breach of one of these conventions is committed in some part of Europe by an individual. Whether that person is a national of Canada or not, if he becomes a resident of or flees to Canada, then, under our law, be it the Criminal Code or some other, we have the right to try him, and, if he is found guilty, we can sentence him under our laws. This power is given to us by these conventions, and it is necessary, as we are told by the law officers of the Crown, to enact this bill and this section for the purpose of completing that power and making it possible for this country to act under the conventions in that respect.

Clause 4 refers to legal proceedings in respect of protected persons. What does that mean? Protected persons are prisoners of war and internees. In the case of both these classes there is generally a protecting power. The bill deals with the right of Canadian courts to try these persons in respect of offences they have committed while internees or prisoners of war, subject always, of course, to the giving of notice to the protecting power in order that that power should have the ability to provide counsel or otherwise protect the individual in regard to the charges.

Clauses 5 and 6 of the bill merely give certain definitions and deal with notice of trial, notice of appeal, and such matters. That, honourable senators, is what is covered by the second part of the bill.

I should like to say a word, however, in regard to clause 2 of the bill. It reads:

> The Geneva Conventions for the Protection of War Victims, signed at Geneva on the 12th day of August, 1949 and set out in Schedules I to IV, are approved.

Honourable senators, as I understand it, a treaty or convention of this kind normally comes before Parliament for ratification. We may be somewhat surprised that the Geneva Conventions of 1949 have not yet been ratified by the Parliament of Canada. I have tried to find out why that should be so, and I must say that I have discovered certain reasons for this which will probably be indicated to us in committee, if we desire to go into this matter there. It might, however, be said that the successive governments of this country since 1949 should be somewhat red-faced over the fact that the conventions have been ratified by practically all countries of the world except Canada. But at the same time it must be said that this present bill, while it does not ratify the conventions, does at least lead to their ratification.

There are two methods that can be adopted for the ratification of an international convention. The first is by a resolution of the Parliament of Canada, and the second is by approval, as is given in clause 2 of the bill. When that approval is given by both Houses of Parliament, the Government has acquired power to ratify. That, as I understand it, is the procedure being adopted in regard to the ratification of the conventions in this bill.

I might at this stage mention that at the Geneva Conference of 1949 there were represented 58 nations, including the Holy See, and the conventions at that time were signed by all those countries. Since that time, however, as a result of the tremendous addition to the full-fledged nations of the world, they have now been ratified by no fewer than 98 countries.

In conclusion, honourable senators, I should say that when this bill has been passed by both Houses of Parliament I trust there will be no delay on the part of the Government in ratifying the conventions in a formal manner.

Hon. T. A. Crerar: Honourable senators, the bill under consideration at the moment is one that appeals to our compassion, perhaps more than it does to our powers of reason.

May I at this stage compliment Senator Baird on the lucid explanation he gave of the principles underlying this measure, and its importance, and may I also compliment him on the brevity with which he made these explanations. I would add—and I hope Senator Baird will forgive me—that there is no one in the house better qualified to introduce a bill of this kind than Senator Baird, because he not only served with distinction in the First World War, but was for more than two years a prisoner of war in Germany, and can speak from personal experience of the plight of prisoners of war at that time.

It is impossible to obliterate entirely by international conventions the inhumanity and atrocities that often accompany war. When the passions of men and of nations are aroused, human beings can do some extraordinary things. However, the very fact that we are considering this afternoon the approval of a convention of this kind is in itself evidence that humanity has not entirely

failed, and that the good instincts of mankind are on the march in the hope of ultimately achieving a better state of affairs in these matters. We can all approve this bill without reservation. It may well be that when it goes to the External Relations Committee we may get more explanations and viewpoints on matters that may still be somewhat obscure to us.

I notice, for example, that Japan is not among the signatories to the convention. It would be interesting to probe a little and find out why that is so. I know that in the Second World War, Japan's record in the treatment of prisoners was pretty bad, but I think we have some reason for hoping and believing that in that respect she has turned over a new leaf. Nevertheless it would be interesting to learn, if we can, the reasons why Japan's name is not associated with the other nations who have adhered to these conventions.

Honourable senators, I do not think I have anything further to say. This, I repeat, is a measure which engages all our sympathies and upon which there need be no point of controversy in our consideration of it in this house.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Baird, bill referred to the Standing Committee on External Relations.

ROOSEVELT CAMPOBELLO INTERNATIONAL PARK COMMISSION BILL

SECOND READING—DEBATE ADJOURNED

Hon. G. Percival Burchill moved the second reading of Bill S-26, respecting the commission established to administer the Roosevelt Campobello International Park.

He said: Honourable senators, it is my very great privilege this afternoon to move the second reading of a bill which seeks to implement by legislation an agreement signed by the Prime Minister of Canada and the President of the United States in Washington on January 22, 1964, relating to the establishment of the Roosevelt Campobello International Park on the Island of Campobello in the Province of New Brunswick. I am sure this bill will receive the warm approval of every honourable member of this house.

I shall begin my remarks by reminding honourable senators of some of the historical background of Campobello Island and the Roosevelt connection with it. The island, which was named for Lord William Campbell, Governor of Nova Scotia, in the latter part of the eighteenth century, is eight miles long and three miles wide, and is situated in Passamaquoddy Bay only 300 yards from the border of the State of Maine. It became a popular tourist resort for Americans, and was acquired by a syndicate of American gentlemen of Boston and New York in 1880. One of the first Americans to build a summer cottage on the island was Franklin D. Roosevelt's father, James Roosevelt, who in 1884 purchased four acres of land. From that time on the Roosevelts became accepted summer residents of Campobello.

From the time Franklin Delano Roosevelt was one year old until 1921 he spent the greater part of each summer at Campobello, but the house which is known as Franklin D. Roosevelt's cottage is not the cottage that Roosevelt used as a child. That building has been demolished.

The cottage which is known as Franklin D. Roosevelt's cottage, and with which this legislation is concerned, was built by a Campobello neighbour of the James Roosevelts, and was purchased by President Roosevelt's mother, Sara Roosevelt, who gave it to her son, the late president, as a wedding present in 1910. It is a much larger house than the original, being of Dutch Colonial design and containing 34 rooms.

It may interest honourable senators if I recall to mind that it was at Campobello that President Roosevelt was stricken with poliomyelitis. On August 10, 1921, after returning from sailing his yacht, he joined other men in fighting a brush fire. He then took a swim in the Bay of Fundy, after which he sat about in his wet bathing suit and developed a chill. This was the beginning of an illness which was diagnosed a few days later by a specialist from Boston as poliomyelitis, and which crippled him for the rest of his life. The then 39-year old man, proud of his athletic prowess and his splendid body, kept fit by swimming, sailing and hunting but was never able to walk alone again. But in spite of this affliction, he performed the unprecedented feat of winning the high office of President of the United States for four consecutive terms. After that President Roosevelt made only short visits to Campobello, in 1933, 1936 and 1939, but he never lost his love for what he called his "beloved island."

The Roosevelt family, however, continued to visit Campobello during the summers until 1952, when the estate was sold to Armand, Harry and Victor Hammer of the Hammer Galleries in New York City. In May 1963, at the Hyannisport meeting between President Kennedy and Prime Minister Pearson, the Hammer family informed the two leaders that they were prepared to donate the property to the government of Canada and the United States as a memorial to President

Roosevelt and as a symbol of friendship between these two great neighbours. The property which the Hammer family so generously donated consists of a 34-room house, its furnishings and outbuildings, and 20 acres of land.

The Premier of New Brunswick was immediately consulted. He indicated his enthusiastic approval of the project, and the two heads of government accepted the generous offer in principle.

Details of an international agreement were then worked out between officials of the two countries, and this led to the signing of an agreement on January 22, 1964 by the President and the Prime Minister, in Washington. The legislation now before this house seeks to implement that agreement, which is attached as a schedule to the bill.

Honourable senators will see that the purpose of the bill is to establish an international commission of six members, three to be appointed by Canada and three by the United States. One of the Canadian members is to be nominated by the Government of New Brunswick, and one of the United States members by the Government of the State of Maine. Nationals of both countries may be employed on the staff of the commission, which is invested with all the necessary legal powers and capacities to discharge its functions.

Article 8 of the agreement provides that the commission shall be exempt from various federal and local taxes. The legislature of the Province of New Brunswick, during the last session, took the necessary action under this article by passing an act to exempt the commission from any provincial taxes.

Legislation corresponding to this bill has been introduced in both houses of the United States Congress, and is now being processed as rapidly as possible.

There is considerable urgency in this matter, honourable senators, because it is hoped to open the park for tourists in July of this year; and it is hoped that before that date the respective acts will have been passed by both countries and the commissioners named.

The proposed international park will consist of the Roosevelt cottage on Campobello Island, the grounds adjacent thereto, and other grounds on the island. One of the functions of the commission will be to restore the house as nearly as possible to the condition it was in when occupied by President Roosevelt, and to administer as a memorial the Roosevelt Campobello International Park, which will comprise the Roosevelt estate and such other lands as may be acquired.

Such, honourable senators, is the object of this bill. I am sure you will all welcome it as a unique opportunity of cementing the ties between Canada and our neighbour to the south, as well as perpetuating the memory of a great man who was a good friend of Canada.

Hon. A. J. Brooks: Honourable senators, we all agree with the honourable sponsor of this bill (Hon. Mr. Burchill) that it is a very interesting measure. It is particularly interesting of course to the people of the Atlantic provinces.

As I should like to say a few words on it later, I would ask the indulgence of the house in adjourning the debate.

The Hon. the Acting Speaker: Would honourable Senator Brooks allow honourable Senator McLean to speak now?

Hon. Mr. Brooks: I have no objection of course to the honourable senator speaking now.

Hon. A. Neil McLean: Honourable senators, I would like to say a few words about my one-time good friend and neighbour, the late President Roosevelt. We are all very happy at the establishment of this memorial park, which should be a strong binding force between the United States and Canada.

Shortly after President Roosevelt's death, I took up with the Government of New Brunswick the matter of their acquiring the property for a park in memory of the late President, the same as Hyde Park in New York State commemorates his memory in the United States, and is visited by tens of thousands of tourists every year.

The President made his summer home at Campobello from his youth until his death. He always kept a home there, and even when he was not there himself his family always visited the place and kept the home open. His mother came there practically every year up to the time of the President's death.

All the people of the island were his friends and neighbours and I was honoured to be one of them.

We had a plant there that always made available to the President any boats he needed for fishing, a sport of which he was very fond. A friend of all the sea captains, he loved to come and sit on the shore to relax and talk with them. Sometimes one would look at him questioningly: Are you really the man who is President of the United States, that the newspapers are hammering at so much? He did not seem to have a worry on his mind when he came there. A helicopter arrived every day or so carrying papers which required his signature as President.

The Honourable James Sinclair, one time Canadian Minister of Fisheries, once visited Russia, and he in turn invited the Russian Minister of Fisheries to visit Canada. He came to visit us, and I was asked to entertain him.

The Russian minister came to look at the fisheries—we have a large plant on the coast—and we let him and his group talk freely to all employees. I did not know there was anyone in our party who understood Russian, and when they came up the bay I pointed out that that was President Roosevelt's former home on the shore.

The Russian Minister of Fisheries had seven or eight in his party, and they all wanted to see the President's home. They thought they would see a great mansion. But there it was, a very plain home, with plain furnishings. They went up to the President's home, and I found out afterwards from this man in our technical department who spoke Russian that they were taking pictures and could not understand, when they were told that the President of the United States lived in a great mansion, why it was that he came to this very plain place, lighted by oil lamps because they did not have electricity to the island then. The room used as an office for the President was very ordinary, and I do not suppose the desk and other furniture was worth more than $300 or $400. Yet that was his office. I doubt if there is an office in this building which is furnished as plainly as Roosevelt's island office was. He was a kindly man to all the fishermen and neighbours down there and he never forgot them when they visited Washington.

One fisherman, who afterwards became Inspector of Fisheries, was the man who picked up Mr. Roosevelt on the shore when he was stricken with polio. He took him on his boat. They did not have a doctor on the island and they did not know what the trouble was. They took him over to Eastport, and did not learn until they got him to a hospital that there was anything seriously wrong with him. Then it was diagnosed as polio, and he went to Georgia Springs to take treatment.

While he was there they put it up to him that he was the only one who could win the presidency for the Democrats. At that time the United States was in pretty bad shape. Many of the banks were failing, and about one-third of the people were unemployed. Roosevelt's doctors said they would wash their hands of the treatment if he left there and went back into politics again. They said they could not help him further if he chose to do that.

However, the pressure was put on Mrs. Roosevelt and by and by he decided he would go. He made the great sacrifice of himself, and easily won the election. He really made a great president.

There is another point about the Russians who visited that area and took the pictures. They said, "We are going to have a different story to take back home, that President Roosevelt lives in a plain home like this." They said that the head of the Russian state—it was the present head—had a summer castle on the Black Sea with 40 rooms where everyone lived in splendid style. It was nothing like the plain summer home in which the President of the United States used to live.

Any Canadian friends who ever went to Washington were always welcomed at the White House. One day the President said to me, "You know that fisherman did his best for me when I was stricken with polio." That is the only time he ever mentioned his disability. He asked, "Why would you not bring him down?" I said, "Certainly, Mr. President, I will bring him down."

A party of four of us, including the fisherman, went to Washington. When we got to the Mayflower Hotel, the fisherman, a sea captain, said, "I must phone Franklin right away." He had taken Mr. Roosevelt on many fishing and hunting expeditions before he became President. I said that I did not think we should do that, that we had better send a card first to the White House, because the President was a very busy man. The sea captain replied, "No. If he knew I were here and did not telephone him, he would not like it."

I said that I did not have his private number, but the sea captain replied, "He sent it to me and I have it in my pocket." He then picked up the telephone, got the White House private number, and got into conversation. He enquired, "Is that you, Franklin?" After a few moments of talk he turned to us and said, "It is just as I said; Franklin wants us to go right over."

No member of royalty ever received more favours than that fisherman did. That was the way Roosevelt treated all his friends who went to visit him at the White House. He was always friendly to Canadians. He was a true friend of Canada.

The President was disabled, it is true, but I remember being with him in Kingston, Ontario, and I do not think anyone knew he was lame. He wore braces on his knees to assist him in walking, but he could not go upstairs. He used a ramp, coming from his private car. Then he had a seat in the automobile that swung out forward and went back into place. He was in Kingston to accept a degree from Queen's university. I walked across the field alongside him. A plank was placed right on the grass of the campus and he did not have to go up stairs or enter the university. The degree was conferred on him there, and I do not think anyone in Kingston knew he was lame—at least, no one ever mentioned it to me.

That was the kind of energy President Roosevelt had. He had a wonderful personality and was full of kindness. I do not see how anyone could meet him and fail to vote for

him. It is no wonder he was elected president four times. He will go down in history with Lincoln and Washington as one of the great Presidents of the United States.

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

JUDGES ACT

BILL TO AMEND—MOTION FOR SECOND READING—DEBATE CONTINUED

The Senate resumed from Thursday, May 21, the adjourned debate on the motion of Hon. Mr. Roebuck for the second reading of Bill C-96, to amend the Judges Act and the Exchequer Court Act.

Hon. Lionel Choquette: Honourable senators, before making a modest contribution to this most interesting debate, may I compliment the sponsor of this bill (Hon. Mr. Roebuck) for the comprehensive and lucid manner in which he explained its principle. This, of course, is no less than we would expect of the distinguished chairman of the Senate Divorce Committee, whom I have heard described by a colleague as "our most useful senator." It is also no less than we could expect of a parliamentarian of very great experience, and a former Attorney-General and Minister of Labour in the Government of Ontario.

As honourable senators know, Senator Roebuck recently completed ten years' service as Chairman of the Divorce Committee, an office which he still occupies with vigour and distinction, giving ample evidence that his usefulness to the Senate will continue for many years to come. I trust, therefore, that nothing I may have to say about the present bill will be taken as qualifying in any way the remarks I have just made.

With the apparent intent of this bill, namely, to give security of tenure to the Commissioner and to provide him with an adequate pension, there can be no opposition. However, as has been remarked about certain miracle drugs, there are side effects which, in my view, will be harmful, if not fatal to the patient.

One could take no exception to a simple bill which would guarantee the Commissioner both security of tenure and an adequate pension, commencing at the age of 75. However, the present legislation does a great deal more than that. It confers upon the Commissioner a judgeship in the Exchequer Court. My first observation is that this is unnecessary in order to give adequate security and pension benefits to the Commissioner; but far more important than that, to my mind, is the suggestion that he should be constituted in any way as a court of law or as a judge thereof.

What has happened so far is merely that Parliament has delegated to one of its constituents, namely, the Senate, its legislative capacity to dissolve or annul marriages—subject only to this, that the petitions are to be heard by an officer of the Senate, now referred to as "the commissioner." No decision has yet been taken, either expressly or by implication, by accident or by design, to transfer the jurisdiction of Parliament to a court or to a judge thereof.

The present bill, innocent though it may appear, and benevolent as it may seem, would take a giant step forward in the direction of having divorce applications from Quebec and Newfoundland determined by exclusively judicial rather than by legislative processes, whether those processes are those of Parliament or of the Senate.

In my opinion, we have gone so far, and must go no further, or we will be in grave danger of, if not betraying, at least offending the provinces concerned. I am not alone in the view that this bill is neither necessary nor desirable. In this connection, I refer to the fact that, so far as I know, neither the Government of Quebec nor the Government of Newfoundland has either requested or agreed to this further and perhaps fatal step.

I have had the opportunity of reading the debate on the earlier motion of my good friend and former leader, the honourable Senator Aseltine, who proposed the transfer of the divorce jurisdiction of Parliament to the Exchequer Court of Canada. His motion was defeated, due in large measure to the forensic efforts of the present Leader of the Government (Hon. Mr. Connolly, Ottawa West) and the present Chairman of the Senate Divorce Committee (Hon. Mr. Roebuck). I wonder if they recall the pungency of their remarks made at that time.

I would like to read from the Senate *Debates* of March 1956, at page 294. This is what the sponsor of the bill (Hon. Mr. Roebuck) had to say at that time about the competency of the Exchequer Court judges to deal with Senate divorces:

> Honourable senators, I felt at first blush that the Exchequer Court would have the ability, as well as the jurisdiction, to handle these broader questions that are involved in divorce, and in consequence that I should support the bill. However, on more mature consideration, I have come to the conclusion that if the transfer of jurisdiction in these matters in petitions from Quebec and Newfoundland is in fact desirable, the Exchequer Court of Canada is not the court that should receive that jurisdiction.

Hon. Mr. Reid: May I ask whom you are quoting?

Hon. Mr. Choquette: Senator Roebuck. There has been quite a change of heart. Let me continue:

> Let me give you some idea of what the Exchequer Court of Canada is in character, and let me indicate in the broadest terms the nature of its jurisdiction. Broadly speaking, the Exchequer Court was constituted to deal with: (1) claims against the Crown; (2) controversies between Canada and the provinces, and between the provinces; (3) matters concerning interprovincial railways; and (4) cases relating to the dominion railways. The Exchequer Court interferes between subject and subject, generally speaking, only in such cases where patents, copyrights and trademarks are concerned. It is not a court constituted for the trial of ordinary litigation between person and person, as are the courts of the provinces.

Then on the following page, 297, we get his opinion as to why, although he had contemplated first being in favour of the bill, after thinking it over he felt it would be coercing the provinces involved. I will read two short paragraphs:

> And shall we now, honourable senators, at long last forget the role in which we were cast in Confederation and indulge in what the province of Quebec will certainly consider arbitrary legislation? To do so would, in my judgment and in my submission to you, be to reverse almost everything good for which we in this chamber stand. Are we to sacrifice now at this long last, after 80 or 90 years of experience, the esteem, the friendship, the regard and the confidence of large sections of the people of Quebec for the supposed advantage of a mere procedural measure? I think not.

I quite agree with that, and I quite agree that we should take that stand when dealing with this bill. Further on, the honourable senator says:

> So I say to the senator from Rosetown (Hon. Mr. Aseltine) and to other kind senators of this chamber who agree with him, let us be patient. If there is a general, material advantage in the change of procedure outlined in this bill, or some other such change of procedure, can we not rely upon the good sense of the province of Quebec, not only to tolerate it, in time, but actually to come here and ask for it? If it is worthwhile and does not meet with the objections to which the people affected are wedded, will they not in due season come here and request it? And would that not be the time for us to act, rather than prematurely forcing something upon them which they do not desire? Is not the little suggestion that I took the liberty of making—Let us not get ahead of our train—applicable here?

Honourable senators, the spokesman for the group who carried on a blockade was unsatisfied on May 12 last with the attitude that the Senate had taken when this bill was presented to us at the last hour before the recess. Here is what he said in the House of Commons and outside of it:

> It seems to me that the Senate was very unfair a year ago in refusing to pass a similar resolution, to be followed by a bill, to make the commissioner an Exchequer Court judge.

I think that the then Leader of the Government, Senator Ross Macdonald, should be commended for the respect he showed the Senate at that time by not even giving it first reading and trying to shove it down our throats with first, second and third readings.

He continued:

> I hope the government has conferred with some of their confreres in the other place and that this bill will get speedy passage there as well.... I think this is an opportunity for parliament, and should be an opportunity for parliament, to examine the operations of that office periodically—

And note, they are going to continue, "periodically."

> —at which time we should be prepared to make further recommendations in the whole field of matrimony and divorce.

Hon. Mr. Connolly (Ottawa West): Would the honourable senator say whom he is quoting?

Hon. Mr. Choquette: Mr. Peters, as reported in the *House of Commons Debates* of May 12, 1964, on the resolution stage, before the bill was introduced for first reading. I know it should not be done—

Hon. Mr. Connolly (Ottawa West): That is all right.

Hon. Mr. Smith (Queens-Shelburne): Go ahead; Peters will not mind.

Hon. Mr. Choquette: I could understand the group which organized a blockade being enthusiastic about the first bill, creating the position of commissioner, but how can they possibly be interested in further legislation relating to matrimony and divorce? Spokesmen for this group have said on many oc-

casions that the only useful purpose of the Senate was to deal with divorce, and that when this house was no longer necessary to handle divorces it should be abolished. They are the people who have said this repeatedly in and out of the House of Commons, who are interested in this bill and who were elated after the divorce bills were taken away from them and they could not exercise a further blockade. Yet they say, in effect: We are going to support this bill; you go ahead and do it fast. You have a new leader on the Liberal side, and that should help expedite matters, because the other Leader was unsuccessful, or dared not do it.

Hon. Mr. Connolly (Ottawa West): Are you adopting this argument or merely repeating it?

Hon. Mr. Choquette: I am repeating it, and putting everyone on guard. I say there is an ulterior motive behind the bill.

Hon. Mr. Connolly (Ottawa West): I hope the honourable gentleman is not imputing ulterior motives to the Government, or members on this side of the house.

Hon. Mr. Choquette: No, I am not doing that. Let me continue. It is unnecessary legislation, but it becomes necessary in the minds of these people who have an ulterior motive—

Hon. Mr. Connolly (Ottawa West): Well—

Hon. Mr. Choquette: If I am unable to go on, I will sit down.

Hon. Mr. Connolly (Ottawa West): On the contrary; we just wanted to be sure.

Hon. Mr. Choquette: There is no doubt in my mind that we are in the process of creating a divorce court, the very thing that the Province of Quebec has objected to heretofore. Here I want to quote from the Civil Code of the Province of Quebec, section 185:

> Marriage can only be dissolved by the natural death of one of the parties; while both live, it is indissoluble.

That is the law in Quebec, and that is the law which was in existence before Confederation.

Hon. Mr. Farris: What is the relevancy of that at this stage?

Hon. Mr. Choquette: I say that if we get to the stage where we have a court dealing with Senate committee divorces it will, in effect, abrogate that law which has been in existence in the Civil Code of Quebec since before Confederation.

Hon. Mr. Farris: Do you say he is dealing with it as court?

Hon. Mr. Choquette: It is the next stage to it. We are into a court which we said is not competent to hear divorce actions. We are entering it through the back door, and the door is wide open. Some day we will find ourselves in that court, having entered through the front door.

Hon. Mr. Farris: Are you not doing your best to achieve that?

Hon. Mr. Choquette: I am certainly not.

Hon. Mr. Aseltine: Do you not think that would be a good thing?

Hon. Mr. Choquette: If it comes to that, but we were told we should not have to ask for it. As long as private bills were bills of exception, the Quebec law remained in the Civil Code of that province; but if we create a divorce court there is a danger that this will constitute an amendment to the Civil Code of the Province of Quebec.

We have been talking about rotating the judges of the Exchequer Court. Let the Commissioner stay where he is and learn to differentiate between those detectives who are telling the truth and those unscrupulous ones who would not hesitate to commit perjury. There are many judges who have gone through life as lawyers and who have never wanted to plead a divorce action in any court or in the Senate. I do not see at all that a judge of the Exchequer Court would be interested in coming here and sitting as a commissioner on a type of case that he has never handled before and never wished to handle. On that point I agree with the sponsor, that this is not a competent court, let alone rotating its judges to do the work.

Speaking of perjury, I believe the honourable sponsor will be able to tell us how the situation was rectified, but some seven or eight years ago there were two detectives charged with perjury while giving evidence before the Senate committee, and they were found guilty by a magistrate here in Ottawa. The case was appealed to the Court of Appeal of Ontario, where it was decided that they could not be found guilty of perjury. I think the reason given by the court was that the Senate committee was not constituted as a tribunal, and so they could not be found guilty under a certain section of the code.

I have not gone into that, but I am wondering if this Commissioner—who is going to be appointed a judge and yet will not be sitting as a judge, will not be wearing a gown and who will be referred to and addressed as "sir" or "Mr. Commissioner"—is properly equipped to swear such a witness in, and if a charge of perjury is laid, whether it will stand.

I do not know what happened to remedy the situation, whether section 99 of the Criminal Code was amended, but I do think that that section of the code would now take care

of the situation. I am sure that the sponsor of the bill can enlighten us on that matter later in the debate or in committee.

Hon. Mr. Roebuck: Perhaps I might answer that point quickly right now.

These men were convicted of perjury under the Criminal Code. They appealed to the Appeal Court of Ontario, and it was decided that the code was not sufficiently wide to include a perjury charge. Well, it was not exactly a perjury charge—it was one of fabricating evidence before a court. It was held at that time that a committee of the Senate was not a court within the meaning of the code. Then, when the very next amendments to the code were effected, we changed that provision and made it as wide as possible.

I have not studied it recently, as to its application to proceedings before the Commissioner, and I am glad to have the suggestion made of the possibility of a lapse there as to what fabrication of evidence would be before the Commissioner. As I say, I have not studied it recently with particularity, but I think it is broad enough to cover a charge of fabrication before our present Commissioner.

Hon. Mr. Choquette: Thank you.

I have just a few words in conclusion, honourable senators.

There were several reasons advanced as to why this Commissioner should be appointed a judge of the Exchequer Court.

I cannot see how his appointment will give him a greater status at all if he is not even going to be referred to as a judge and will not be acting as one. His salary is not affected. Security of tenure could be taken care of by legislation, and the same could apply to fringe benefits. We could pass legislation right here in the Senate to the effect that this man is to stay in office until he reaches the age of 75, and that his widow, in the event of his death, would get the same benefits as would the widow of a judge.

I want it clearly understood that there is absolutely nothing personal in the remarks I have made. I have had the pleasure of meeting on two or three occasions the present commissioner and his charming wife. I have had the occasion to converse with them in both French and English. They are without doubt a most charming couple. There is also no doubt that he is probably the most competent man we could get for the job.

Hon. Mr. Roebuck: Hear, hear.

Hon. Mr. Choquette: I have no doubt that he will do a good job, rapidly and efficiently. But I see no reason why we should take any further step at this time. We have succeeded in dispensing with the procedure of sending bills of divorce to the House of Commons. That was quite a feat. Nevertheless, having done that we are now taking a further step, and the next step, as I see it, will be right through the front door of the Exchequer Court.

Hon. Jean-François Pouliot: Honourable senators, you will remember what happened last August when we were about to recess for the summer adjournment. Bill C-93 was adopted by the House of Commons on the 1st day of August, the day before that adjournment. It was understood that that bill, which had been brought in in a hurry and when there were very few members in attendance in the Commons, would not be sent to the Senate before the adjournment. Nevertheless, it came to this chamber at the last moment, and after discussion lasting a full day it was finally adopted, and now is chapter 10 of the Statutes of 1963.

The same story can be told concerning Bill C-133, which was introduced in the Commons on the last day of the last session. We were about to prorogue, and we heard that a certain bill had been passed by that place. It was a scandalous bill. Why do I say that? For the very good reason that the bill was not in existence. It may have been on a sheet of paper, but it was not distributed to anybody. I took the trouble to inquire at the distribution office. And what did I find there? I found that the bill had been received at that office, in this building on December 23, two days after prorogation, at 2.55 p.m., and I got a copy in my post office box on January 13, 1964 at 3 p.m. I have a note to that effect on Bill C-133.

That bill was not printed for the first reading. The only impression for the distribution office came after the third reading in the Commons, and it did not contain the name of the sponsor. I hold in my hand a copy of that bill, C-133—and I have an original copy, without a number, that I got when it was about to come before the Senate.

I must pay tribute to Senator Ross Macdonald, who was the Leader of the Government in the Senate at that time, for his refusal to allow this bill to pass the Senate. I wonder if there is anyone in this chamber who would have approved that kind of procedure. What does it imply? It is the old saying: "You must trust me." But it is not a question of trust; it is a matter of procedure and the question of a printed paper that anyone can read, become familiar with, and discuss intelligently.

Honourable senators, as I have said, this was a scandalous piece of legislation. There was no excuse for it. The attempt to pass it over the Senate made a mockery of this Chamber.

Now we have Bill C-96, which is exactly the same as Bill C-133—the only difference being that it was presented in due course and on time. What was the reason for smuggling the previous bill through the House of Commons, and trying to smuggle it through the Senate? I cannot see any reason for it. If it was a good bill there was ample time to submit it in a regular manner to both houses so that it could be discussed.

In dealing with Bill C-96, I am sorry to differ with my honourable friend Senator Choquette on one point as to his citing article 185 of the Civil Code of Quebec about the indissolubility of marriage. He was right to a certain extent; but on the other hand he was not. I say this because article 185 of the Civil Code became worthless from the time the British North America Act was adopted on July 1, 1867, the year after the Code came into force.

It was the Constitution that changed the law concerning marriage and divorce, and gave to the Parliament of Canada powers that belonged previously to the provinces. There has been an argument about the jurisdiction of the Parliament of Canada concerning divorce. But I sincerely believe that the B.N.A. Act gives to the Parliament of Canada full authority concerning divorce, and that that authority is exclusive. It cannot be bargained about with the provinces. It is exclusive. It is clear enough. It is clear that the Parliament of Canada has the power to pass bills, and many have been passed since Confederation, to dissolve marriages. I think there is common agreement on that point.

Now, how shall we proceed in this matter? I agree with the tribute that has been paid the honourable Chairman of the Standing Committee on Divorce, and I am on record as having spoken in the same vein about him and his colleagues. But here, with respect to the matter of the Exchequer Court, I have been taught a lesson by Senator Roebuck. Besides the quotation that my honourable friend Senator Choquette has read from *Hansard* of 1956, may I read another from the *Debates of the Senate,* page 102, of February 3, 1960.

> **Hon. Lionel Choquette:** May I ask one question of the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck)? What would prevent Parliament from appointing two or three judges in a federal court, such as the Exchequer Court, to hear divorce cases exclusively? Was that ever discussed, or has that ever been thought of?
>
> **Hon. Mr. Roebuck:** Yes, it was thought of.
>
> **Hon. Mr. Aseltine:** I brought in a bill along that line.
>
> **Hon. Mr. Roebuck:** The honourable senator who now leads the Government in this house (Hon. Mr. Aseltine) once introduced a bill with two clauses: one was to introduce rules of divorce similar to those in force in the United Kingdom, and the other was to transfer jurisdiction in divorce to the Exchequer Court of Canada. I supported that bill to the extent of the suggestion of widening the grounds of divorce, but I was unable to follow him in the suggestion that we transfer the jurisdiction to the Exchequer Court, although I was perfectly ready to transfer it to the ordinary courts. I thought the Exchequer Court was not the proper tribunal to which to transfer the jurisdiction. My remarks on that occasion are fully set out in *Hansard.*
>
> **Hon. Mr. Choquette:** Did you favour the Supreme Court of Canada?
>
> **Hon. Mr. Roebuck:** No, I do not think that is the proper court to which to transfer jurisdiction. If we are going to transfer jurisdiction to the courts it should be transferred to the ordinary courts which sit in the province, so that witnesses would not have to travel all the way to Ottawa to be heard. It should not be transferred to the Exchequer Court of Canada, which is concerned with matters of Government revenue and similar matters...

Listen to that, honourable senators. It is not my objection; it is the objection of honourable Senator Roebuck.

> ...and not so much with trials and contests between litigants. The jurisdiction should go to the Supreme Court of the province, and I mean the Supreme Trial Court and not the Appeal Court. That was my view, as a lawyer, in the matter.
>
> I refused to support legislation that had even the appearance of coercing the province of Quebec, and that is my position now. I am willing to transfer this jurisdiction when the province of Quebec agrees to it. I am not prepared to do anything that even appears to be high-handed or oppressive or coercive to the province of Quebec. When the leaders of opinion in the province of Quebec consider this situation and our position in it, and come to some reasonable solution, . am sure they will find all of us in this house ready to co-operate with them to the very last degree. They can rest assured that so long as men of my mind are senators we will never do anything that is oppressive to that province.

I appreciate it, and I will proceed on the lines suggested by the honourable gentleman.

Was he not in error in suggesting that divorces should be handled by the provincial courts? I ask that question for a very good reason. It is that, according to the Constitution, divorce is the exclusive right of the Parliament of Canada, and the provinces have no jurisdiction whatever in regard to divorce. It is a great error to leave the matter of divorce to the provincial courts. Because the powers of the Parliament of Canada are exclusive, they cannot be legally transferred, even by legislation, to the provincial courts. It is clear that the word "exclusive" must have a meaning, and in the minds of the Fathers of Confederation it meant that they did not want divorces to be handled by the provinces. Not only that, but one of the Fathers of Confederation said that the reason why divorces were under the jurisdiction of the Parliament of Canada was to have only one place where divorces could be granted, thus making them more difficult to obtain. That is naturally a question of opinion.

Hon. Mr. Aseltine: If that is the case, why did you not vote for my bill in 1956?

Hon. Mr. Pouliot: I have already told the honourable gentleman that one can change his views, and be honest. Does he now blame me for sharing the views that he expressed eight years ago? Should he not rather praise me?

Hon. Mr. Aseltine: Is the honourable gentleman in favour of the bill we are now discussing?

Hon. Mr. Pouliot: No, and I will say why. It is because I find this bill, in the circumstances, a mockery. The appointment of a judge is something that deserves proper consideration. I have no objection to the appointment of a judge of the Exchequer Court, provided that he is a real judge, that he has the independence of a judge, and is not the man Friday of the Senate committee.

The bill is simply ridiculous. It means that the Commissioner will not wear his mortarboard or his judicial robe to sit and listen to the evidence, and to make his report. But he will put on his cap and robe to go to the office of the treasury to get his cheque. I find that most ridiculous, and I hope that my honourable friend understands my point of view.

The Commissioner will not be a judge for the purpose of listening to the evidence, which is where he should be a judge, and have the dignity and independence of a judge. But, he will carry a satchel with him, and as soon as he has finished listening to the case and has made his report he will put on his cap and robe and go to get his cheque. This is absurd.

Moreover, I would like the honourable Chairman of the Standing Committee on Divorce to accompany the Commissioner to the office of the taxpayer. He will then see that his man Friday gets a salary which is $6,000 a year more than his own. Do you realize that, honourable senators? The Commissioner will get $21,000 a year, and the honourable Chairman of the Standing Committee on Divorce, as a senator, will get $15,000, including his travelling expenses. The Commissioner will get $6,000 a year more just for wearing a cap and a judicial robe. It is a paying proposition.

I warned the Minister of Justice about the seriousness of this legislation. I believe it has been badly handled in the House of Commons. We hear about an agreement that has been made—between whom and by whom, we do not know—as to the treatment of the Commissioner. I know him just by having shaken hands with him. I do not know anything more about him; I give him the benefit of the doubt, and imagine he is just as good as he has been described to be. I have no objection to accepting him and putting him in charge of divorce matters, but I think he should be a real judge, and that for a very good reason.

He should be independent, and he should neither tolerate nor suffer the former investigators, some of whom are already in jail. The members of the committee have acted in good faith. I do not accuse them of being in bad faith. What happened before the committee? The organization that existed to make divorce cases was scandalous, as has been described by my colleague who spoke before me.

If anybody is interested in legal research and wants more information they can get it easily by reference to an appendix to *Hansard* of March 29, 1960. It is a list showing the number of cases that were handled by those investigators.

Now, coming to Bill C-96, let me put on record clause 2, which provides that:

> The Exchequer Court shall consist of the President and six Puisne Judges, who shall be appointed by the Governor in Council by letters patent under the Great Seal.

That means any one of the existing judges of the Exchequer Court, plus the Commissioner, will be a judge of the Exchequer Court.

Then we come to clause 3 of the bill, which says:

> The Exchequer Court Act is further amended by adding thereto, immediately after section 6 thereof, the following section:

6A. A judge of the Court designated by the Speaker of the Senate for the purpose of this section, if he is granted leave of absence for such purpose by the Governor in Council from his duties as a judge of the Court, has and may exercise and perform all of the powers, duties and functions of the officer of the Senate referred to in section 3 of the Dissolution and Annulment of Marriages Act.

That means that all the other judges of the Exchequer Court will be demoted to the rank of commissioner to come in turn to sit here in the Divorce Court.

Is it not nonsensical? I have practised law for many years and have learned to respect the bench, but I would say that all the judges of the Exchequer Court coming in turn here to be demoted to act as commissioners is, for me, pure nonsense.

I sincerely believe that the bill should be defeated and that new legislation should be introduced by the Minister of Justice to create a new judge of the Exchequer Court to deal with divorces. There could be a proviso to the effect that his judgments can be heard in appeal by the present Divorce Committee of the Senate. That would be a satisfactory arrangement, and it will not overburden the members of the Senate committee with this very painstaking and unpleasant kind of work.

There is a question of the sentiment of the Province of Quebec, concerning the Exchequer Court. If this bill is shown to the people in authority in the Province of Quebec—I mean the church dignitaries, the members of the Government, the members of the bar, the Chamber of Notaries, the judges—they will find that it is bad legislation.

We are not in a hurry. We have lots of time to deal with this matter. It has never been as urgent as it has been described to be. It seems that the matter should be put aside for some time, to give an opportunity to men of good counsel, wise men, to discuss the matter together and come to a satisfactory conclusion.

The President of the Exchequer Court and the whole bench of that court should be brought into the discussion before new legislation is passed. What do they not want in the Province of Quebec? They do not want grounds for divorce to be enlarged, but even those who disagree with divorce legislation realize that it has been in our Constitution since July 1, 1867. Therefore, although it is a sad and unpleasant matter, although the Fathers of Confederation expected that there would be no more divorce cases in the years to come than there were at the time of Confederation, those people will realize that we have to deal with it in a manner that is less obnoxious to the Senate.

I admire the zeal of those senators who are ready to do a lot of committee work. When it is essential, that is the thing to do. But if they can dispense with a large amount of work that should be done by other people, I would appreciate it, for this reason. The members of the Divorce Committee are among the best qualified of our colleagues. They are well-informed, and we need them to give us their personal point of view about the numerous bills which come before us.

Although I have no power of attorney to speak on their behalf—no more than the members of the Divorce Committee have any power of attorney to speak on behalf of the Province of Quebec—we can talk together in a friendly manner to come to a satisfactory conclusion.

What is the hurry to pass that legislation which in itself is really bad? What is the hurry? I believe it would be a good thing for the Government to hold a conference so that all those who are for or against the bill would have an opportunity to express themselves freely, and come to a satisfactory understanding.

I believe that the best solution is an independent Exchequer Court, a federal court, which could make a recommendation to the Senate itself, not to the Divorce Committee. The recommendations of the court should be made to the Senate itself, through the Clerk of the Senate, and with the right for those who are not satisfied with the recommendation to appeal to the Divorce Committee, if it is necessary.

Honourable senators, this is what I want to say, and I have said it in the hope that it will serve some purpose. I listened with interest and profit to the remarks made by everyone who spoke on this matter, but I took the trouble to try to find my own way among all those contradictions. For that reason I hope there will be a meeting soon to give everyone an opportunity to reach the best manner to settle this difficult problem.

(Translation):

Hon. Léon Méthot: Honourable senators, I realize it is getting late, but I still feel I should tell you about the doubts I have concerning this bill.

First, I wish to join with honourable Senator Choquette in congratulating honourable Senator Roebuck. Ever since I have been a member of the Senate, I have seen him at work and I know what his merits are. I think we should all be very grateful to him for the fine work he has done.

(Text):

I must say, first of all, that I have no objection at all to a guarantee given to the Commissioner for his salary, his benefits and his rights. That provision is right. I would be 100 per cent in favour of a bill if it had only that purpose for him. However, I think it will be easy to understand from those who have spoken on the motion that they do not seem to agree on the principle of the law itself. Article 185, which was read this afternoon by Senator Choquette, according to Senator Pouliot has been valueless since 1867 or 1868, after the passing of the British North America Act. According to a friend of mine, it has been useless since the Parliament of Canada first enacted a Divorce Act. According to my own opinion, it is still useful and it is still in force now. What does article 185 say:

> Marriage can only be dissolved by natural death of one of the parties; while both live it is indissoluble.

When I read that article for the second time it struck me that natural death is not what we usually accept as, for instance, when a woman has poisoned her husband and can remarry if she can find another one. No. If she has poisoned her husband and he dies, the marriage is dissolved in that way. When the article speaks of natural death it is in regard to civil death, which was in force at the time of the code, and which annulled the effect of the marriage but did not give the right of remarriage.

If we examine the history on these matters, we find that in United Canada in 1859 Sir George Etienne Cartier proposed legislation for the codification of the laws in civil matters in the Province of Quebec. This commission was approved by everybody. In the government at that time were Sir George Etienne Cartier and Sir John A. Macdonald, both lawyers, and therefore having some knowledge of law. They gave to three commissioners, who were three Justices at the time, namely, Caron, Day and Morin, the duty to study and codify the law. This task took them five years. During those five years while they worked to produce a codification, the same government was thinking of what we would have after Confederation. In other words, the Government was preparing the British North America Act at the same time as the civil code of Quebec was being codified. Is it logical to think that they would codify the law, and at the same time by another law nullify that law? Surely not. This is why I claim that in 1868, a year after Confederation, the Civil Code remained as it was before, because the Civil Code was, I believe, enacted in 1865 and came into force in 1866, eight months before Confederation.

In the Civil Code we find many references concerning married women. It may surprise some persons that we have not only Article 185, but also an article dealing with the qualifications and conditions for contracting marriage, which is still in force and still approved by the Supreme Court. This was placed under the "Solemnization of Marriage." It has been decided by certain Supreme Court cases that the age at which a person could marry in Quebec was legal in our code and could be decided by Quebec. There is also the title "Action for Annulling Marriage." We can still take an action for annulling a marriage in the Province of Quebec. We go to the Superior Court, and from there we can go as high as the Supreme Court to annul a marriage. However, annulment of marriage is not the same as dissolution, nor is it the same as divorce. In divorce, as in dissolution, we recognize the validity of the marriage, but if we do not recognize the validity of the marriage, that is not the same at all. We can annul that marriage. It has not the same effect. We are dealing with this law rapidly, without getting to the bottom of this matter, and it may very well have more effect than we think.

Supposing two persons, married in community of property in the Province of Quebec, decide to obtain a bill of divorce. If this law is not solid and sound, the marriage will remain; the community of property will remain; the husband, having married a second wife, will keep on saving his money, or he may have acquired a property, or will acquire a property, of which his first wife will be entitled to one half. This is serious. Those who marry in separation as to property in the Province of Quebec usually have a marriage contract. Why? Because they still think, as I do, that separation as to property is not good for the wife. That was my own opinion when I studied this question in Quebec. Community of property is better for the wife, because she possesses half of what is earned and saved by the husband, otherwise she has nothing. In 45 years of practising law, I have never seen in the Province of Quebec a person married in separation as to property. I said that once before to a group of women, and I was told that I did not know what I was saying. When I say in separation as to property, I mean in the real sense—separation as to property. We usually correct the law by obliging the future husband to give with the marriage contract an insurance policy, and certain moveables and immoveables to the future wife. That is the case with my three daughters. I advised them to marry in separation as to property, but I also advised the three future husbands to take an insurance policy in favour of their respective wives, because I

felt that separation was not a good policy. If I had not had the idea that I could give something to my three daughters I would have told them to marry in community of property. This is a question of property and civil rights. If we now look at the British North America Act, we will find in Article 91:

> It shall be lawful for the Queen, By and with the Advice and Consent of the Senate and House of Commons, to make Laws for the Peace, Order, . . .

etcetera.

Article 26, "Marriage and Divorce." We see "Marriage and Divorce": we do not see "Marriage" alone; we do not see "Divorce" alone. This is why we have not given to "marriage" the sense many of us want to give it now. This is why they were able to say in paragraphs 12, 13 and 14 of article 92 that the solemnization of marriage in the province is under the control or jurisdiction of the legislature, as are the property and civil rights in the province and the administration of justice in the province.

Article 94 states:

> Notwithstanding anything in this Act, the Parliament of Canada may make Provision for the Uniformity of all or any of the Laws relative to Property and Civil Rights in Ontario, Nova Scotia, and New Brunswick,

There is no mention of Quebec.

Article 129 states:

> Except as otherwise provided by this Act, all Laws in force in Canada, Nova Scotia, or New Brunswick at the Union, and all Courts of Civil and Criminal Jurisdiction,

—etcetera—

> shall continue in Ontario, Quebec, Nova Scotia, and New Brunswick respectively.

So why have they enacted article 94; why have they enacted article 129? Because—and I think I am not wrong in stating this—they thought the civil law of the Province of Quebec was going to remain in force after Confederation. And it has remained in force, it has been applied, and it has gone to the Supreme Court and the Privy Council in many cases in which they have decided contracts concerning property which have been passed according to the law of Quebec. To say this could all be washed out without the consent of the province is to say something to which I do not and cannot agree. To delegate the power to the Senate alone is a delegation of legislative power which is wrong. Perhaps you will tell me this was done in the case of the War Measures Act. But it was for special reasons.

And I could answer by asking why is it that for 90 years now they have proceeded by way of a special law, or a separate Act of Parliament, for each divorce asked by persons residing in Quebec? This way of proceeding was for no other reason than to protect our Civil Code, and all the laws enacted in 1866.

Now we have decided that the Senate alone can deal with divorce, with the consent of the parties though; and it is the consent of the parties on which we count, because under the last piece of legislation men and women will be divorced by the Senate alone on the condition they accept the jurisdiction of the Senate and do not go on appeal to the House of Commons. For me that is no good. I must be frank. I think I was in the Senate chamber when the law was passed, but I must tell you I was very surprised when I read the first resolution and saw its conclusion which read:

> On the expiration of thirty days from the date of the adoption by the Senate of this resolution, the said marriage shall be dissolved—

So it shall be dissolved with the consent of the parties interested in it, because if they appeal to the House of Commons it will not be. This is a kind of delegation of power that we have effected.

Hon. Mr. Connolly (Ottawa West): If he does not mind my intervening for a moment, I take it what the honourable senator is attacking now is the legislation passed last session, chapter 10 of the statutes of 1963. He is not attacking this bill?

Hon. Mr. Méthot: I am attacking it now because I think the situation will be worse with this new bill than it is now.

What is going to happen under this legislation? Clause 3 states:

> A judge of the Court designated by the Speaker of the Senate for the purpose of this section after consultation with the President of the Court,. . .

What is going to happen about that consultation? If there is agreement, all right. If there is no agreement between the President of the Exchequer Court and the Speaker of the Senate, there is no solution. We have to admit that someone must have authority and have the last word if they do not come to an agreement. So now we will delegate our power to what I think will be a tribunal which can be called a committee of the Senate, which can be called a part of the Exchequer Court, which can be called anything; but it will be a tribunal which will act when in the Province of Quebec. We will still have

in existence all those laws on matrimonial matters. I think there are 100 such articles. I could tell you of many other articles that concern marriage and the civil rights of married women.

Honourable senators, I do not like this legislation, and before passing it I think we should be absolutely sure of its validity, for this will certainly affect many property or civil rights of married persons who may think their marriage is dissolved when it is not. That is my opinion.

On motion of Hon. Mr. Connolly (Ottawa West), debate adjourned.

APPROPRIATION BILL NO. 5, 1964

SECOND READING

Hon. John J. Connolly moved the second reading of Bill C-99, an act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1965.

He said: Honourable senators, this is a bill for interim supply for the month of June, 1964. The amount of money which is to be voted is $338,136,717.59, as provided in the bill at section 2.

I should say, first, that what the Government asks for on these estimates is one-twelfth of all the items to be voted in the main estimates, which amount is $329,299,209.25.

In addition to the one-twelfth of the main estimates required for the month of June, there are certain additional amounts which are thought will be required before the end of June. These additional amounts are given in section 2 of the bill, and the particulars are given in the schedules. For example, an additional four-twelfths of a Forestry item, Vote 25 which appears in Schedule A, is required in the amount of $480,333.34. An additional three-twelfths of certain Finance items, under Vote 15 is required, the details of which appear in Schedule B. That amounts to $1,500 million.

There is also required an additional two-twelfths of External Affairs Vote 15, which appears in Schedule C, amounting to a little more than $1½ million.

There is also required an additional one-twelfth of certain other enumerated votes in Schedule D in the departments of Finance, Forestry, Justice, Mines and Technical Surveys, the National Research Council, and the Privy Council, amounting to $5,260,175.

I must say that in no instance is the total amount of any one of the items in the main estimates being released by this bill. There will be an amount still to be granted for every one of the items of the main estimates. I should assure honourable senators also that the bill is in the usual form for interim supply bills of this character. Furthermore, I give assurance that the passing of the bill will not prejudice the right and privilege of any honourable senator to criticize or to inquire into any item of the estimates when they come up for further consideration either in this house or in committee. The right to debate any item will not be curtailed in any way by the passage of this bill.

Hon. Mr. Farris: Will the honourable senator indicate whose authority we rely in in the meantime? This must come from somebody on whom we should be able to feel sure we can rely.

Hon. Mr. Connolly (Ottawa West): In regard to the assurance I have given?

Hon. Mr. Farris: On whom do we rely for assurance that the bill ought to be passed now?

Hon. Mr. Connolly (Ottawa West): I suppose in the first instance the honourable senator would look to me as the representative of the Government in the Senate. I bring it before the Senate as a Government measure. As I have said, it is a bill which provides interim supply to the Government for one month ending on June 30. It is based, of course, on the estimates that have already been tabled, and have been referred to the Finance Committee of this house.

Hon. Mr. Burchill: The bill has been passed by the Commons?

Hon. Mr. Connolly (Ottawa West): Yes, it has been passed by the Commons. We cannot of course initiate an appropriation bill.

Hon. Mr. Aseltine: Do we not have the inherent right to speak on any subject when the next supply bill comes up, including what we have done in the past?

Hon. Mr. Connolly (Ottawa West): I am glad the honourable senator who has had so much experience in affairs of this nature in this house has raised this point. I wonder if this assurance is necessary, although it is always given. I do not want to depart from the customary practice. The honourable gentleman gave this assurance to us many times. as did the present Leader of the Opposition, when each in turn was Leader of the Government in the Senate. But I think we have the basic right to debate any item of the estimates on appropriation bills, normally called money bills. The assurance I give simply proves that we are all against sin.

Hon. Mr. Flynn: It is only a matter of relevancy. It is given in the other place because of the matter of relevancy.

Hon. Mr. Connolly (Ottawa West): In the other place the situation is different because they are primarily concerned with the details of the estimates.

Hon. Mr. Hugessen: If I may interject at this point, I think the reason for giving the assurance is to make perfectly clear in the minds of honourable senators that if we do approve of this interim appropriation, it will not preclude us from discussing or criticizing any items of which these estimates form a part.

Hon. Mr. Connolly (Ottawa West): In the meantime the Government will have been authorized to spend the amount provided by this bill, which is one-twelfth of the items of all estimates, plus certain additional amounts.

Hon. Mr. Roebuck: A number of years ago I raised this point when the assurance was given to the house, and I asked the Leader of the Government by what authority he pledged the Senate to do anything in the future. No answer could be given, because he had no such authority.

The only significance of this assurance is that we vote on the understanding that no one will raise objection later on, although everybody has the right to do so. Among ourselves we are free to discuss any point in the appropriations at a later date. That gentlemen's understanding has been effective. It has been customary, and I think it should be continued. I am sure every honourable senator present will respect the understanding in due season.

Hon. Mr. O'Leary (Carleton): May I ask a question? In discussing this bill are we confined to specific items or may we discuss the general financial policy of the Government?

Hon. Mr. Connolly (Ottawa West): Honourable senators, I do not presume to lay down a rule in regard to the question asked by the honourable senator from Carleton, but I think it is generally understood that on an appropriation bill either branch of Parliament is free to discuss almost any appropriate point of financial policy, or indeed other Government policy. I think the latitude on an appropriation bill is perhaps the widest a parliamentarian receives. I think the answer to the honourable senator's question is yes, the latitude is there.

There are details of individual items in the schedules that may interest the house. It is now almost five-thirty, and we are to reassemble at eight o'clock. I am prepared to try to answer any questions that anyone wishes to ask, but if it is more convenient to adjourn now until eight o'clock, I have no objection.

Hon. Mr. Roebuck: I suggest we adjourn.

Hon. Mr. Brooks: Is the honourable leader adjourning the debate?

Hon. Mr. Connolly (Ottawa West): No.

Hon. Mr. Brooks: Are you continuing this evening?

Hon. Mr. Connolly (Ottawa West): I have given a general explanation of the principles of the bill. If there are details concerning individual items on which honourable senators require information, I shall be happy to try to supply it.

Hon. Mr. Brooks: That is the general principle. In the circumstances I should like to adjourn the debate.

Hon. Mr. Roebuck: It is not a question of adjourning. It is simply a case of Mr. Speaker recognizing that the clock is now showing six o'clock.

Hon. Mr. White: May I ask the Leader of the Government if the item will be continued tonight after the Income Tax bill?

Hon. Mr. Connolly (Ottawa West): I think the Leader of the Opposition would prefer that I go on with this at eight o'clock, and then proceed to the Income Tax Act afterwards.

That being the case, I would move that the Senate do now adjourn during pleasure, to reassemble at the call of the bell at eight o'clock.

The Senate adjourned during pleasure.

At 8 p.m. the sitting was resumed.

Hon. A. J. Brooks: Honourable senators, at 6 o'clock the honourable Leader of the Government (Hon. Mr. Connolly, Ottawa West) had given us an explanation of Bill C-99, which is an interim supply bill in the usual form. I believe it is the fifth such bill to come before us this session, which means that five votes of the estimates have already come before Parliament.

Hon. Mr. Connolly (Ottawa West): Not quite.

Hon. Mr. Brooks: Well, a fraction of the estimates—one-fourth or one-fifth has already been passed.

This bill, as the honourable Leader of the Government has said, appropriates one-twelfth of the estimates, and a larger fraction of some particular items so that certain accounts may be paid before a certain season is over.

Honourable senators have been wondering about what opportunities there might be at times for discussing the estimates in this house. It is well known that in the House of Commons interim supply bills are passed

in a very short time. As a matter of fact, when I examined the record of the Commons with respect to this particular supply bill I discovered that it was passed in five or ten minutes. However, that is no reason why the Senate should do the same thing because, as we all know, the examination of the estimates by the Commons takes many weeks. Officials from all departments are present before either the Committee of the Whole or other committees of the House explain each one of the hundreds of items in the estimates.

When the usual assurance is given in the other place that debate on the main estimates will not be prejudiced, it does not mean that all the items are going to be passed. It is taken for granted. That assurance does not mean as much there as it does in the Senate, where these bills are received sometimes just a few hours before they receive royal assent. On occasions the Senate has very little time in which to consider the items. This is one of the reasons why the Senate should take more time in considering interim supply bills than does the House of Commons.

The question of whether we could discuss the estimates at different times when interim supply bills come before us was brought up. Of course the estimates are never passed until twelve-twelfths are passed. By this bill, we are passing one-twelfth and a little more, and no doubt next month another bill will come before us with respect to another twelfth. Each time such bills come before the Senate there should be an opportunity for us to discuss the estimates.

May I at this time congratulate the honourable Leader of the Government because in the short time that I have been in the Senate I think this is the first time that the interim supply estimates have been before the Senate apparently in time to discuss them before royal assent is given the bill.

Hon. Mr. Connolly (Ottawa West): Take some credit yourself.

Hon. Mr. Brooks: I would be very glad to do so. I feel that this is a very important step. We have set up a Finance Committee in the Senate. It is nothing new. We have had a Finance Committee for many years, but in some years it was not active. This year it is being activated.

May I suggest to the honourable Leader of the Government that it might be well to set up this committee as early as possible in each session, say, when the estimates come down. While the committee never could examine estimates in the sense in which they are examined in the House of Commons item by item, the committee in the past, as one will note from reading *Hansard*, adopted a policy of picking out important and broader general subjects. That method is, I think, the only function which the Senate can perform, but it is a very important one. If they got bogged down in trying to examine thousands of estimates as we see in our books of estimates, they would get nothing done at all.

I am very pleased indeed, therefore, that the Finance Committee has been set up to do the work which it can and will do, but not to attempt the work that it is not equipped or not entitled to do.

Honourable senators, I am very pleased to see my good friend Senator Crerar here this evening. In his remarks the other evening on the Estate Tax Act he mentioned the surpluses which the Government had over a number of years after the war. There is no member of this Senate to whom I would sooner listen in debate than honourable Senator Crerar. He spoke about the devastation of Europe. We all know one of the chief reasons why our economy was good, why there was employment and why we could sell practically everything we could manufacture for quite a number of years after the war. The reason was that the factories of Europe—of France, Great Britain, Czechoslovakia, Germany, and so on—were all destroyed. It took years to build new factories and to get the machinery necessary to recommence manufacturing operations. In Canada we were fortunate in being able to supply goods that were needed. Our economic success was due to that factor and not to any great effort on the part of the Canadian Government or Canadian people. The market was there and we took advantage of it, as we should.

Honourable Senator Crerar spoke about the deficits in 1957, after the change of Government. I know he did not wish to be unfair, but I would point out that those deficits occurred at a time when we all know there was a great change in the economy, not only of this country but of European countries. Those European countries were able to supply their own markets and become competitors with Canada in other countries.

The honourable senator conceded that there were other economic factors at work besides the change of Government in 1957, but I feel he left the impression that the national debt was greatly increased at that time because the previous Government failed to meet its obligations. I would like to say a few words in that connection.

The fact is that the national debt was increased, but I think we can say it increased for one particular reason more than any other, namely, that the provinces were demanding and getting more and more as their share of the federal revenues. The social

services of this country had been greatly increased in those years.

May I say, honourable senators, that when the Diefenbaker government took office in 1957, it inherited an increasing demand on the part of the provinces for the greater share of the national income in order to discharge the constitutional obligations placed on it by this social legislation which had been passed by the previous Government. I am not objecting to that, for it was something which the times seemed to demand, and possibly that the people were demanding. It was for this reason that the government of the time, in 1957, reluctantly embarked on a series of budgetary deficits. The policies that resulted from those deficits had not only been adopted by the present administration, but indeed have increased and been enhanced in many cases.

One could speak for a long time and produce much evidence to this effect. Our expenditures are continually rising. That is what the honourable Senator Crerar and the honourable Senator Roebuck complained about so emphatically the other day. I do not blame them at all, for I think they are right. However, this is something that has been accumulating over a long period and it seems almost impossible for us to stop.

While it is true to say that we are going further in the red, it is also true that Canadians are producing more and selling more of our goods abroad than at any other time in our history. I believe that is what Senator Roebuck meant the other evening—that in those circumstances we should not be going further in the red. Actually, we now have trade surpluses, and as a result of the increase in our gross national product and in our trade, Canadians are now enjoying the highest standard of living in our history. Therefore, we should be getting nearer and nearer to a balanced budget. To my mind, there is no doubt about that.

May I point out that the increase in our trade did not come about by accident. It was the result of deliberate government policies, planned and carried out in the last few years. One of the major contributing factors to our trade surplus, as we all know, was the devaluation of the Canadian dollar by the previous Government.

In order to sell more, we have produced more, and this resulted in an increase in production and trade. Also there were various incentive programs instituted by the former Government. These incentives include export credit insurance, subsidies to the shipbuilding industry of this country, and other forms of assistance.

I do not intend to elaborate on any of these, but merely wish to draw attention to them. More particularly I would refer to the ambitious sales promotion program conducted by the Department of Trade and Commerce —the sponsoring of trade missions to various countries of the world; government-sponsored trips by manufacturers, and the bringing of trade commissioners to Canada. All of this has helped to provide for our surplus and increase in trade which we are enjoying at the present time.

The major single problem facing us today —and I expect this was what my good friend, Senator Crerar had in mind—is the fact that the federal revenues have not been able to keep up with the federal expenditures. Of course, that is a serious problem not only in this country, but in other countries as well. One has only to review the figures for the past five years to be made aware of that fact. For example, in the last fiscal year total revenues amounted to $6,207 million and total expenditures amounted to $6,892 million, indicating a widening gap in revenues and expenditures since the fiscal year of 1959. For the present fiscal year total expenditures are down slightly in the estimates. The estimates, as we all know, have a faculty of increasing as time goes on during the year. "Keep down expenses. Keep down taxes." Those are good slogans.

The honourable Senators Crerar and Roebuck talked about the dire results if we keep on spending and over-spending for years to come, and their warning is sound. We have listened to speeches such as this for many years, but that does not mean that we should do nothing about it now. Taxes and expenses go on increasing from year to year. All we have to do is to look at this year's estimates. We can go from the Department of Agriculture through to the Department of Veterans Affairs, and we find there have been few decreases from the previous year. I would say that 90 per cent show an increase.

I would also like to point out—I do not have the statement with me, but honourable senators can check on it—that the greatest percentage increase we find is in the department of Government called the Privy Council. It is nearly 40 per cent over the previous year. It occurs to me, and I am sure it must occur to all honourable senators, that the Privy Council, which is the very heart of the Government, is where a good example should be set to the other departments of government.

I would like to make a short comment on one item under Board of Transport Commissioners. This is just the opposite from the one I have just mentioned. There is an outstanding reduction in expenses of the previous year of from $83,500,000 to $13,500,000, a difference of $70 million. There is perhaps some explanation for this. Maybe it has something to do with freight rates or something of that kind.

However, I think the Finance Committee could check up on that.

Hon. Mr. McCutcheon: That will be corrected when the supplementary estimates come in.

Hon. Mr. Brooks: "Corrected" may not be the right word to use in that connection; it may be "changed." In any event, I was pleased to see this, and I hope it is not changed too much, unless it means the Atlantic provinces are losing their Maritime freight rates. Of course that would be a different story.

Honourable senators, I do want to compliment our two great railways, the Canadian National Railways and the Canadian Pacific Railway, for the tremendous effort they are making, and I believe successfully, to compete for freight and passengers on their lines at the present time. I have in mind the little scooters, as they call them, in my own province. Anyway, they are giving excellent service as far as the public is concerned, and if this is due to the efforts they are making, then great praise and commendation should be given the railways of this country, especially if they are saving us $70 million a year. I might say they are satisfying the public by their efforts.

One hears all sorts of praise for the railways now. Using an illustration I know best, the public has nothing but praise for the short time it takes to travel by train from Moncton to Saint John. The service is splendid and they compete with the trucks, buses and airplanes. They can give and are giving just as good service as any of their competitors; in fact, I think it is better and cheaper.

Honourable senators, I am not going to take any more of your time. I did want to comment on what Senator Crerar said. I am sure he did not wish to leave a wrong impression. I just wanted to point out the well-known fact that after World War II the former Liberal Government had every opportunity to improve trade, manufacturing conditions and the economy of this country. It became difficult later on, and that is when the Conservative Government came into power, but through the efforts they made we are now reaping benefits as time goes on.

As far as the Finance Committee is concerned, from reading *Hansard*—and I like to read the back numbers of *Hansard* because you get some splendid ideas from them—we become too optimistic over what this committee can do. While it can do great things, there is one thing it cannot do, and that is make an analysis of all the items in our estimates. But it can consider general principles.

I was pleased indeed to read in *Hansard* today that one of the members in the other place, a very competent member who has been there for many years, suggested to the Commons that they should give more work to the Senate, that we have splendid committees here. There is no question about that. Our committees are competent and capable of analysing many of the big problems we have in this country. He said he often wondered why there were so many royal commissions appointed when the same work could be done just as well by members of the Senate. I agree with him. I have often thought it would be the part of wisdom to give this responsibility and duty to the Senate.

Up to the present time we have had many such commissions. We have had the Gill Report, which might be considered by this committee we have set up. I understand this report recommended a number of economies which could be effected if its recommendations were adopted. We also had the Glassco Report. What is the use of having all these reports, costing large sums of money, and doing nothing about them, but putting them on a shelf to collect dust. There was the MacPherson Report, and many others. There are many propositions, many general principles which I believe this Finance Committee of the Senate could study.

We have a good chairman in Senator Leonard. I do not think we could find another who could better conduct the affairs of a committee of this kind than he can.

I am sure that with the chairman and members of the committee, with the proper selection of problems, and with a careful study of them, we can do much in the future to help the economy of this country.

Hon. George S. White: Honourable senators, before the adjournment the Leader of the Government (Hon. Mr. Connolly, Ottawa West) said he would be glad to answer any questions and to give any information that he could. There are a number of questions I would like to ask him. While I do not expect an answer tonight, I would ask him if he would be kind enough to give the information before the next supply motion comes before the Senate.

These questions have to do with the yearly expense to Canada involved in the military operations in which Canadian forces have participated since the end of the Second World War. The United Nations Emergency Force in Palestine was formed in the fall of 1956, and is still continuing. Part of this force is composed of about 1,050 men of the Canadian army and air force. I noticed in a return in the House of Commons in the last session that the sea lift for this operation in the fall of 1956 by H.M.C.S. *Magnificent* cost $605,561. According to the same return the annual cost to Canada for the army and R.C.A.F. personnel in the Gaza Strip

amounts to over $4½ million. I would ask the Leader of the Government for the following information:

1. Does the United Nations or some branch of the United Nations pay part of all the expenses of the Canadian troops in the Gaza Strip, including the sea lift in 1956? If Canada pays for the lift and for the forces, does the UN reimburse Canada, and, if so, to what percentage amount?

2. Does the figure of $605,561 for the cost of the air lift and the annual expense of $4.5 million for army and R.C.A.F. personnel, represent the total costs of this operation, or do these figures simply cover the share paid by Canada? If the figures represent only the share paid by Canada, then what is Canada's share on a percentage basis?

3. Do the Canadian forces in the Gaza Strip receive pay over and above their ordinary pay and allowances? If so, what is the amount, what is it for, and how was it arrived at?

4. When the operation in the Gaza Strip is concluded, who will pay the cost of the air lift and the sea lift to Canada of the troops, equipment and supplies?

The Canadian forces have been in the Gaza Strip since the fall of 1956. Is it not reasonable to ask after this long period of time if the size of the force could be reduced, and why the Canadian forces should not be brought home? If it is still necessary to maintain this type of peace-keeping force in the Gaza Strip, the Canadian troops can be replaced by troops from other United Nations countries. No doubt when the Canadian forces went to the Gaza Strip it was to be for only a short period of time, but almost eight years have elapsed since they were sent there. This same problem of length of service now faces the new Canadian peace-keeping force in Cyprus.

In 1959 it was the privilege of Senator Donald Smith and myself to visit the Canadian forces in the Gaza Strip. We were both much impressed with the job being done by our soldiers, and by their high spirits and morale. Certainly it was easy to understand the very high regard in which the Canadian forces were held by the Government of Israel and by citizens of that State. Their task was not easy. It was monotonous. It was out in the lonely desert with blowing sand and heat, and more sand and more heat.

Canada also has eight army officers on the United Nations military observer group in India and Pakistan. This force has continued since 1949 at an annual cost to Canada of $90,000. I ask the honourable Leader of the Government to answer these questions:

1. What is the purpose of this force after 15 years? What has it accomplished? When will it end?

2. Does Canada pay the full cost of the Canadian personnel in this group, or does the United Nations pay part? If the United Nations pays a part then what is the percentage share paid by Canada?

Canada also has 18 army officers on the United Nations truce supervisory organization. This has continued since 1949 at an annual cost to Canada of about $177,000. I ask the honourable Leader of the Government:

1. What is the purpose of this force? Where is it stationed? In what countries has it operated? What has it accomplished in the last 15 years?

2. Does Canada pay the full cost of the Canadian personnel in this group, or does the United Nations pay a part? If the United Nations pays a part what is the percentage paid by both the United Nations and Canada?

Canada has supplied about 83 officers and other ranks from the navy, army and R.C.A.F. to the International Supervisory Commissions in Vietnam, Laos and Cambodia. This has continued since 1954, at an annual cost of about $900,000. This very substantial sum of money has been provided each year for the past ten year. What are the duties of this force? What has it accomplished? When will its work be ended? Does Canada pay the full cost of the Canadian personnel on these commissions, or does the United Nations pay a part? If each pay a part then what is the percentage of the total cost so paid by either the United States or Canada?

Canada is represented also on other military forces around the world in such countries as the Congo, Yemen, and Korea, and Canadian forces have served with other United Nations groups and missions whose work has been completed.

With reference to the Canadian forces in Cyprus, we all heard the Secretary-General of the United Nations this morning explain the hopes and ambitions of the United Nations Force in solving the dispute there. Even yet it is somewhat vague as to the direct authority of this force in Cyprus to ensure the keeping of the peace. Just what are the operating orders to the Cyprus force, and what collective financing provision has been made to carry on this force under the United Nations?

When this force was set up in a great hurry and flown to Cyprus, the honourable Leader of the Government, at page 158 of the *Debates of the Senate* for this session, stated:

> It was further recommended that the stationing of the force on Cyprus should be for a period of three months.

After discussing the cost and the short time there was in which to make financial arrangements, the honourable Leader of the Government continued as follows:

> For that reason the Government has decided to assume the cost of the Canadian contingent for a three-month period, and also to pay the cost of transporting the men and the material. It is estimated that the cost involved for this period will be approximately $2,600,000.

I have since read in the press that the cost of this three-month operation, including the air lift and the sea lift by H.M.C.S. *Bonaventure*, will be much more than the original estimate of $2,600,000. The period of three months will soon expire, and no doubt the question of the Canadian forces remaining after that time is being discussed today in Ottawa. I ask the honourable Leader of the Government:

1. What will be the total cost to be paid by Canada for the first three months in respect of the Canadian forces in Cyprus, including the cost of the air lift, and the sea lift by H.M.C.S. *Bonaventure*?

2. What division of cost will be made after the three-month period? What percentage of the total cost will be paid by Canada?

3. When the Cyprus mission is completed who will pay for the air lift and sea lift of the troops, supplies and equipment back to Canada?

4. Do the Canadian forces in Cyprus receive extra pay over and above their ordinary pay and allowances? If so, what is the amount, what is it for, how was it arrived at, and what other Canadian forces serving on United Nations missions receive extra pay? If any receive extra pay, what is the amount of such extra pay, and what is such extra pay for?

A few days ago the press reported the first casualty suffered by the United Nations forces in Cyprus. A Finnish soldier was killed. This raises the question of pensions and allowances in case of death or disability. This question of pensions applies not only to the Canadian troops in Cyprus and in the Gaza Strip, but to the Canadian forces serving anywhere in the world with United Nations forces or missions. There have been Canadian casualties in the Gaza Strip. I would like to know who is responsible for the pension benefits in the case of the death or disability of a Canadian soldier. Is the pension paid entirely by the Government of Canada, or does the United Nations pay part or all of the pension claim?

To date Canada has done her share—in fact, more than her share—in supplying forces for the various policing organizations around the world. After all, there are over 100 member nations of the United Nations. Is it unreasonable to ask that all nations make some sort of fair and equal contribution in both men and money to these forces? Certain countries, which are members of the United Nations, have refused to pay their part of the cost of the Gaza Strip and Congo operations.

In 1958 the then Secretary-General of the United Nations made suggestions as to certain permanent international forces to meet future emergencies. The United Nations refused to accept his recommendations. The U.S.S.R. and other communist countries, and certain African and Asian countries which had recently received their independence, opposed the organization of any peace-keeping force by the United Nations. Apparently, they did not like the idea of the United Nations being able to put force behind international decisions in a way which might interfere with their own national policies. Countries which join the United Nations should accept the responsibilities that come with membership in such an organization. If troops are required, each should contribute in turn and all should pay their portion of the cost of the force.

When the Leader of the Government is obtaining the information I have asked for, would he also please obtain whatever information he can showing all military operations in which Canadian forces have participated since the end of World War II, the nature of their operation, the number of officers and other ranks employed in each force, the annual cost of each operation since the date of commencement to date or to the date the special operation was concluded?

Hon. T. A. Crerar: Honourable senators, my remarks tonight on this interim supply bill will not be very extensive. However, I could not resist the temptation to respond to my good friend the Leader of the Opposition (Hon. Mr. Brooks). I was really unable to determine whether he was criticizing me or praising me.

Hon. Mr. Brooks: Neither one.

Hon. Mr. Crerar: I sometimes think that if an inhabitant of Mars is familiar with what goes on on this terrestrial sphere, he must at times be greatly confused. As it appears to me, when we change governments in this country the new government, in the matter of spending, immediately proceeds to follow the policies of the preceding government and turn its back on most of what it criticized during the time it was in opposition. Likewise, the new opposition, when it ceases to have a party to support in the seats of power, immediately becomes very economy minded. I do not think I am overstating the situation when I say that.

I am bound to say that this state of affairs —and what I have just stated is a fact— is confusing the Canadian people to no end today. In my judgment, the two major political parties, so far as public esteem is concerned, were never at such a low ebb as they are today.

I am not going to change my views on public spending simply because I sit on this side of the house, supporting the Government and facing an opposition that until a year ago was supporting the Government that was in power then. We have developed extremely bad habits in public spending and, as far as I am concerned, while my voice may not reach very far, it is going to be raised in protest against that.

Any glance at our expenditures today rather appalls one. It is quite true that after the end of the war there was a period of about ten years when, as Senator Brooks said, the country could sell everything it produced. There was not only devastation in Europe, devastation almost beyond imagination, but there was a tremendous shortage of everything here in Canada and it took years to catch up. However, to the credit of the Liberal Government of those days, I must say that it did pay off debt, and that fact cannot be denied.

Hon. Mr. Thorvaldson: They had every opportunity to do so, for the reasons you have just cited.

Hon. Mr. Flynn: Any government in a position like that would have done the same.

Hon. Mr. Crerar: They paid off $3 billion of debt between 1945 and 1956, up to the time they went out of office.

Hon. Mr. Thorvaldson: Why should they not have done so?

Hon. Mr. Crerar: In 1957, the then Minister of Finance brought in a budget, knowing that an election was coming within four or five months. In that budget, facing an election, he budgeted for a surplus of $150 million.

Hon. Mr. McCutcheon: He was just living in a fool's paradise.

Hon. Mr. Crerar: If my honourable friend has anything to say, I will be glad to sit down and let him say it.

Hon. Mr. Choquette: I did not say it. It was my friend on my left, and I remarked to him that you did not hear it.

Hon. Mr. Crerar: The then Minister of Finance raised old age pensions by $6 a month. It is within the recollection of everyone what criticism was offered to that. I say that those who criticized that ought to go back and read the report of the Joint Committee on Old Age Security, published in June 1950, when the recommendation was for a $40 a month pension, and where it was clearly intimated that the pension was not to be considered as the sole support of the pensioner.

What did Honourable Mr. Harris do in that budget? That $6 increase matched to a fine fraction of a point the increase in the cost of living that had taken place between 1950 and 1957. That was one of the most honest and courageous budgets ever delivered in this Parliament. Honourable Mr. Harris was facing an election, when everyone wanted tax reductions or favours so as to get votes, but he stood by his responsibility. What was the result? The result was that he was practically driven from public life. That was done not only by my honourable friend opposite but, I regret to say, by some of his own Liberal friends who did not defend him as they should have defended him.

Now we come on to the new regime in 1957. That regime increased the spending. The old age pension, which was a test, was increased immediately—or as soon as the Government could get authority—to $55 a month.

Hon. Mr. Thorvaldson: May I ask the honourable senator a question?

Hon. Mr. Crerar: I would prefer not to be interrupted.

That $55 a month was based on the theory that an old age pensioner could not live on $46 a month, while the committee which reported, and upon which the increased pension was based, stated very clearly it was not intended that the old age pension should be the sole means of support.

But there was worse than that to follow. In the autumn of 1961, in the Speech from the Throne there was an announcement that the old age pension was to be increased by another $10 a month. That legislation was put through. I protested against it in the few remarks I addressed to the house on the occasion of the Speech from the Throne debate. Believe me, I got some rather blistering letters—which did not annoy me at all, as people who do not sign their names to letters are not entitled to any respect. I respect those who may differ honestly with me, but I have no respect for the person who writes anonymously and abuses one like a pickpocket. However, that is by the way; that is the fate of public men. I dare say some of my honourable friends opposite have had that experience also.

To resume the point, the increase of $10 a month at that time was given at a period when the Government was running heavy deficits. The Government should have known then, and must have known, that they would have to go into the market and borrow every dollar to pay this increase in the

old age pension. Frankly, I consider that irresponsibility, and I make no bones in saying so. If it was intended to increase the old age pension at that time the sensible thing would have been to increase taxation to meet it. However, the imposition of taxation when facing an election was not an alluring prospect for the government in power, and it is no less an alluring prospect for the Government now in power.

Honourable senators, in order that my criticism may be fairly given, let me give a little background. During the election last year the Liberal party made a promise of another $10 a month increase in the old age pension. At the time, quite frankly, I felt that was an irresponsible promise, although the plan was to institute a new overall pension scheme, and the dollars that flowed in to support that scheme would be used to give the increase.

Hon. Mr. McCutcheon: The plan was cheap for the public too.

Hon. Mr. Crerar: I submit that that added to the tax burden of the country. That promise should not have been given. Today we are in the same position with regard to that $10 a month increase as we were in 1961. Every dollar of it has to be borrowed.

Frankly, honourable senators, I do not think that is what we are sent here to do. If there is one responsibility resting upon Parliament, it is to use wisely and frugally the taxes it collects from the people. A review of history will show that revolutions have been caused by over-taxation, probably more so than by any other means. It is unfair and unjust to spend one dollar of the taxpayers money, if it can be saved. That is why I agree with much of the criticism of the Leader of the Opposition (Hon. Mr. Brooks) in regard to the increases in these estimates. They need to be scrutinized closely.

For four years, as I recall, I was Chairman of the Finance Committee, the job that my distinguished colleague from Toronto-Rosedale (Hon. Mr. Leonard) has now. I do not think I received much applause from the party I was supposed to support at that time, on account of some of the strictures that we made on the spending in some of those days. However, I just cannot get out of my system that I am here as a Member of Parliament to spend prudently the taxpayers' money, as far as it is within my power to do so.

When I see these vast expenditures, this burden of debt, increasing steadily until today it takes over $1 billion a year to pay the interest on the debt, I think of a workman in his shop who has difficulty in making both ends meet, or the farmer, or the wage-earner, or the businessman who is trying to conduct his business so as to make a profit and is burdened with these taxes. I say that this Parliament will fail in its responsibility if it does not sooner or later take that into account.

One hears fanciful theories from economists that a debt does not matter. The other day I read a statement by a prominent man, that public debt in some respects was a good thing. Well, I was not brought up in that school. It may be that I am a hundred years behind the times, but I do not think I am. At any rate, as long as I have my place of responsibility in this house I shall frankly criticize this kind of spending.

We have another supreme fallacy which has seized upon the imagination of the people, and certainly upon their governments, that money is of no account. I do not believe that. Much of the prosperity we enjoy today, which Senator Brooks spoke about, and it is quite true, is made apparent by the fact that people have money in their pockets. Look at the weekly returns of the Bank of Canada. Look at the amount of money in circulation. We are told there is pretty nearly $100 for every man, woman and child in this country. So they have money in their pocket. However, I will remind this house that in large measure that is the result of more than 100 per cent inflation in the past 30 years, and this inflation, continuing daily, is of a creeping character.

Honourable senators, we can put our house in order. Canada is a country with vast resources. Unfortunately, the federal Government does not control these resources. I will withdraw the word "unfortunately," but it is a fact that the federal Government does not control these resources.

I am hoping, everything being in order, to make some remarks on the Income Tax Act in respect of the situation of Ottawa vis-a-vis the provinces, because that is one of our most important problems. However, I shall not deliver those remarks tonight. I may speak on that subject tomorrow or the day after. In the meantime, honourable senators, I hope I have made my position clear.

Hon. M. Grattan O'Leary: Honourable senators, I note that a number of senators have to attend a committee in the morning, so if it is your wish, I will adjourn the debate. If I go on, I promise to be brief.

Hon. Mr. Thorvaldson: Don't be brief.

Hon. Mr. O'Leary (Carleton): I do not wish to get into the private quarrel between my leader, Senator Brooks, and my distinguished friend, Senator Crerar.

Hon. Mr. Brooks: That was not a quarrel. We never quarrel.

Hon. Mr. O'Leary (Carleton): However, I would remind Senator Crerar of one thing. When he tells us that over a certain period of years the Liberal government paid off, I think he said $3 billion of debt—

Hon. Mr. Crerar: Almost $3 billion.

Hon. Mr. O'Leary (Carleton): Almost $3 billion—there was one important fact he overlooked. He overlooked the fact that during those years his good friend, Angus Macdonald, and the good friend of the Leader of the Government in this house, was coming to this capital year after year pleading for more of the revenues of this country for his province. And so were the other provinces—fields of revenue belonging to the provinces, which the federal Government had taken over during the war and refused to surrender.

And I remember—because I sat through the last dominion-provincial conference—Mr. Ilsley saying that he could not afford to surrender a single item of the revenues he was collecting, despite the fact that in that year and the year following he had federal budgets of from $500 million to $600 million surpluses.

I remember well, as I am sure my friend Senator Crerar remembers well, Angus Macdonald returning to his province reciting the wrongs and grievances under which Nova Scotia was labouring by virtue of the fact that it was being denied the revenue which he thought rightly belonged to him, saying, "They haven't seen the last of my bonnet and me."

There were surpluses in those years; but if the Diefenbaker government had starved the provinces to the extent they were starved under Ilsley and Abbott he would not have had a deficit at all during his years. These moneys went to the provinces, and they went to provinces which had been starved by the preceding governments, a situation which laid the foundation for a lot of the trouble we are having with the provinces right now. However, I am not going to concern myself too much with this subject.

I am not going to deal, and in fact I am not in a position to deal, with specific estimates in this interim supply bill. But, honourable senators, what strikes one about these succeeding bills coming to this house is that nowhere is there a single sign of any sincere effort, any effective effort, to reduce costs in this country. I am going to give you now just one example of, to my mind, the appalling extravagance of the present Government and, I must say quite frankly, to some extent of the Government which preceded it.

I have been trying in the last few weeks to get a statement from London showing the total floor space occupied in London by the United Kingdom Government. I hope to get it soon. But, honourable senators, I will make a wager now that the Government of Canada has more floor space in offices in the City of Ottawa than the United Kingdom Government has in the City of London. Many of you have gone to Whitehall and visited these offices; you have been in the Admiralty Building; you have been in the Foreign Office Building. Do you see there the spacious, palatial offices we have here in the City of Ottawa?

Let me read you just a few lines from the report of the Glassco Commission about government housing in the City of Ottawa. This is almost fantastic. It says:

> In 1960, about 180 million square feet of building space were occupied by departments and agencies—the equivalent of over 100 buildings, each the size of a football field and 28 storeys in height—and the value of real estate holdings was estimated at $4 billion.

Honourable senators, that was in 1960, yet in the intervening years Government buildings have been mushrooming all over Ottawa. Now, despite what we have seen between here and Uplands, for example, they are talking about a "Pentagon" building down on the Flats and, in addition to that, what they call a "prestige building" for the Department of External Affairs.

Honourable senators, I remember the day when the Department of External Affairs in this country consisted of Sir Joseph Pope and one stenographer. I remember when Sir Wilfrid Laurier had a man called William Mackenzie to keep him informed on foreign affairs by clipping the foreign press, mainly the London *Times*. I remember when it was under Loring Christie, with a staff of four or five. I remember when it was under Dr. Skelton with a small staff. I remember that when Arthur Meighen went to the London Conference of 1929 he took along one private secretary and a stenographer. Now we are spending some $58 million or $59 million under the Department of External Affairs alone. In my judgment, this has come about through a false national pride, a phoney national pride. We are attempting to take over areas all over the world which, whatever it may tell of our good heart and our good intentions, tells very little of our realism and our good sense.

I was very glad tonight to hear the honourable Senator White ask the questions he did about the operations of our troops abroad. It is all very well to undertake these things; it is all very well to minister to the vanity of certain people who strut their little hour in this country in the field of external affairs. But this is a small country—we are not a big power; we are not a middle power—and it is

utter nonsense for this country to be undertaking some of the obligations it is undertaking on the ground that we must keep our obligations to the UN.

What is the UN about? Read one section of the charter—I think it is section 6. Read what it says about the obligations of the various members, obligations for collective security. What have we now? We have collective security, but we are not having it collectively. We are having it by virtue of a few nations who are bearing the main burden, and that was never the idea of the United Nations at all.

Wat is the consequence of all this spending? As was pointed out a few moments ago, we have come now to the position where this country has a federal budget of $7 billion. But that is not all: in addition to that budget of $7 billion for the federal Government we have a budget of roughly $1 billion for Ontario, a proposed budget of $1 billion for Quebec, and a budget for British Columbia, the western provinces and the Atlantic provinces as well, amounting to more than $11 billion a year—$11 billion a year for 19 million people, which actually works out at $600, or more, for every man, woman and child in this country, or $2,400 for every family of four. That is what it is costing to govern this country: $2,400 annually for every family of four in the country.

I submit to you that this country at the present time is being smothered by big government, and that big government, with its constantly mounting costs, must inevitably and inescapably lead to financial ruin.

I have no intention of fighting over the election battles of the last three years but, honourable senators, read some of the election speeches that were made in the course of those elections. Read Mr. Walter Gordon's "Troubled Canada." I am not speaking now of ordinary election speeches made on the hustings; I am speaking of the financial and economic promises made by responsible leaders of Parliament.

Mr. Gordon promised that he would reduce taxes, that he would reduce deficits —and he stressed that most of all. He has not done either of those things; he has not done anything toward achieving either of those ends. When asked in the other place the other day what his budget plans were, Mr. Gordon—this man of great decision a year ago—said he did not know. He actually was not sure whether, because of these new contributions of revenues to the provinces, he would have to increase taxes or do something else; but he gave three alternatives, not one of them along the lines of a policy that he preached a year ago. This man of decision has now become a man of indecision. He does not know, but he did say this, and I quote from *Hansard*:

> The third choice, obviously, is to consider, in the light of the fact that additional revenues are being made available to the provinces and therefore that their deficits would be reduced below what they otherwise would be, whether in these circumstances a higher federal deficit may be justified.

Here is the man who for two or three years preached, among other things, the vital need of cutting down our deficits; and now, here he stands in the other place only last week saying that we have reached a position where higher deficits may be justified.

Mention was made of our public debt. I do not think the people of this country realize that the interest on our public debt at the present time is perilously close to $1 billion a year. That is one-seventh of our total expenditure and twice the deficit. The interest on the public debt at the present time is more than twice the deficit which Mr. Gordon had this year, and will have next year, and yet I see no sign anywhere of a sincere effort to economize.

It is true that Mr. Hellyer has come forward with some organizational proposals with respect to National Defence. At least we must give him credit for paying homage to the idea, but we are not sure, and he is unable to tell us, whether these proposals will really result in any net gain.

On the first occasion when I had the privilege of speaking to this chamber, I closed my speech by saying that I had feared, as did many others, that we were putting too much sail on the ship. I think we are putting too much sail on the ship now, and we are doing a great deal of it because of this almost fanatical obsession of our politicians with foreign affairs.

I remember a few years ago going into a club and encountering there an ex-Prime Minister of Canada. I happened to ask him a question about some domestic problem, and he said, "I am surprised that you are interested in that question at all. No one today in Canada is interested in domestic problems any more. It is all foreign affairs." And today it is all foreign affairs. You go to a dinner party and meet some charming lady. She can name for you every single member of the Security Council, but she could not for the life of her tell you the names of the councillors in her own municipality. That is phony democracy. That is the sort of thing Mr. Churchill had in mind once when he spoke of people who had a "passion for distant freedom," the people who were all for the good life in Bulgaria,

Hungary, and other countries, but would not speak to a British workman in the street. We have too many people in this country who are concerned only with foreign affairs. They speak of our image abroad. Did you ever hear of an Englishman asking about the image of England abroad? He did what he thought was right and let it go at that. Why this eternal concern in Canada about what other people think of us? In that respect we are becoming almost as bad as our American neighbours, who want to be loved.

Something else comes to my mind. Only last week in the British House of Commons a proposal was made to enlarge the rooms and facilities of the members of that house, and to give them more secretarial help. Do you know what happened? Member after member rose and opposed the idea and they did so on two grounds. They said "We don't need these facilities, we don't need the secretarial help, and the country cannot afford it."

Honourable senators, all this concern with the world is not going to do this country good. We are not going to make the least contribution to setting the world's house in order unless we first show a capacity to set in order our own. We are not showing that capacity today.

Hon. Mr. Connolly (Ottawa West): Honourable senators—

The Hon. the Acting Speaker: If the honourable Senator Connolly speaks now it will have the effect of closing the debate.

Hon. Mr. Connolly (Ottawa West): Honourable senators, I shall not delay the chamber for more than a few moments. I think it has been proven here tonight that when we have an appropriation bill before the Senate, we can have a wide-ranging discussion.

Some Hon. Members: Hear, hear.

Hon. Mr. Connolly (Ottawa West): Frankly, I am very pleased that we can have this kind of discussion here, with a good deal of thrust from both sides, and I might add, trust on both sides. This is the kind of thing we would all like to see continue to develop in the Senate. I think it is healthy not only for Parliament, but—and I say this conscious of the fact that I am a member of the Government—it is healthy for governments to have second chambers perform as this house has been performing this evening.

Senator Brooks has said he would like to see the Senate refer the estimates to the Finance Committee at a very early date. I must say that I was most anxious to do this at the early part of the session, and I wish my honourable friend would think about this aspect of it, because it has been referred to in debates of this character in this chamber in other years. However, it was said and felt at that time, and I think the feeling still prevails, that until estimates are introduced into the other house this house should not engage in a study of them. But if there is a general desire on the part of the Senate to follow the suggestion made by the Leader of the Opposition, I certainly would be glad to discuss it further, and if it is desired to do so, I shall do all I can to implement the wish.

The Leader of the Opposition also asked about the decrease in the amount of the main estimates in respect of the Board of Transport Commissioners. Senator McCutcheon had the answer very quickly. He said "Wait until the supplementary estimates come." This is correct. The reason, as all honourable senators know, is that this was referred to by the Royal Commission on Transportation in their report, and the Government of the day was concerned about the preparation of legislation to implement that report; in the meantime, it disallowed freight rate increases and subsidies were given as a result. The amount of those subsidies is approximately $70 million a year, which is the difference between the $83 million and the $13 million mentioned by the Leader of the Opposition.

Hon. Mr. Brooks: I was a little suspicious of the coincidence.

Hon. Mr. Connolly (Ottawa West): It is more than coincidence. It is a fact.

I understand over the past few years it has been the custom to have this item in the supplementary estimates. I have no doubt it will appear there again. I think the reason it did not appear this year is, firstly, we did not have any, and, secondly, there is on the Order Paper of the other place a resolution which purports to implement some of the recommendations of the royal commission.

Senator White asked a series of questions, and he was kind enough to suggest that perhaps I could not have all the answers tonight. That is a masterpiece of understatement, but I certainly will do all I can to get answers for him at an early date, I hope long before another appropriation bill comes to this chamber.

So far as the speeches of the honourable senator from Churchill (Hon. Mr. Crerar) and the honourable senator from Carleton (Hon. Mr. O'Leary) are concerned, I have very little to say except that I think both these gentlemen will be outstanding members of the Finance Committee to which the estimates have been referred.

Motion agreed to and bill read second time.

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

Hon. Mr. Connolly (Ottawa West) moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

INCOME TAX ACT

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

Hon. Salter A. Hayden moved the second reading of Bill C-91, to amend the Income Tax Act.

He said: Honourable senators, I am going to say a few words in connection with this bill tonight, but the length of time during which I speak will depend upon when you feel you have had enough. First of all, I wish to make a few general observations.

It is most appropriate that this taxation bill should follow the speeches we have heard this evening, because those speakers should react somewhat in the fashion of the man who received a bill of account the morning after the night on which he had had a particularly good party, and thus realized very quickly what the cost was. It may be that if taxing bills are presented often enough, and are large enough, people will begin to realize that their demands, as the honourable senator from Carleton (Hon. Mr. O'Leary) put it, for distant freedom, and the projection of the image of a loving father over long distances, have to be paid for.

This bill does not increase the revenues in any substantial way, but there are some features of it that I should explain with some care. There are other features which I think are fairly obvious and clear cut, and which I might dispose of this evening. When some honourable senator cries: "Hold, enough!" I will adjourn the debate until tomorrow afternoon.

In the first category, I put two amendments which are proposed by this bill. The first one, found on page 7, deals with a partnership interest. This amendment, and another one to which I shall refer, are designed to meet and, I should say, overcome decisions that have been made by our courts.

So far as a partnership interest is concerned, paragraph (j) on page 7 has the effect of providing that where a person sells a parnership interest, then to the extent that there is depreciable property in the partnership interest, the proceeds from the sale are proceeds of disposition and come into income to the extent that there may be recapture.

There have been a series of decisions in our courts that have distinguished between an interest in a partnership and the assets of a partnership. In a number of cases the courts have held that the sale of an interest in a partnership is not a sale of the assets of the partnership, and is, therefore, a capital transaction, and as such attracts no tax. When this amendment is given the force of law the decisions in those cases to which I referred will no longer be of any value.

Hon. Mr. McCutcheon: Will the honourable senator give us some estimate of the revenue that will result from this change?

Hon. Mr. Hayden: No; I am sorry. It would be the height of speculation on my part if I attempted to do so, and it would not be even a reasonable speculation. If my friend is still anxious to know what increase this amendment will cause in the revenues, then possibly he can obtain that information when the bill is before the committee. We must leave some work for the committee to do.

Hon. Mr. McCutcheon: I doubt even that.

Hon. Mr. Hayden: I did not want it to appear that I thought your question was intended other than to be an important and searching question designed to discover how the revenues were to be improved.

The second amendment to which I wish to refer is in paragraph (ar), on page 18 of the bill. The *Eastern Abattoir* case, which was recently before the courts, had to do with the winding up of a pension plan. Honourable senators know that under section 6 of the Income Tax Act superannuation or pension benefits are to be included in the computation of income. But, in this case the courts held that since on the winding up of a pension plan a distribution was made of some of the moneys in the plan to the company, it was not a payment in relation to an existing plan but was a payment on the winding up of the plan.

That conclusion being entirely contrary to the views of the department, and their enforcement practices theretofore, we have before us this amendment which now provides for such cases. It will be seen that the events that would make any moneys payable to the employer income are recited in paragraph (ar). For instance, included in this category are payments which result from the termination of the fund or plan. This amendment specifically negates the decision in the *Eastern Abattoir* case. These are the two amendments that are designed to meet situations created by legal decisions.

Hon. Mr. Connolly (Ottawa West): May I ask the honourable senator a question? Does the whole of the residue of the fund in that case go into income in the year in which it is paid?

Hon. Mr. Hayden: The contributions by an employer to the pension plan have been deductible in each of the years in which they were made. If on the winding up of the fund there is a distribution of any part of those

contributions that were deductible at the time they were made, then it seems only logical that they should come back into income in the year in which they are returned to the employer. That was the attitude of the department, and its interpretation of the law. Now that the courts have held differently we find that the law is being made more specific so as to cover the situation.

There is a group of sections to which I would like to refer, and which I describe as being in some way or other beneficial. For instance, so far as legal costs are concerned—and I can see that as soon as I mention that the lawyers present become more interested—it is now provided by the new paragraph (q) in clause 1 of the bill that legal costs awarded to a taxpayer by a court on an appeal in relation to an assessment of tax, interest or penalties, have to be included in the income of the taxpayer in the year in which he is awarded those costs, if with respect to that assessment an amount has been deducted, or—and these next words are very important—may be deductible under paragraph (w) of subsection (1) of section 11 in computing his income.

If you look at paragraph (w) on page 4 you will see the other side of the coin. By this paragraph the amounts paid by the taxpayer in the year in respect of fees or expenses incurred in preparing, instituting or prosecuting an objection to, or an appeal in relation to, an assessment of tax, interest or penalties under this act are deductible. This comes under section 11 of the act, and is one of the deductions which a taxpayer will be entitled to make when this act becomes law. The departmental attitude apparently is that it was always permitted that you could make those deductions.

In what areas that view of the law was operating, I am not too sure, because in my own experience I have found time after time that there were great difficulties, even an impossibility, in getting the department to allow any deduction to a taxpayer in relation to expenses that he incurred in resisting the income tax assessment. Sometimes, in relation to a corporation—and I think there are cases on the point—there were circumstances where it might relate, and a decision one way or the other might affect the business of the corporation, and expenses have been allowed.

I am thinking of certain cases—for instance, that of a lawyer who may have a substantial assessment and who fights it and wins it. Lawyers have at times been allowed a deduction, on the basis that the overwhelming expense would put them out of business, but I do not think there is any legal basis. Now you will have a legal basis; to that extent we have moved along.

The next item, which still comes in the category of beneficial, is that given on pages 13 and 14 of the bill. When you are appealing to the Tax Appeal Board or to the Exchequer Court, and when there is a number of assessments involved covering different years, up to the present you had to file an income tax appeal in relation to the assessment of each year. Now, by virtue of the provisions which you will find on pages 13 and 14, amending the pertinent sections of the Exchequer Court Act and also the Income Tax Act, you can put all your appeals in the one notice of appeal, no matter how many years may be involved nor how assessments as a consequence may be included therein.

That is beneficial in its nature. It does not translate into any revenue one way or the other, as far as the Crown is concerned.

Hon. Mr. Thorvaldson: It is just procedural.

Hon. Mr. Hayden: Yes.

Hon. Mr. Aseltine: It makes it very convenient.

Hon. Mr. Hayden: Yes, much more convenient.

The next section to which I wish to refer under this heading of "beneficial"—and in this case there may be some people who do not agree with me, but I think it is beneficial—is in regard to the amendments which have been made in relation to expenditures for scientific research. You will find them in Clause 14, on pages 11 and 12. One addition that you are permitted to deduct, that you could not heretofore deduct on the grounds that it was an expenditure on scientific research, is in relation to research carried on outside Canada where the expenditures are of a current nature and where that research is, as it says at the bottom of page 11:

> (a) on scientific research related to the business and directly undertaken by or on behalf of the taxpayer; or
>
> (b) by payments to an approved association, university, college, research institute or other similar institution to be used for scientific research related to the class of business of the taxpayer.

That language is similar to any which you will find already in the act dealing with expenditures on scientific research in Canada.

There is one word in the section which bothers me, but it may be that my language appreciation sense is too highly developed at the moment. I refer to the word "directly". I am just wondering how you could have expenditures on scientific research related to the business and "directly" undertaken by or on behalf of the taxpayer.

Hon. Mr. Brooks: I was going to ask you if you could give an example of how it might operate.

Hon. Mr. Hayden: I can tell you what was intended to be covered. You would have, say, a large parent industrial operation in the United States, carried on by a United States company, and have also a company in Canada. The facilities available for scientific research in the United States would be substantial and very extensive and would be in relation to many classes of products which were also being produced by the Canadian company, and would also in the United States be in relation to new products, the benefits of which would greatly improve the operations of the Canadian company and the cost of establishing such scientific facilities in Canada would be completely uneconomic. Now, this is the sort of thing that it is intended to cover.

I should point out to you that I do not think the Government, in making this concession as part of the law in this fashion, is giving away much, if anything, in revenue. At the present time, in situations where you have had scientific research of this kind carried on outside Canada, if you could establish certain things, you were able to get the deduction, but you were not entitled to get the deduction by saying, "This is scientific research, therefore I am entitled to make the deduction." You had to follow the provisions of Section 12(1)(a) of the Income Tax Act, which says:

> In computing income, no deduction shall be made in respect of
>
> (a) an outlay or expense except to the extent that it was made or incurred by the taxpayer for the purpose of gaining or producing income from property or a business of the taxpayer . . . .

Hon. Mr. McCutcheon: You went under "general".

Hon. Mr. Hayden: You went under "general," if you had established that this research was being done outside of Canada and was for the purpose of gaining or producing income from the business of the company in Canada. So I suppose, administratively, putting this section in the bill and exempting it as scientific research provides a simpler administration.

Hon. Mr. McCutcheon: The trouble is that the administrators interpreted the other too narrowly.

Hon. Mr. Connolly (Ottawa West): They did not allow it as an expense up to now.

Hon. Mr. Hayden: Now, if my friend Senator McCutcheon is giving the evidence, he may have cases that he can speak about; but I must be fair with the department and say that, in my experience—and I have had a substantial amount of it on this subject—I have found that the department takes a very fair look at the presentation you make, and if the facts are of the nature that I have described to you here tonight, and if the parent relationship is established, you have no trouble in getting your allowances.

Incidental to that, it was necessary to make some changes in the definition section, in Section 72(4). You will find that in the definition sections which occur on page 12. In regard to subsection (3), paragraph (c), they now subdivide that paragraph so as to say, when you have references to expenditures in respect to scientific research and the references occur in subsection (1a)—which is the one I have just read, where it gives you the right to deduct scientific research expenditures made outside of Canada—that that reference includes only expenditures incurred in and wholly attributable to the prosecution of scientific research; but where the references to scientific research occur other than in this section (1a), that includes expenditures incurred for and wholly attributable to the prosecution or the provision of facilities for the prosecution of scientific research in Canada.

So the first part of the new definition deals with scientific research outside Canada and is limited to the prosecution of scientific research; and the second part of the definition relates to expenditures for scientific research in Canada and it is related not only to the prosecution of research but also to the provision of facilities for that research.

The next item deals with the many changes which occur in this bill to implement a decision of the Government with respect to the withholding tax. That decision was to the extent that the withholding tax was increased last year from 15 to 20 per cent in relation to dividends paid to nonresident shareholders who did not have a degree of Canadian ownership, commencing with January 1, 1965. The item deals with all the various aspects of the application of that decision as put into the income tax law last year. That phase of it is being undone by the provisions of this bill.

Hon. Mr. Thorvaldson: Hear, hear.

Hon. Mr. Hayden: You can note the harpings with which I referred to these particular things. I am sure honourable senators will recall what I had to say about the increase to 20 per cent, when I was explaining the amendments to the Income Tax Act last year.

Hon. Mr. McCutcheon: I recall the views of the honourable senators opposite, and I recall the way they voted.

Hon. Mr. Hayden: If this is going to be a game of recalling, I am sure that even in the short space of time my friend has been in this house, I can match him in recalling some of the things he has done. One correction that I will make for the record is that the Chairman of the Banking and Commerce Committee did not vote, and he did not take part in this vote either.

Hon. Mr. McCutcheon: Agreed.

Hon. Mr. Hayden: Maybe you will go back and change now.

Hon. Mr. McCutcheon: I was casting no reflection on the chairman. I was making a general statement.

Hon. Mr. Hayden: Yes, except that your statement referred to the honourable senator, and I took it that you—

Hon. Mr. McCutcheon: "Honourable senators," I said.

Hon. Mr. Hayden: If you made it plural, fine. As I heard it, it was in the singular.

May I refer very briefly to the sections dealing with the change from 20 per cent to 15 per cent, mentioned in section 12 of the bill, that is, to reinstate the former rate of 15 per cent on nonresident-owned companies, which had been increased to 20 per cent effective January 1, 1965.

Section 19 repeals Part IID of the act, and is effective from December 5, 1963. This was an extra penalty section that was put in the bill, imposing a rate of 5 per cent on any dividends that were paid by a Canadian company to a nonresident shareholder in excess of what the normal rate of dividend had theretofore been in the period from the time this law came into force until January 1, 1965, when the 20 per cent rate came into force. The purpose was to prevent a number of these companies from making extraordinary distributions at the lower rate of 15 per cent, and then escaping the incidence of 20 per cent if they waited until January 1, 1965.

Section 20 repeals section 106(1a)(a) of the act. This is a general reduction from 20 per cent to 15 per cent of the non-resident withholding tax which was effective January 1, 1965. That now goes by the boards, and the original rate of 15 per cent is reinstated.

Subsection (2) of section 20 deals with dividends paid by a company on or before March 16, 1964. Let me take a moment to explain. If a company in 1963 qualified as a company with a degree of Canadian ownership, then it was entitled to take the lower rate, which was 10 per cent. It might well be in many of those cases that when the budget of March 16 of this year was brought down, the new standards or formula or qualifications for a company having a degree of Canadian ownership were such that this company which qualified on that basis in 1963 was no longer qualified as having any degree of Canadian ownership, and since the change was made effective for the year 1964 it would mean that if any of those companies had paid any dividends earlier than March 16, 1964, they would be liable for the extra 5 per cent, having only got the 10 per cent. This is a saving provision, therefore, which says that for dividends that were paid or declared prior to March 16, 1964, the statute will be read without giving effect to the amendment. Then there are certain procedures to be followed to get the benefit.

Subsection (3) of section 20 is a consequential amendment by virtue of reducing the 20 per cent to 15 per cent, because there was a provision that if a company at any time before 1967 satisfied the requirement—that is, between January 1, 1965 and January 1, 1967—and that company had a degree of Canadian ownership and at some part of that time had been paying 20 per cent, it could then apply for a refund of 20 per cent.

Clause 22 of the bill reduces the proposed branch operations tax under section 110B from 20 per cent to 15 per cent. This was also made applicable to the 1965 and succeeding taxation years, and prospectively is repealed. So the old rate of 15 per cent remains as the rate.

I should point out that of course there remains in force the beneficial side of the proposal which was made last year and incorporated in the law; that is, to the extent that if you have a Canadian company which has a degree of Canadian ownership stipulated for in the amendments, whether it possesses the benefit of a lower rate of the withholding tax, the 10 per cent remains, and those companies from March 16, 1964, that do not have this degree of Canadian ownership are subject to the 15 per cent rate.

Honourable senators, if it is convenient, since there are several changes of this kind, I should like to deal with them now and they will be out of the way in this grouping. Perhaps I should deal with designated areas. There is also another provision on brother and sister allowance, when such persons are over the age of 21.

With regard to designated areas, at least one of the proposed changes, and there may be more, arose from discussion in this chamber, and may have been mentioned by me when I was explaining the bill. A number of changes will be found in section 13 of the bill. One is in the definition. Near the bottom of page 9 of the bill, under section 13, is defined "Manufacturing or processing busi-

ness," and the words there underlined are the changes that occur.

May I explain why this change was made? The act originally required that a manufacturing or processing business, in order to qualify for the tax holiday, must have net sales in a designated area of at least 95 per cent of its gross revenues. "Net sales" were defined as gross revenue, less any amount paid or credited to a customer of the business as a bonus, rebate or discount or for returned or damaged goods. The effect of that was that the business operating in a designated area had a margin of only 5 per cent, because the net sales had to be at least 95 per cent of the gross revenue. It was felt this would impose such a hardship that the amendment makes it clear that the calculation of the 95 per cent of net sales is to be made after you take the gross revenues and deduct these bonuses, rebates or discounts and returned or damaged goods. So you have a more respectable area in which you can take care of the charges which may be offset against net sales, because your 95 per cent is really based on your net revenues.

Also, you will find in clause 13, on page 10, the period within which manufacturing may commence in reasonable quantities is extended from December 4, 1963 to April 1, 1967. You will remember that the old provision was that you must start that manufacturing within 24 months from the date of the coming into force of the section. Now a longer time has been given.

On page 10 you will also find rules for determining if the new business is carried on in a designated area, applicable to 1964 and succeeding years. Subsection 3 of clause 13 changes the basis of qualification in respect of machinery, equipment and buildings. There was a provision in the act as it stands that at least 95 per cent of the cost of the company for buildings, machinery and equipment had to be expended in relation to new machinery, equipment and buildings which, if owned, were located in a designated area. The purpose of that was to bring into the designated area as much of the expenditures as you possibly could. Now they have changed this base from "capital cost" to "value." I assume when they say "value" that is 95 per cent of the value of this equipment, machinery and buildings. I assume when they say that, they mean "the fair market value." And yet the provisions still remain in these sections that this must be, in effect, new machinery, equipment and buildings. Therefore, I am forced to the conclusion that this may be intended to cover the situation where there may be a change in the value of the machinery and equipment as against its capital cost, as between when it was bought and the date you commence to do business. That may be why they have broadened the language and used "value" instead of "capital cost."

I raised a question previously on this matter. I said you have to wait until you are ready to operate and then make your application, because, in the language of the law as it stands, you could not make an application for a certificate to qualify under this section for the tax holiday until you were operating. Now there is a provision under which you may file a notice of intention to carry on a new manufacturing or processing business, and the processing of that can be carried on during the period you are getting ready to go into production. So the ministers have notice, and you can be told at an early date whether you are conforming to the requirements in order that you may be entitled to that tax holiday, and not be told when you are ready to operate that you are not conforming to the requirements and are not entitled to the tax holiday. This is intended to overcome possible hardship.

Another provision is as to what happens if the designated area ceases to be a designated area, say, after the certificate has been granted by the minister, or after a notice of intention has been filed with the minister. If the area ceases to be a designated area, there is a provision in the new subsection 8 on page 11, under which in certain circumstances the designated area shall be deemed to be a designated area, notwithstanding such event, for the purpose, so far as the taxpayer is concerned, of computing his income. In other words, he would be entitled to the benefit of the tax holiday. Then you will find the conditions set out under which, in those circumstances, he is entitled to reap the benefit of the tax holiday, even though the area has ceased to be a designated area. Those conditions you will find in section 13(7)(d) (i) and (ii) on page 11 of the bill; and the key words are that you must have made "substantial progress" before the area ceased to be a designated area, and you must have proceeded with "reasonable expedition" to a stage of operation after the area ceased to be a designated area. Those are the requirements you must satisfy if you are going to survive, either by holding the certificate of the minister before the area ceases to be a designated area or if you filed a notice of intention at that time.

Hon. Mr. McCutcheon: There is quite an area of ministerial discretion.

Hon. Mr. Hayden: There certainly is an area of ministerial discretion. I would have thought the use of the words "substantial progress . . . before" are capable of interpretation and sound interpretation; and I would have

thought that " 'reasonable' expedition after" —while I realize "reasonable" is a relative term—is also capable of interpretation. The courts are interpreting the word "reasonable" all the time in its different contexts. If necessary I suppose they could do so again and, if we had to, I suppose we could look up a lot of law to see what is actually meant by the word in that context.

Hon. Mr. McCutcheon: Surely, my honourable friend is not suggesting the courts interpret the words, "if the Minister . . . is satisfied"?

Hon. Mr. Hayden: No. The language says, if the minister is satisfied these things have happened.

Hon. Mr. McCutcheon: It is the minister's discretion.

Hon. Mr. Hayden: Let me restate what I said, in answer to my friend. In the courts the problem of interpreting "substantial progress" and "reasonable expedition" has not been difficult. In the application of many of our laws today, where the word "reasonable" occurs ministers have interpreted it in a way that proved acceptable to those who have been dealing with them.

I have no reason to believe the minister in this case will be reckless or careless. I do not know in what other way you could expeditiously deal with the problem with which you are faced on these particular facts, because if you have to go to court you are prolonging the time until it becomes meaningless and unimportant, and the businessman has had a substantial amount of money tied up in the enterprise if he has made any progress in it in the meantime. So, in the circumstances they have had to find an expeditious way of doing it. While I am not a great supporter of many discretions, of this one I do not complain.

Honourable senators, I have finished with one aspect of my considerations and there are some other major aspects with which I have yet to deal, such as the change in the degree of Canadian ownership and the implications of that, and a few of what I call the clarifying provisions which always creep into any income tax bill when it is presented. I will not say "invariably," but usually the clarifications are in the interests of making it appear definite that although the section might entitle the taxpayer to claim a deduction in two different ways, the clarification is in fact intended to shut the door so he can only claim one way. I was going to deal with those this evening, but at this hour of the night I would prefer to move the adjournment of the debate.

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

PRIVATE BILLS

THE BELL TELEPHONE COMPANY OF CANADA —FIRST READING

Leave having been given to revert to the Order for Motions:

Hon. Paul H. Bouffard presented Bill S-27, respecting The Bell Telephone Company of Canada.

Bill read first time.

Hon. Mr. Bouffard moved that the bill be placed on the Orders of the Day for second reading on Thursday next.

Motion agreed to.

THE QUEBEC BOARD OF TRADE—FIRST READING

Hon. Mr. Bouffard presented Bill S-28, respecting The Quebec Board of Trade.

Bill read first time.

Hon. Mr. Bouffard moved that the bill be placed on the Orders of the Day for second reading on Thursday next.

Motion agreed to.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, May 27, 1964

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

Prayers.

THE LATE JAWAHARLAL NEHRU

TRIBUTES TO THE LATE PRIME MINISTER OF INDIA

Hon. John J. Connolly: Honourable senators, the Senate of Canada today mourns the death of Pandit Jawaharlal Nehru. He was a son of India and, indeed, the leader of his people. In him were combined the qualities of the mysticism of the East and an understanding of the traditions and ways of the West. He was educated for the law in England. He became a legislator and served his country faithfully, and with sympathy, through his 75 years of life.

The late Prime Minister Nehru knew and understood the non-violent ideals of Gandhi, whom he succeeded, and he carried his people to independence. But when India's freedom was won he aligned his country with the Commonwealth. In his subcontinent, India stands as a bulwark against the inroads of the communist philosophy. This will be one of his greatest monuments.

The late Mr. Nehru became a world statesman, a man of sober judgment and certainly a man of unflinching courage. He was one of the truly distinguished men of our time. His countrymen will mourn him for his dedication to their welfare. Men of peace everywhere will mourn him, and his memory will ever be held in respect and affection. Years ago his family gave him to the nation but their sense of loss at this time will be deeper than any other.

Hon. A. J. Brooks: Honourable senators, the name of Prime Minister Nehru has been for years almost a household name in the homes of people in every nation of the world. He became Prime Minister of India in 1947, and has taken a very active part in world affairs since then.

Earl Attlee referred to him, at the time of India's independence, as an outstanding world figure who might be regarded as the doyen of world statesmen. Premier Nehru did all he could to promote friendship between the peoples of India and Great Britain, following the struggle for independence.

Today the world mourns the loss of this great statesman and senior Commonwealth Prime Minister, who exemplified the moderation of his great mentor Mahatma Ghandi. Both leaders succeeded in obtaining the independence of their country by a passive revolution, with very little bloodshed, although hundreds of millions of people were involved.

Nehru has been the head of the neutral nations of the world for many years. We all received the news of his illness with deep concern, for here indeed was a man whose influence in the councils of the world and in the Commonwealth that he helped to evolve will only now be truly appreciated. His death came at a time when he was taking new and promising initiatives to resolve the Kashmir dispute with Pakistan. Honourable senators know this has been one of the trouble spots of the world since the Indian subcontinent was divided in 1947.

Nehru also had his troubles with China, a nation which he had every reason to believe, only a few years ago, was friendly to his country.

I had the distinct pleasure of meeting Mr. Nehru on several occasions. I met him once in London and twice in New York. I witnessed the reception he was given there by the neutral nations and the emerging independent nations of Africa and Southern Asia. No man was more highly respected than Nehru at the United Nations, particularly by those nations to which I have referred.

Honourable senators, Nehru was indeed a great man, and his death is a serious loss, not only to his country but to the nations of the world. I join with our leader (Hon. Mr. Connolly, Ottawa West) in expressing on behalf of the Senate of Canada sympathy to the people of India and to his immediate family. I also express the hope that India may find a successor who is capable of filling the shoes of this great man.

DISSOLUTION AND ANNULMENT OF MARRIAGES ACT

BILL TO REPEAL—FIRST READING

Hon. Jean-François Pouliot presented Bill S-29, to repeal chapter 10, 12 Elizabeth II, 1963, being an act to authorize the Senate of Canada to dissolve or annul marriages.

Bill read first time.

Hon. Mr. Pouliot moved that the bill be placed on the Orders of the Day for second reading on Wednesday, June 10.

Motion agreed to.

PRIVATE BILL

LAURENTIDE BANK OF CANADA—AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the following report of the

committee on Bill S-13, to incorporate Laurentide Bank of Canada:

> Your committee recommend that authority be granted for the printing of 800 copies in English and 300 copies in French of their proceedings on the said bill.

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

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

Report adopted.

COMPANIES ACT

BILL TO AMEND—AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the following report of the committee on Bill S-22, to amend the Companies Act:

> Your committee recommend that authority be granted for the printing of 800 copies in English and 300 copies in French of their proceedings on the said bill.

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

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

Report adopted.

JUDGES ACT

BILL TO AMEND—QUESTION AS TO PROCEDURE

On the Order:

> Resuming the debate on the motion of the Honourable Senator Roebuck, seconded by the Honourable Senator Leonard, for second reading of Bill C-96, intituled: "An Act respecting the Judges Act and the Exchequer Court Act".—(*Honourable Senator Connolly, P.C.*)

Hon. Jean-François Pouliot: Honourable senators, I have a question to ask the honourable Leader of the Government with regard to item No. 4, respecting the Judges Act and the Exchequer Court Act.

Would the honourable Leader of the Government have any objection to submitting this measure to a committee of the whole house before third reading, or would he give us enough latitude on third reading to discuss the whole matter in a friendly manner, in order to come to a happy solution? I ask this question because I have just sponsored a bill to repeal chapter 10 of the Statutes of 1963.

Hon. John J. Connolly: Honourable senators, I am sure most of our discussions in this chamber take place in a friendly manner; certainly, discussions initiated by our honourable colleague Senator Pouliot are conducted in such a fashion.

I would draw attention to the fact that Bill C-96 is a Government measure which has already been passed by the other place. I think the procedures that normally apply here should apply to this important measure. I adjourned the debate myself, and intend to speak briefly on it at the appropriate time.

It may be the wish of the house to send this bill to committee. I cannot control that. If the house wishes it to be considered in Committee of the Whole, that is of course a decision for the house. Furthermore, I do not think I have any authority to give or withhold latitude on third reading. The rights of senators are clear. Third reading is one of the normal stages of procedure. If Senator Pouliot desires to speak on third reading of this measure, that is his right, and I am sure nobody in the house would try to curtail it in any way, least of all the Leader of the Government.

CANADIAN FLAG

QUESTION AS TO CONSIDERATION IN SENATE

On the Orders of the Day:

Hon. John Hnatyshyn: Honourable senators, may I be permitted to ask the honourable Leader of the Government a question? Will the resolution concerning the proposed flag, or two flags, be brought before this house? If so, will it be debated at the same time as in the other place, or afterwards?

Hon. John J. Connolly: I cannot make any statement today on that matter, but I think, as is usual, it would be more appropriate to have the debate in the other place completed first, and then have the matter come before this chamber. I fully expect the resolution will be introduced in this house in due course.

APPROPRIATION BILL NO. 5, 1964

THIRD READING

Hon. John J. Connolly moved the third reading of Bill C-99, for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1965.

Motion agreed to and bill read third time and passed.

ROOSEVELT CAMPOBELLO INTERNATIONAL PARK COMMISSION BILL

SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Burchill for the second reading of Bill S-26, respecting the commission established to administer the Roosevelt Campobello International Park.

Hon. A. J. Brooks: Honourable senators, this bill, respecting the commission to administer the Roosevelt Campobello International Park, was explained fully to us yesterday by the sponsor, Senator Burchill. After listening to Senator Burchill's interesting explanation, I do not think there is much more to be said.

We were told the history of Campobello Island, where this park is to be established, and I must say it has a very interesting history for such a small island. As we were told, the island is much nearer the United States than Canada, being a few miles from the Canadian coast, but only a few hundred yards from the American coast.

There are to be six members of the commission to administer this international park, three of whom will come from the United States and three from Canada. I believe that this will be the only international park of its kind, so naturally it requires special legislation. Of the three commissioners appointed by Canada one will be from the Province of New Brunswick, and of the three United States commissioners one will be from the State of Maine.

It appears that the commission is to have wide powers, such as the authority to make appointments in connection with the administration of the affairs of the park. One of the appointees is to be an executive secretary, but the agreement does not provide whether he is to be a Canadian or American citizen. Of course we can obtain such information as this when the bill is before the committee, but it is my opinion that, since this international park is to be on Canadian territory under Canadian sovereignty, the executive secretary should be a Canadian.

The executive secretary's job will be a very important one. He will have the authority to employ help. He will direct the general administration of the park, under the commission. This is one matter that might be discussed in committee. There is also authority for the employment of staff from both the United States and Canada.

I note that the Canadian members of the commission will report to the Secretary of State for External Affairs, and that this park, although on Canadian soil, will not come under the same authority as other national parks of Canada. This is another aspect that should receive consideration in committee.

The park is to be called the Roosevelt Campobello International Park, after the late President Roosevelt who made his summer home there for many years. I am sure we all listened with interest to the remarks of Senator McLean, who comes from Charlotte County, of which this island is a part. He told us of the boyhood days of President Roosevelt, and also of the life of his family on this island. We all agree that the late President Roosevelt, besides being a great world figure and one of the most influential men of this century, was also a very human and kind man. I have met people from the island who knew him as a boy and a young man, and they all spoke of him as did Senator McLean yesterday.

Hon. Mr. Connolly (Ottawa West): Can the honourable senator tell us if other people have lived on the island besides the Roosevelt family?

Hon. Mr. Brooks: Yes, there are some 1,200 people living on Campobello Island. I think Senator Burchill told us that it has been inhabited since 1701. It is one of the oldest settlements in New Brunswick. A Welshman was the first governor, if he could be called that. The land was granted to him, and he brought out settlers from Great Britain. They farmed on the island in those days, and engaged in fishing.

I might mention that Campobello is only one of a number of islands. There are Campobello Island, Deer Island, Grand Manan and The Wolves. During the time of the American Revolution, United Empire Loyalists coming from the United States found these islands a very convenient place at which to land on British soil. The population of the two larger islands are descendants mostly of the United Empire Loyalists. They are quite thickly settled.

I should say also that Mrs. Roosevelt, in her own right, was a very great person, and she also had the affection of the people of that island.

There is another point in connection with this park that I think should be emphasized. Honourable senators will remember that a few years ago there was an agitation to build a bridge from Campobello Island to Lubec, in Maine. The distance from the island to the shore is between 250 and 300 yards. A Board of Trade, formed by the citizens of Campobello Island, worked very hard for many years to bring about the building of this bridge. In 1958 a delegation was sent to Ottawa. I recall that it visited Fredericton; it also came to Sussex to see me when I was

the minister from New Brunswick. A strong case was put up. The construction of the bridge required the consent not only of Ottawa but of the Province of New Brunswick, the State of Maine, and Washington. Those men behind it worked very hard, and eventually the international bridge was built. I may say that without the bridge there would be no park on Campobello Island at this time.

Campobello is a wonderful tourist attraction, as are the other islands near it. Grand Manan is a beautiful island, and so is Deer Island. This group of islands form one of the more attractive spots in eastern Canada or the eastern United States, and I predict that with this international park located on Campobello the islands will become one of the greatest tourist centres of eastern Canada.

The attractions there include the great tides of the Bay of Fundy. Campobello is at the entrance of Passamaquoddy Bay where the tides are the highest in the world, and where it is advocated that this mighty source of power be harnessed. It is said that the power that can be generated from the tides of Passamaquoddy Bay is greater than that that can be obtained from the St. John River and all the other rivers of the Maritime provinces.

I might mention another historical fact. When the great Champlain came to this country he spent his first winter on a little island in the St. Croix River known as Dochet's Island, which today is part of the United States. Most of Champlain's men died of scurvy, but in the spring of the year he left for Nova Scotia, and his boat was wrecked off the coast of one of these islands. He spent some months there, and wrote in his diary the story of his shipwreck, the story of his landing on this island, and his experiences there before he went on to Nova Scotia and founded Port Royal in 1604, the first white settlement on the eastern mainland of Canada. It was not the first white settlement in Canada because there were some in Newfoundland before that time. The history of these islands is very old.

We have also stories of Captain Kidd's treasure being buried around these islands, the history and romance of which make them attractive in many ways.

When listening recently to the eloquent speech by the Leader of the Government on Tourist Traffic, in which he quoted from Canadian poets regarding the attractions of different parts of Canada, I was a little disappointed that he did not include our most distinguished Canadian poet, Bliss Carmen. Bliss Carmen came from the Province of New Brunswick and wrote about the tides of the Bay of Fundy. To complete what the honourable Leader of the Government started, I should like to quote a portion of that poem.

Tides of Fundy, Tides of Fundy,
What is this you bring to me?
News from nowhere vague and haunting
As the white fog from the sea.

In "The Ships of St. John," Bliss Carmen wrote:

Swing, you tides, up out of Fundy!
Blow, you white fogs, in from sea!
I was born to be your fellow;
You were bred to pilot me.

Honourable senators, I am sure all Canadians, and particularly those in the Atlantic provinces, will appreciate the founding of this park, which I believe will be one of the prominent parks of Canada and one of the main tourist attractions of North America.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Burchill, bill referred to the Standing Committee on External Relations.

INCOME TAX ACT

BILL TO AMEND—SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Hayden for the second reading of Bill C-91, to amend the Income Tax Act.

Hon. Salter A. Hayden: Honourable senators, when the adjournment took place last night I had spoken about a number of amendments which I described as being "beneficial" in some one or other aspect. I would like to refer to several more of the same nature.

The next amendment to which I would refer is found in Clause 7, on page 7 of the bill. It is a deduction. You will recall that under Section 26 of the Income Tax Act a deduction is allowed in the case of a brother or sister of the taxpayer, who is under 21, and also, if 21 or over and dependent because of mental or physical infirmity. In such cases the act at present allows a deduction to the taxpayer on whom such a brother or sister is dependent. In such case it would be of the order of $550 in the year if the dependent were not entitled to family allowance; and it would be of the order of $300 if such dependent were so entitled.

This particular item has been expanded now so as to include a brother or sister if such brother or sister is in full time attendance at a school or university and is over 21. So, the allowance in such cases—since the brother or sister over 21 meeting this requirement would not be entitled to family allowance—would be $550 a year.

Honourable senators, when you look at clause 3, on page 2 of the bill it appears to be

extremely complicated. It deals with the right of an employee who makes contributions to a pension plan, which contributions up to $1,500 a year in relation to future service are deductible from what would otherwise be income. Then, over the years we had provided that up to $1,500 a year would be deducted in relation to contributions for past service.

Certain difficulties from a departmental point of view have developed because it appeared that the language used in permitting the deduction for a contribution up to $1,500 a year for past service was one which the employee was entitled to make each year during the period he was a member of the plan. The department in its administration sought to limit the $1,500 a year to $1,500 times the number of years of past service which the employee had. Since that was resisted in a number of cases and the department had to give way, you now have this amendment to provide that the deduction up to $1,500 a year in relation to past service is in relation to the years of past service of the employee.

In a very quick review, I should like to point out that under the present law for current service an employee can contribute voluntarily the difference between $1,500 and the amount of contribution deducted by the employer; or if, in any previous year, while a member of the plan, the employee did not contribute the full $1,500, such employee, by virtue of the amendments in this clause, may now in 1964 and succeeding years contribute the difference up to a total of $1,500 in any one year or, for years while the employee was not a contributor to a pension plan but was an employee, the employee can now contribute $1,500 for each of those years of past service. You can see that this limits the $1,500 a year in relation to past service to the period of past service which the employee actually enjoyed.

There are other amendments which appear on the same page, following what I have explained. These are simply technical and are intended either to prevent undue deduction or taking the same deduction twice in relation to certain contributions to pension funds.

The next point to which I wish to refer is in relation to tuition fees. There has been a change and an addition on the question of deductions which a taxpayer may make on account of money expended for tuition fees.

If you look at page 3, you will see in clause 3 that new things are added by paragraph (qb), that is, where a taxpayer who is a student in full time attendance at a university outside of Canada in a course leading to a degree—the words "outside of Canada" are new. That is an addition to what was formerly the law, and a deduction is permitted there.

Hon. Mr. Connolly (Ottawa West): Those letters "qb" do not stand for "quarterback", of course.

Hon. Mr. Hayden: As has just been remarked, the letters "qb" do not mean "quarterback"; and I would say, nor does the "qc", which follows, stand for "Queen's Counsel".

There is an enumeration in (qc) of a number of different universities and secondary schools, etc., in Canada, where a taxpayer who was a student during the year may deduct his tuition fees from what would otherwise be income. You will notice the limitation, that if the fees are not in excess of $25 the section does not apply.

I call your attention now to a section which deals with gifts *inter vivos*. The section does not provide any new law; it is purely for clarification. I simply refer you to it as clause 23, on page 17 of the bill. What has been done is to substitute a reference to the Estate Tax Act for the language that speaks of succession duties; and what is further done is to provide that the only deduction that is made from estate tax, before you arrive at the difference between the gift tax and the estate tax for the purpose of this section, is the deduction permitted in respect of provincial succession duties. The second part of section 23 has to do with *inter vivos* gifts in Quebec where there is community of property, and it implements or goes along with a somewhat similar section which we passed the other day in relation to the estate tax.

Another section of the amendments which I think I should direct attention to, because it changes the law, is in relation to what we call "unpaid accounts." That is found on pages 5 and 6 of the bill. It sets out a new rule. May I summarize it briefly, without reading the section?

If you have a taxpayer who incurs a deductible expense in relation to some transaction with some other person, and they are not at arms length, under the law as it at present exists, if that expense is not paid at the end of the next year following the incurring of the expense, then in the second year it must be brought into the income of the taxpayer.

What this amendment proposes to do is this: If in those circumstances the expense—which being a deductible expense has been deducted in the year in which it was incurred for income tax purposes—has not been repaid at the end of the second year, the latitude being increased from one to two

years, then it must be brought into the income of the taxpayer for the third year; but if the debtor and the creditor get together and make an agreement to substitute a loan for this debt relationship, then it is presumed at the beginning of the third year, or at the end of the previous year, that the debt has been paid, and a loan has been incurred in the next year. That is some advantage to the taxpayer, in that he has made his deduction in the year in which the expense was incurred, and then when it is presumed to have been paid it goes into the income of the creditor.

There is a transitional provision, which I will not bother you with except to say that it covers the situation where a debt incurred in 1964 was paid before 1967. That is clause 4, subclause 3, on page 5 of the bill.

Honourable senators, this explanation does not cover all the items that are dealt with in the bill, but in my view it covers, with one exception, the important items. The items I have not mentioned are highly technical—a matter of changing language so as to provide a broader base for consideration of all cases that may arise. In some cases it is to shut one door where there may be two opportunities, that is, opportunities under different sections for deductions in connection with contributions to retirement saving plans, etc. This is to make sure that you only get them once in the circumstances.

The two remaining items are in section 9, on page 8 of the bill. I think it is fortunate that I have the opportunity of returning to this, following the discussion last night, when for a few moments the air seemed to be emotionally supercharged.

In section 9 there are provisions for changes in the deductions which a resident of a province may make from his income tax otherwise payable to the federal authority. As the law stands, without section 9, in respect to the year 1965 the deduction by a resident of a province from his federal tax otherwise payable was 19 per cent. It will be observed that section 9 changes that to 21 per cent. The deduction under the existing law in section 33 for the 1966 taxation year was 20 per cent. Section 9 changes that to 24 per cent.

Some reference was made in this house last night—and I expect from indications then that there will be at least one speech from one senator who sits not too far away from me, on the basis of what is contained in section 9 of the bill. All I want to direct attention to at this time is that historically, if you look at the basis for these deductions, they arose originally in 1942 when we had our tax rental agreements during the war years, and they continued on through.

In 1957-58 there was a renewal of these agreements. You will recall that the basis for the tax rental agreements was that the federal authority imposed certain taxes on personal income and corporate income and succession duties, and refunded a percentage of those to the provinces. Also, there were stabilization or equalization payments to the provinces, based on their need or their requirements, or the rights which they put forward. My position at that time, and it has been the same ever since—I say this especially for the senator from Carleton (Hon. Mr. O'Leary), is that I took exception to these payments, other than equalization payments. In those days I believe I was a voice in the wilderness, because no one else took the same point of view. What I said in relation to tax rental agreements appears at page 559 of Senate *Hansard* of January 30, 1958:

> I believe that, on account of the special situation which prevailed during the period of the war, tax rental agreements at that time could be justified. But since then I have never been able to satisfy myself that it is a good thing that the federal authority should act as a conduit pipe and levy taxes upon the people of Canada for purposes which have no relationship to ordinary federal spending or for particular objects of national development, but solely in order to syphon off the product of the increased taxes for provincial purposes.

A little farther on, I stated:

> What I say is that the federal Government is now collecting, and has collected for all the years the tax agreements have been in force, vastly more in taxes than it needs for its own budget and fiscal spending. The reason it has done so is that it has been making these contributions to the provinces for their own use. Therefore, I say, if the federal authority looked after its own business and such additional obligations of a national character as it might have, including also contributions for certain developments in this or that province, the federal taxation would be less, the federal revenue would be correspondingly less, and the provincial authorities would be left to impose taxes of their own to the extent necessary to cover such provincial expenditures as they felt they could afford.

Again, when this matter came up and we were still engaged in this business of levying taxes and then rebating the money to the provinces in 1960, I was obviously quite alone in what I had to say. I spoke in the same vein at page 871 of Senate *Debates* of 1959:

> The honourable senator said something to the effect that we should have a conference soon because of the tendency on the part of provinces and municipalities to spend too much money. The moment he takes that view he is on the way to thinking in line with the views I have expressed here from time to time.

I think I was referring then to the honourable Senator Aseltine, who was then Government Leader.

> To my mind tax rental agreements are in essence wrong unless there is some supervening emergency that requires the sort of administration that we had during the war, when the purpose was to force everything in the way of availability of revenue into the federal authority, which in turn would hand out minimums to the provinces. But if you look at the financial records of the various provincial governments, you will see that notwithstanding the moneys which are paid to them under the tax rental agreements, many of them are increasing their capital debt. As I said on a previous occasion, where you have the federal authority levying taxes for the purpose of getting money to hand over to a province, you have a negation of the principle of democracy and the theory of government, as I understand it.

That is still my position.

Hon. Mr. Crerar: Hear, hear.

Hon. Mr. Hayden: To some extent we appear now to be departing from the former practice, and I am very happy to see that. For instance, I understand in relation to succession duties and the additional 25 per cent concession which was made recently—which I think was the subject matter of the Estate Tax bill we had before us recently—the province of British Columbia is the one province so far that has imposed an additional succession duty tax, to the extent of 75 per cent of what was formerly the federal levy, and they are collecting that directly. We still find in the other provinces—and I am thinking particularly in terms of Ontario and Quebec—that we go through the provisions in section 9 of this bill and the basic provisions of section 33 of the Income Tax Act as it now stands, and we have tax rates which produce in personal or corporation tax a certain amount of tax liability to the individual or corporation, which is payable to the federal authority.

On the form you have you will see the percentage deduction made, which is used for provincial purposes. This method still does not go as far as I think it should. It still does not go far enough to make the residents of the various provinces, who have to pay this money, realize that this percentage—which in 1964 will be 18 per cent—is a provincial levy and it is not, in essence, a federal levy. We still follow a form where it is accounted for in the income tax return to the federal Government, and the rate is one which produces that extra 18 per cent, for instance, in the year 1964, and then the federal authority pays it to the provincial authority.

I think there should be a direct relationship of the provincial levy and the payment to the individual province, so that the people in the provinces will have a clear-cut, definite and unmistakable appreciation of the fact that this money is being levied by the province and is to take care of provincial expenditures, expenditures that are not in any way the responsibility of the federal authority. Not until that has been achieved will I stop talking about this subject. It may be that I will continue to talk about it as long as I am able to talk, because they may never get to that stage. It seems so convenient to do it in this form, but I think the realization should be brought home to the people of what is causing this amount of tax to be levied. You should be able to point your finger at the taxing authority and the spending authority. I say one way of controlling expenditures and keeping costs down, in my book, would be if you had such close identity between the spending authority and the taxing authority that the public would get a better appreciation of what was going on. That is all I have to say about that item in the bill.

Hon. Mr. Crerar: May I ask a question? What additional payments will be required to meet this percentage increase in the transfer to the province?

Hon. Mr. Hayden: I have not the figures available. However, it is information that will be readily available in committee. It runs into millions, and that is substantial, in my view. This certainly runs into a considerable number of millions of dollars in additional payments. It simply means the federal treasury is foregoing that amount of money so the provinces may receive it. I object to the federal Government carrying rates which enable it to collect this amount and then turn it over to the provinces.

That brings me to the last item, the degree of Canadian ownership. Much could be said on that, but could I just take a minute and tell you what the basis was last year?

If you recall, last year the Minister of Finance developed a concept and put forward

a plan as a result of which he expected to encourage investment in the shares of Canadian companies by Canadians, where you had predominantly or entirely non-resident holdings of shares of such Canadian companies. One of the provisions has now gone. That is the penalty provision, as I call it, under which the ordinary 15 per cent withholding rate was increased to 20 per cent effective as of and from January 1, 1965.

The second was the formula for determining whether there was a degree of Canadian ownership in these companies as a result of which dividends paid to nonresidents would bear a 10 per cent withholding tax instead of 15 per cent. Also in connection with the special depreciation, the companies that had this degree of Canadian ownership would be able to take advantage of the special depreciation of 50 per cent a year in relation to construction projects in those years.

The basis for the determination of that degree of Canadian ownership was that 25 per cent of the fully voting shares of the company, fully voting in all circumstances, must be owned by one or more residents of Canada or by a corporation resident in Canada or by a combination of both; or, the class or classes of shares that were fully voting in all circumstances must be registered on a prescribed stock exchange in Canada, and not more than 75 per cent of those shares could be owned by a nonresident or a group of nonresidents of Canada. As I said, in those circumstances those shares must have been listed on a prescribed stock exchange. Of course, when the limitation formula was based entirely on voting rights, the simplicity of overcoming that was such that a great many companies immediately qualified as having a degree of Canadian ownership, because where only voting determined the situation you found in a number of cases companies created preference shares which were fully voting but had a very small paid-up value. Thus you were able to create in these companies a voting capacity so that the provision of a degree of Canadian ownership of 25 per cent was quite easy to accomplish. But the capital value of the investment was negligible, in many cases, in relation to the total paid-up capital and surplus of that company.

So, that formula is being scrapped and we have a new formula which you will find in this bill, starting on page 19, clause 25. Before you are through reading all the complexities of it you will have gone through to the bottom of page 25.

I have always believed that the longer it takes to say something, the more words and the more pages, then the more difficulties you may create for yourself, and the more problems there may be in finding your way through what has been drafted. While I am not suggesting that these six pages present such problems, I would just assume that by reason of the number of words used there may well be such difficulties.

Now I have to tell you what the formula is. It is one which attempts to tie in the capital invested with the percentage holding of the shares. For instance, whereas last year it was that not less than 25 per cent of the fully voting shares must be held by one or more residents of Canada, it now says in the first part of clause 25 on page 19 that you must have not only that, but also equity shares. This is the introduction to what is called the equity shares, the theory of the minister being that there should be an equity investment in the company—at least to 25 per cent of the equity, in addition to having this 25 per cent of the voting rights in all circumstances.

So in the first part of this new definition you have the combination of 25 per cent of the shares fully voting in all circumstances, and equity shares in the aggregate representing not less than 25 per cent of the paid-up capital that stands behind those equity shares. I think from the reading of this section that it is possible that the voting shares you have might be equity shares, and therefore you would satisfy the requirement by having 25 per cent of such fully voting shares.

If that is too difficult to do, you have the alternative method for qualification which may be even more difficult. That is, a class or classes of shares of the corporation having full voting rights under all circumstances must be listed on a prescribed stock exchange, and not more than 75 per cent of these shares are owned by a nonresident person, and equity shares representing in the aggregate not less than 50 per cent of that part of the paid-up capital of the corporation that was represented by all the issued and outstanding equity shares of the corporation were listed on a prescribed stock exchange in Canada. And you must be able to establish that no nonresident held more than 75 per cent of those shares.

You will notice that under these conditions you do not have to register all the shares that are voting. Last year you had to register all voting shares; this year you have to register a class of voting shares. If this class of voting shares that you list on the exchange also satisfies the requirement of equity shares, you can accomplish the thing by the holding of one class of shares. The problem really only starts then because you have to look to the definition of an equity share and of a non-participating share. There is an exclusion in this formula when you are looking to what is a voting share and what are equity shares.

You cannot include any shares that are, as this section on page 23 says, "other than a nonparticipating share."

It is when you come to the definition of an equity share that you run into this problem. The bill defines a class of share which it calls a nonparticipating share. A nonparticipating share is defined on page 24 as a share,

> the owner of which is not entitled to receive, as owner thereof, any dividend other than a dividend, whether cumulative or not,
>
> (i) at a fixed annual rate or amount, or
>
> (ii) at an annual rate or amount not in excess of a fixed annual rate or amount.

An equity share is defined as a share other than a nonparticipating share. Therefore, if you have any class of shares which carries a fixed rate of dividend or which carries a rate of dividend not in excess of a fixed rate or amount per year, such shares are not equity shares.

The definition of "equity shares" presents problems and difficulties. "Equity share" is defined on page 23 as a share—

> other than a nonparticipating share, the owner of which has, as owner thereof a right
>
> (A) to a dividend and
>
> (B) to a part of the surplus of the corporation after repayment of capital and payment of arrears of dividend, upon the redemption of the share, a reduction of the capital of the corporation or the winding up of the corporation, at least as great, in any event, as the right of the owner of any other share—

The difficulty here is that once you say that an equity share is a share the owner of which has a right to a dividend, you have problems. If you recall share certificates you hold, the certificate reads that you are the holder of so many shares, and the responsibility of the company is to the shareholder, the name appearing on the share register. Whether that person is the owner or not is of no importance to the company. It does not mean that the person certified as the holder is of necessity the owner.

In addition there may be a provision that such shares pay a dividend as and when declared by the directors at the rate of 5 per cent per annum. Then the question is, has the person who holds that share a right to a dividend when the provision is that as and when declared by the directors the rate is a fixed rate of 5 per cent? The shareholder could not sue for it. The shareholder at the end of a year or at the end of a quarter, if dividends are paid quarterly, could not sue for a dividend unless the directors declared it. Therefore, what is accomplished by the definition here is that an equity share cannot be a share or class of share carrying a fixed annual rate of dividend. That is the significance of "owner", and a right to a dividend in the context presents difficulties of interpretation.

In addition, such a shareholder must have a right to participate in the surplus after redemption of the shares and after arrears of dividends have been paid. That must have relation to an accumulation of dividends on preference shares. He must have a right, rateably, with any other shareholder.

This presents more difficulties. In studying this we have got to the situation where we have concluded that it is possible under the definitions we have here to have a company which might be 100 per cent Canadian-owned, and which would not have one equity share. Therefore it would not be entitled, under the definitions here, to qualify as having a degree of Canadian ownership. If you are interested sometime in having that displayed to you, I think I could demonstrate it very quickly.

But there are three things you must remember. First, that if you have any shares in a company which carry a fixed rate of dividend payable, of course, at the discretion of the board of directors, then those shares are not equity shares no matter how much of the capital may be represented thereby, and whether or not 100 per cent are owned by Canadians. Such a share is not an equity share under these definitions. It is eliminated.

The second thing to remember is that if you have preferred shares that are entitled to a dividend at the discretion of the board of directors, and you do not stipulate any rate—that seems to be a very peculiar sort of animal, and one, quite frankly, that I have not run into—then they would seem to be the kind of share that might qualify as an equity share.

However, in these circumstances it would appear that common shares are the only shares that might qualify as equity shares, and they would qualify on the basis that they are entitled to dividends in the amount and as and when declared by the board of directors. Therefore, they are not nonparticipating shares, and they can qualify as equity shares.

Hon. Mr. Farris: Could not these complications be remedied?

Hon. Mr. Hayden: Well, I think so.

Hon. Mr. Farris: Are you moving any amendments?

Hon. Mr. Hayden: No. This is only my view. My position here today is to explain the provisions of the bill, the purpose of them, and their limitations, if any, in so

far as accomplishing the purposes of the bill is concerned. When the bill is before the committee we shall be able to obtain the views of those who have lived with these problems and who drafted the bill.

One difficulty I see in the bill, and which might account for some of the problems I have indicated is that in drafting these particular provisions the draftsman certainly had in mind every method that was used in 1963 to qualify for a degree of Canadian ownership. These provisions are drawn in such a way as to disqualify the use of such methods as an effective way of acquiring an equity share position. Some of the provisions can only be explained on that basis.

For instance, a nonparticipating share can in no way be an equity share, but if the equity shares of a company are less than 50 per cent of the total paid-up capital, other than the nonparticipating shares, then they shall not be deemed to be equity shares, and the company would end up without any equity shares. Again, if you have nonparticipating shares which, of course, pay a fixed rate of dividend—that is why they are nonparticipating—and that fixed rate of dividend is in excess of 8 per cent per annum, then the equity shares are not equity shares, and you end up with no equity shares in the company.

I think the design in those particular cases was to meet particular methods that were employed in 1963 to gain the qualification of a degree of Canadian ownership. They only complicate the situation, but I would say that having regard to the scheme of these six or seven pages they are necessary. It is only if you settle on a different approach to the accomplishment of this desired equity position, where voting shares and the capital represented by them will have the characteristic of 25 per cent—in other words, that the voting shares will be held to at least 25 per cent by a resident of Canada, and will have a capital value in relationship to the entire paid-up capital of at least 25 per cent. That is the basic plan, and this is the method which is proposed to accomplish that.

In the course of propounding this method you close many doors. There are provisions which say that if you go on such and such a route you cannot get by. For instance, if there are nonparticipating shares having certain characteristics, then even your equity shares are disqualified as equity shares. Once you embark on this method or scheme for accomplishing this result you inevitably, it seems to me, have to make these provisions.

If I might offer a criticism it would be that I think insufficient consideration has been given to the capital setup of companies as they actually exist. Many companies today have preferred stock issues. They have common share issues. Some of them may even have "A" issues which are voting like the common but have a preferred dividend for a certain amount, after which they participate equally with the common. These are factual situations, and in dealing with them the question of how the provisions proposed here are to be applied arises, because to the extent that there are preferred shares with a fixed rate of dividend they do not constitute equity shares, no matter how they are held or what may be the capital value of the company represented by them.

Even your "A" shares, although they may be fully voting, since they carry a fixed rate of dividend after which they participate with the common, would not be equity shares.

The bugs that are in this bill are going to have to be experienced and worked out. There is no doubt but that tremendous amount of time and thought has gone into the development of the provisions to which I have referred, and they have been drafted against the background of the methods that were employed last year to overcome the plan that was then propounded.

I have said nothing about the purpose of this legislation to secure a larger participation by Canadians in Canadian operations, because whatever I said on that last year still holds. This plan may work, but there will be many difficulties and, I venture to say, amendments before these provisions are in the workable shape that is desired. In the meantime, some situations will be adversely affected. I am thinking of companies in which there is substantial Canadian participation which will be precluded, by virtue of the wording of these sections, from the qualification of having a degree of Canadian ownership.

It must be remembered in this connection that companies are only affected to the extent that they are paying dividends to nonresidents. That is the area that is affected. The provisions do not affect the day-to-day operations, except on the question of depreciation, which I shall mention in a moment.

The only effect of all the provisions in this plan is that if a Canadian company qualifies as having a degree of Canadian ownership, then when it is withholding tax on dividends payable to a nonresident shareholder the rate will be 10 per cent instead of 15 per cent. The only other effect is in relation to the item of special depreciation. If you have not a degree of Canadian ownership, then you do not qualify for these special rates which last year were 50 per cent, and are 50 per cent this year, in relation to certain construction projects.

I should point out that in the bill one thing has been overlooked, and I propose to raise it in committee. If a company, which in 1963 qualified as having a degree of Canadian ownership and was, therefore, entitled to the special rate of depreciation of 50 per cent, embarked on a construction program on the basis of its entitlement to that, and it has a fiscal year which is other than the calendar year, then as from March 16, budget night, the provisions in relation to a degree of Canadian ownership are effective with respect to that company for the year 1964. That means if any company that had a degree of Canadian ownership in 1963, and a fiscal year that ends in January, February, March or April of 1964, embarked on a special construction program on the basis that it was entitled to this special depreciation, and that company ceases to be a company having a degree of Canadian ownership by reason of the changes in the qualifications, it would not be entitled, even from the beginning of its embarking on the plan, to this special depreciation, because since its taxation year would end in 1964 it would be barred, because you would be into the 1964 taxation period.

Now steps are being taken to correct it, as I pointed out last night, in relation to any dividends that were paid in 1964, up until budget night, paid or declared; but it has not been corrected in relation to this special item of depreciation.

Honourable senators, I have taken much longer than I thought I would take on this. All I can say is that, when you get wrapped up in a question of this kind—

Hon. Mr. Croll: It is very confusing.

Hon. Mr. Hayden: —and you feel you have some understanding of it, you wish to explain it clearly. It may be that as a result of the explanation I have given you now, I have made confusion more confounded, but I have tried not to do that.

Hon. M. Wallace McCutcheon: Honourable senators, we are all grateful to Senator Hayden for the most lucid and careful manner in which he has gone through the provisions of this complicated piece of legislation. It would be a work of superarrogation on my part to attempt this afternoon to traverse the ground he has covered and deal clause by clause with the bill. I have no intention of doing so.

Apropos of the remarks he made during the last few minutes of his speech, with regard to these rules about equity shares—and I shall come back to that later—he suggested certain reasons as an explanation of some of these rules. My suggestion is that even with Senator Hayden's lucid explanation of the bill and the rules, a great deal of it will still remain inexplicable.

Hon. Mr. Hayden: What I said was that this may be an explanation as to why it was done in this way; I am not saying it is an explanation of the language used.

Hon. Mr. McCutcheon: I accept that and agree with it. I just want to touch on two or three important matters that seems to me are raised in this bill.

As Senator Hayden said, the bill will go to committee. I have no doubt that in committee there will be changes and amendments. Also, I have no doubt that a year from now, if the same concept to which I am now going to refer underlies the principal sections of the bill—that is, of course, the concept of discriminatory taxation in order to accomplish an end, the necessity for which is not established as far as I am concerned—if that same concept is in the mind of whoever may be Minister of Finance at that time, then of course I anticipate very much more involved amendments to the Income Tax Act.

Senator Hayden referred to a number of sections as "relieving" sections. Generally speaking, that is true. I still do not understand what the motive was in enacting the new paragraph (w) as an addition to subsection 1 of Section 11. It is given on page 4. This is a deduction that is allowed on:

> amounts paid by the taxpayer in the year in respect of fees or expenses incurred in preparing, instituting or prosecuting an objection to, or an appeal in relation to, an assessment of tax, interest or penalties under this Act.

I am sure the minister will give us a full explanation. However, as I recall, it was reported in the press that he thought a chamber of commerce put this forward and it did not seem very important to him, so he allowed it.

What happens when you make these additions to deductions or exemptions? You start getting into trouble. I hold in my hand the issue for May 20, 1964 of a taxation bulletin which many of us pay for in our offices. I would like to read one or two sentences which indicate the kind of thing that inevitably happens, the more we add to these exemptions and deductions. This says:

> It would appear to be reasonably clear that some fees or expenses may be deducted in the year paid with respect to preparing a notice of objection even if the notice is not filed. Until taxpayers know how the section will be administered and interpreted by the Department the course of wisdom would appear to be to prepare a notice of objection in

case negotiations with the Department are successful, to ensure that at least a portion of the expenses incurred in carrying out such negotiations will be deductible.

I just mention that as typical of the sort of problems that arise. There will be many problems arise for the assessors and for the departmental officers. When do you incur expenses in objecting to an assessment? Is it when you go down to the local office, or when you write a letter? Here are people who are reputed to be tax authorities, giving the public this kind of advice.

Hon. Mr. Hayden: Do you suggest the word "and" instead of "or"?

Hon. Mr. McCutcheon: I will make my suggestions in committee.

Hon. Mr. Hayden: Very well.

Hon. Mr. McCutcheon: I want to turn for a moment to clause 9 of the bill, on page 8. It is the clause which provides for the increased abatements to the provinces.

I agree with the honourable senator in that I would like to see the time arrive—and I certainly expressed this with respect to the Estate Tax Act the other night—when the jurisdiction which spends the money would raise the money. I would like to see the time when the provinces would raise the money they require to carry out their own responsibilities.

In certain events that may mean—as I think I suggested the other night, and as I certainly suggested on other occasions—that the federal Government, without giving up its constitutional right to impose any kind of taxation, a right which it should never give up because that right must be available to it in a case of emergency, might gracefully withdraw in times such as we have today from certain fields, or refrain from imposing taxation to the maximum limit that the taxpayer can afford. But that is not what is involved in this change in section 9.

On the night of March 16 the Minister of Finance delivered his budget speech. At that time he had no idea any such clause would ever appear in this bill, and there was no resolution in the original budget resolutions corresponding to this clause. Honourable senators, what actually happened was that the minister delivered his budget speech and then went to a federal-provincial conference, during that famous week when the hard-working senators appeared here twice a day for a few minutes and adjourned.

Various matters were discussed at that meeting in Quebec. According to the press and according to communiqués issued, there was some disappointment about the attitude that the Government of the Province of Quebec at least, and possibly one other province, took with respect to what I call the "third edition" of the Canada Pension Plan, which at that time was being disclosed to the provincial premiers.

Following that, however, we had an illuminating example of the new type of federal provincial conference—the new type of co-operative federalism. The way to hold a federal provincial conference is to send a minister and an executive assistant from the federal Government to see the representatives of, not ten provinces, but one province. You then make your deal with that province, a deal which, of course, in so far as monetary implications are concerned, must be applicable to all the other provinces, and if it involves the federal Government giving more money away, as this conference did, it is obvious that the other provinces are not going to object to it very strenuously, if indeed at all. However, that is the reason for section 9 in this bill. It is in the bill because that is the price that the federal Government is paying to obtain the agreement of the Province of Quebec to a pension plan, the details of which Parliament has not been told. All we know about it is what we have read in the newspapers. It is a plan which I suspect will not commend itself to many members of this chamber when we have an opportunity to analyze its economic effects.

Incidentally, I was most interested in hearing Senator Crerar refer last night to the pension report of 1950. I suggest that honourable senators who want to prepare for the consideration of the Canada Pension Plan might well read that report, because the basic principles in it which the joint committee of the Senate and the House of Commons laid down at that time are just as applicable today, in my opinion, as they were then. Those are not the principles which the Government apparently proposes to proceed on, but as I have said, all we know about the plan is what we read in the newspapers. However, in order to obtain that agreement the revenue of the Crown, in right of the federal Government, will be reduced, according to the best estimates I have, by $65 million in the calendar year 1965, and by $135 million to $145 million in 1966. We are being relieved of no obligations; the obligations statutory and otherwise of the federal Government remain as they are.

Honourable senators, I suggest that that is not the kind of co-operative federalism we want. Of course, it is the kind that Mr. Lesage wants. I will read now from a letter, dated April 29 last, from Premier Lesage to the Prime Minister, which was tabled by the

Leader of the Government in this house (Hon. Mr. Connolly, Ottawa West) the other day:

> The new personal income tax abatement in favour of the provinces, which supplements the arrangements of last November, is tangible proof of the spirit which should in future exist in the field of federal-provincial relations in Canada.

If I were Mr. Lesage, I would agree with that statement; but standing in this place, I say that we cannot afford much more of that kind of federal-provincial relations.

I could read other extracts from the letter to emphasize the point. What is the result? The result is that the Minister of Finance has made several speeches in which he said, "Now, I am losing this money—" Of course he loses very little this year, because it takes a little time to catch up, and you wait for payments you do not pay on accruals. He also says, "I have either to increase taxes, cut expenses, or incur larger deficits." Some of the minister's supporters in the press congratulated him on that last suggestion. They said that, after all, in Canada it is the total overall deficit at all levels of government that is important; and of course this payment, they rather naïvely assume will result in a decrease in provincial deficits.

It has not been my experience that more money from a superior taxing body has necessarily resulted in the deficit of the inferior taxing body being reduced; it is rather an incentive for it to spend more. So really what they are suggesting is that the federal treasury be the surge tank for the overall public deficit of Canada. That is a suggestion that I am certainly not prepared to accept.

There are some other clauses of the bill I want to refer to. With regard to clauses 12, 19, 20 and 22, I will merely say that they almost complete the retreat from the budget of June 1963. Those clauses are in the bill in order, as Senator Hayden explained, that the withholding tax shall not be imposed above a 15 per cent level on any company. The stick has been put away, as Senator Hayden and some others predicted it would be. I am happy that the stick has been put away. It should never have been taken out. But the stick has been put away, with the result that the carrot has become much less, and the possibility of the minister accomplishing what he says he is seeking to accomplish, I think, is that much more remote. What has really been accomplished is that we have given away part of our revenue, with no compensation to Canadian companies operating through subsidiaries in foreign jurisdictions. We have given it away for an idea, for a theory, with which (a) I do not agree, and (b) I have seen no evidence—if there is any evidence I would be happy to have it—that there has been any substantial accomplishment of what the minister has stated from time to time he wishes to accomplish.

With regard to clause 13, I have written down here that it plugs a loophole; it provides an extension of time for going into business in designated areas; and it also provides for the situation where you may have made substantial commitments in the designated area, did not get into business, would have been in business by 1967, before the area has been, as someone said, desegregated.

Hon. Mr. Connolly (Ottawa West): Rehabilitated.

Hon. Mr. McCutcheon: Yes, rehabilitated. I am going to say no more than this, honourable senators. This is part of what complicates our tax laws, and in my opinion, provisions such as these operate mainly as windfalls to corporations who would have acted in exactly the same way as they are acting in their own economic interests, without the incentives.

It was reported in the press that the Minister of Finance said that he thought he could give the names of companies—I do not know the term that was used—to whom the Minister of Industry had given a "letter of intent." I believe there were some 40 companies. It was an indication that if they went ahead they would be entitled to obtain the certificate under the act, which would entitle them to the special depreciation, provided they complied with all the other qualifications set out. Then I believe the minister retreated from that and said his colleague, the Minister of Industry, had suggested he should not give these names—that these companies might not want their plans known.

But I suppose the names will be available some day, because some time Parliament should have an opportunity of assessing whether or not this type of so-called incentive really accomplishes what it was designed to accomplish. Was the "XYZ" company going into the designated area, in any event? Well, I suggest that when we can obtain the names of the companies, and some information as to the circumstances under which they conducted these new operations, and whatever collateral information may be available, that we will find it was not the incentive that made them act as they did, but rather it was their own economic interest; and the grateful Government gave them a taxation windfall.

Section 25 is the only other section to which I want to refer. Senator Hayden has taken some time to go through it, and I understand it somewhat better now than I did before, though it would be idle to say I now

have a complete understanding. He has pointed out it covers better than six full pages of the bill. I think the resolution setting it out took up four columns in the *Hansard* of the other house.

Hon. Mr. Hayden: About which item are you speaking now?

Hon. Mr. McCutcheon: Clause 25—I said "section".

Of course, there is no need for that section at all. The minister, having put away the stick and reduced his carrot, should have retreated the full way. He should have withdrawn this distinction between the good and the bad boys. Here are six and a quarter pages of something that will be a delight for the lawyers and tax accountants, and it will be subject to more amendments next year as surely as we are in this chamber this afternoon, because I have great faith in the ingenuity of lawyers and tax accountants. And why? To simplify it. It is as a result of a theory that if 25 per cent of the equity shares of a company are made available to Canadians that will mean a measure of Canadian control. Twenty-five per cent may be almost equivalent to effective control in many cases, but any person who has had corporate experience knows that when there are 75 per cent of the shares sitting here and 25 per cent sitting there, there is no degree of control worth mentioning in the hands of the 25 per cent as long as the 75 per cent observe the law.

So we are going through all these legal manoeuvres, for what? To deprive these companies of the right to accelerate depreciation which manufacturing companies generally are granted under our tax laws.

Again, this is just an incentive. I am not saying this incentive either is really accomplishing what it is designed to do. I think it has a somewhat better chance of doing it than the incentive related to designated areas, for obvious reasons. But what is the purpose of the incentive? It is to stimulate our secondary manufacturing industry, to encourage plant expansion and more employment. It is not as though we were talking to newcomers coming into this country, but it is to people who have been here for 75 years that we are saying, "Well, you go ahead; you expand your plant; you employ 500 more people; but you are not going to get the same benefits as your next door neighbour because we have decided we do not like you." That is the theory. Of course, it is ridiculous. Even these rules are ridiculous.

I think Senator Hayden would agree with me in this statement, that having come within all these new rules, if the equity shares of a company are listed, and one corporation, let us say in the United Kingdom, owns 75 per cent of the shares, and other people outside Canada not related to that corporation own 24 per cent of the shares, that is 99 per cent outside Canada—now, with 1 per cent or a fraction of 1 per cent held in Canada, that company would still have a degree of Canadian control, provided its equity shares came within the meaning of this new definition, and most companies will have no difficulty in coming within that definition.

Honourable senators, the bill will go to committee, and we will have an opportunity to discuss it further there, but I felt I must speak this afternoon on these points of principle, more in sorrow than in anger, and with no real hope that anything will be accomplished.

Hon. Mr. Croll: Could the honourable gentleman answer one question? How does he distinguish between the principle involved in designated areas and the benefits that are given to the people who enter into those designated areas, and what he consented to as a member of the Government when he gave benefits to, for instance, the Volvo Company in the Maritimes?

Hon. Mr. McCutcheon: Honourable senators, I am not going to answer that question at this time. I would be very glad to talk to my friend about it. The circumstances are completely and fundamentally different. I will be glad to discuss it with my honourable friend, but I do not think it is a matter for discussion here.

Hon. T. A. Crerar: Honourable senators, there are two aspects of this bill that I should like to discuss briefly. Before I do that, however, as far as I am personally concerned I wish to compliment my colleague Senator Hayden on the lucid explanation he gave of one of the most complicated measures that comes before this house. I think we are all indebted to him.

The first of the two matters to which I wish to refer is this business regarding the degree of Canadian ownership we should have in corporations controlled from the United States. We have improved the situation greatly by the withdrawal of certain provisions inaugurated in the budget a year ago, but there are still a few things that need to be cleared up. I am one of those who believe that this country cannot be fully and successfully developed without foreign capital, and I have not the slightest reservation on securing that capital from the United States, if we can get it.

Hon. Mr. Roebuck: Hear, hear.

Hon. Mr. Crerar: The notion seems to exist in the minds of some people that because

we live alongside the United States we are in danger of being absorbed by them. To me, that is nonsense. In the first place, if you proposed to the majority of United States citizens today that they should take over Canada, I believe they would reject such a proposal. They would reject it because their country is now too big to govern, or is, at least, as big as can conveniently be governed.

In the second place, it does not follow that because Americans invest in Canadian enterprises that our political affiliations may be affected as a result. I cannot for a moment agree with that theory. Let us look at a few instances. A year ago when discussing this point I gave one instance where it was impossible to get Canadian capital to develop what has turned out to be a thriving mining industry in Manitoba. The promoters could not get capital in Canada, so they went to New York and obtained there the 90 to 95 per cent of the thirty-odd million dollars required at that stage for the development of the enterprise. Nevertheless, today the control of that enterprise, I am told, lies in Canada.

Take our oil development in Alberta. The Americans had the know-how, the understanding and the experience. It was impossible to get Canadian risk capital interested in drilling exploration wells in Alberta. But our American friends came. If at that time we had imposed a condition that a certain percentage of Canadian capital must be invested in any company organized in Alberta for the drilling of oil, we would have placed a handicap on that development. I think it is foolish, to say the least, to have this continuous barrage against the investment of American capital or any other capital, for that matter, in this country. As a matter of fact, the United States itself was developed after the Civil War by a tremendous influx of capital from Europe, which over the course of the years has all been repatriated to the United States.

Another point I wish to speak about is this situation referred to by Senator Hayden and Senator McCutcheon, which I might describe as Ottawa vis-a-vis the provinces, or the relationships which should exist between Ottawa and the provinces. We hear much today about co-operative federalism. Frankly I have not been much impressed by that term. I do not think we are going to resolve these problems by the adoption of slogans of any kind. The relationships between the provinces and Ottawa in many instances and in varying degrees have deteriorated definitely since the end of the last war.

We had co-operation from the provinces after the outbreak of war, when they surrendered certain revenues to Ottawa for the prosecution of the war. And I, as one who at that time had some responsibility in regard to our part in the war, felt very grateful to the provinces for the generous position they took in the national interest. But we do seem now to have wandered into an area where we are squabbling over money. There are few things that damage morale more than difficulties of this kind. I agree completely that if conditions remain as they are at the present time we should not surrender another dollar of revenue to the provinces, and I shall tell you why. As I stated the other day, Ottawa has taken over the responsibility of the provinces in the whole broad field of social welfare, and in other respects too. Ottawa has been urged and has shown at times an inclination to give consideration to the question of help in the matter of education as well, which is a matter exclusively reserved to the provinces.

On the basis of information supplied to us in the estimates to be voted by Parliament, there is a total of almost $24 million, which is related directly to what was constitutionally the responsibility of the provinces. I think I am correct in that. I am speaking of pensions, family allowances, hospital insurance and items of that nature.

Hon. Mr. Hugessen: Surely more than $24 million.

Hon. Mr. Crerar: Did I say $24 million?

Hon. Mr. Hugessen: Yes.

Hon. Mr. Crerar: I am wrong. I thank you for correcting me, Senator Hugessen. I was glancing hurriedly through the figures. It amounts to $2,390 million. I put these figures together rather hastily a few moments ago. I should have said $2,390 million.

If we add together what we get out of personal income tax and corporation income tax for Ottawa, it is less than what we pay to maintain the services Ottawa has taken over from the provinces.

Now what should be done about it? Well, I would suggest that representatives of Ottawa and of the provinces sit down around a table and discuss this question on the basis of a clear-cut division of responsibilities as between the provinces and Ottawa, and then have a discussion as to how each could be put in possession of the revenues necessary to discharge their responsibilities. Some may say it is impossible, that you could not expect of get agreement on that. Well, let us look at the situation 100 years ago. Then confusion and disaster faced the new Province of Canada composed of Ontario and Quebec. Yet at that time there were men big enough to put the welfare of

the country ahead of their partisan bickering, and as a result we had the Fathers of Confederation, and the Constitution in the British North America Act under which we have operated for nearly 100 years. The question simply is this: have we got statesmen today in the provinces and in Ottawa who are big enough to sit down together and consider these grave problems in that way? There was a time, perhaps 25 years ago, when I rather believed that if we were ever to have a great nation in Canada we must have more authority in the central area, that is in the federal Government. Experience has disillusioned me a good deal in regard to this matter, due not alone, by any means, to the fact that we have two elements, French and English, in our population, but also to the vast expansiveness of our country. When we consider that from Newfoundland to Vancouver Island is a distance of nearly 5,000 miles, and that over this area we have the country we call Canada, extending from the international boundary in the south to beyond the great Arctic regions, you realize that we have a country too vast to have too much centralized authority.

I have spent some months during the last two winters out on the Pacific coast. I enjoyed it. It is a good place in which to live. But, when I read the Vancouver papers and the Victoria papers I find in them very little news of the rest of Canada. When I go to Nova Scotia, as I do occasionally, I look for a Winnipeg paper, an Alberta paper or a British Columbia paper, and I find them difficult to obtain.

All this means is that we are separate communities. We will get the best results if we leave these communities as far as possible to manage their own affairs. If the provinces would take back all their responsibilities under the Constitution as it was drafted, I would be quite willing to hand them back. I would return to them the corporation income tax, the personal income tax and the succession duties, and let them administer all these responsibilities in the whole spectrum of social welfare, and let Ottawa get out of this field altogether, and stay out of it.

The essential thing, it seems to me, is that at as early a date as possible we obtain a clear understanding between the provinces and Ottawa as to their respective jurisdictions, as to the division of revenue, and where the taxing power will lie, and then let each play in its own backyard. I venture to assert that if we do this, then within five years the harmony that reigned in this country from the time of Confederation down to comparatively recent years will be restored.

There is another argument in favour of something of this kind being done. Senator McCutcheon referred to the matter of one government collecting revenue and passing it over to another government to spend. I agree with his view on this 100 per cent. The government that undertakes the spending should have the responsibility of obtaining the money. If money, which they had no responsibility in collecting, is handed over to the provinces, then it is just like an indulgent father handing over sums of money every month to his son to spend. The principle is bad. That principle, instead of solidifying and unifying the country, works in precisely the opposite direction. For that reason alone I am impelled to make the suggestion I have.

There are certain matters with which Ottawa must deal, and about which I think the provinces—even Quebec—would not object. For instance, it is quite obvious that we cannot have each province dealing with external affairs, with our relationships with other countries. It is desirable to have one postal system in the country we call Canada. It is equally desirable that in matters of trade and customs there should be one authority. There should be one authority with respect to banking, and aviation and transportation. The control and direction of all these matters must, I think, remain in the central authority.

Some may say that these proposals, if carried out, would leave some of the provinces in an inferior position. May I deal with that for a moment? I do not know whether or not the industrial changes that have taken place in Canada in the last 20 years have appealed to honourable senators. It was about 25 years ago that the investment in northern Manitoba by what is known as the Hudson's Bay Mining and Smelting Company was made. It was American capital, but, as I have already said, the company is now controlled in Canada. During this period of time we have uncovered vast oil resources in Alberta and Saskatchewan—even Manitoba has gas and oil potentialities—and there have been vast mineral discoveries in western Canada.

If we look at each of the provinces across Canada today, what do we find? We find in British Columbia a great timber industry, a great fishing industry, a great mineral industry and a very substantial oil and gas industry. British Columbia is a wealthy province. By the way, all of these provinces have control of their resources. If British Columbia manages its business efficiently, it has a great basis for development and the production of wealth.

Alberta is one of the richest provinces of Canada. Saskatchewan has very important

oil and gas resources, and during the last ten years there have been discoveries of potash fields.

Hon. Mr. Croll: And a new government.

Hon. Mr. Crerar: The potash fields of Saskatchewan constitute the greatest potash reserves in the world, and potash is a material which finds a ready sale to an increasing degree not only in Canada but in the United States and throughout the whole world. Saskatchewan also has important metal mineral resources.

In Manitoba today there is a fine agriculture. Farm practice has improved enormously. One company, International Nickel, has invested within the last five years $250 million in northern Manitoba, and has recently discovered another ore body that is, apparently, as great as the one it was working on. I saw the predictions from a pretty responsible source the other day to the effect that in the matter of nickel, which is one of the world's scarce commodities, Manitoba had resources greater than those of the Sudbury area. And it may be added that last year the Prairie provinces produced over 700 million bushels of wheat.

I do not need to discuss Ontario and Quebec. They are rich in resources and wealth.

New Brunswick is developing important mineral resources and timber. Nova Scotia is not so well off. Prince Edward Island is a little farming province, and Newfoundland has great resources in Labrador. Personally, I feel that if the provincial Government of Newfoundland handles its affairs wisely, that province in twenty years can become one of the best in Canada so far as per capita wealth is concerned.

These are all reasons why I think there should be a re-examination of the relationships between the provinces and Ottawa in respect to economic and monetary matters. In my opinion it is possible to find a formula or a basis for a definite settlement of these matters, and I would not be adverse to an election being fought on that, once agreement was reached, in order to obtain the confirmation of the Canadian people of such a program.

One hundred years ago the Fathers of Confederation were engaged in framing our Constitution. I have always marvelled at the resourcefulness they displayed, the policy they exposed, and the forbearance they had with each other. They met for a purpose. Our Constitution was the result of their meeting, and Canada emerged as a nation. Since that time has our statesmanship become so poor in quality that it cannot measure up to the responsibilities of today? I do not believe so. I am certain as I am of anything that in the hearts of the overwhelming majority of the Canadian people today there is an ardent desire that these differences be settled, and for Canada to get back on the road of progress to the fine nation I am convinced it will ultimately become.

Hon. Jacques Flynn: Honourable senators, the last question which has been discussed by Senator Crerar and which was touched upon by Senators Hayden and McCutcheon is, to my mind, too vast to hold in the restricted frame or vase of the bill which is before us. Therefore, I do not intend to go very far in discussing this matter.

For several months I have been toying with the idea that the Senate could do well with a permanent committee to deal with constitutional problems. I leave this idea for the time being, but I would be very much obliged if my colleagues who are interested in this idea would give me, privately or otherwise, their views.

Honourable senators, I come now to the only point I wish to deal with, the principle which has been enunciated by Senator Hayden, and approved by the other senators who followed him, that the government which spends the money should be the one to levy the taxes required to raise that money.

Senator Hayden has said that in 1958 and 1960 he had the impression of being in the wilderness in enunciating this principle. I will tell him that I was saying the same thing in the other place, and I could refer him to the House of Commons *Hansard* of 1959 in particular, where I said that it was essential in fiscal relations between Ottawa and the provinces to put first the general principle that the provincial governments should have the responsibility of levying the taxes they needed to meet the obligations imposed upon them by the Constitution. I added then, and I have not changed my mind, although this may not be completely in agreement with what Senator Crerar said just before he sat down, that it is difficult to do away with the principle of equalization payments; but outside of this principle of equalization, I think we have to apply the principle of maintaining the fiscal responsibility of each level of government. I am speaking of senior governments. I do not think it is as important when we discuss the problem of municipal government, but senior governments should accept their responsibilities. If they need more money, they have the usual ways of borrowing, or increasing taxes or creating new ones.

For the record, I wish to mention that our troubles started after the war. At the beginning of the war the provinces agreed to vacate the fields of personal and corporation tax and succession duties for the duration of the war. The purpose was excellent. But after

the war the central government refused to vacate those fields or refused to go back to the situation—I think this is more accurate—that prevailed before the war.

The Province of Quebec, which at that time did not want to sign any rental agreement to continue those that had been accepted and passed at the beginning of the war, was penalized because there was no compensation for the taxpayer of Quebec or for the Government of Quebec as a result of a refusal to sign a rental agreement.

Ten years later we know what happened. We know that in 1955 or 1956 the central Government, in the matter of personal income tax, agreed to grant a deduction of 10 per cent from the federal income tax to any taxpayer from Quebec in order to permit him to pay to that extent the provincial income tax. But at that time we were still saddled with those rental agreements which, to my mind, were preventing the provincial governments from taking real initiative and assuming true responsibility in the matter of determining and levying taxes.

The former Government, of which I had the honour to be a member, made a major step to restore that principle of responsibility, when in 1961 it put an end to the rental agreement. We have no rental agreements now in the matter of personal income tax or corporation taxes. The federal Government gives the provinces a rebate, which in the case of personal income tax has been increased in the bill now before us from 19 per cent to 21 per cent. It was 10 per cent in 1957. Later it was increased to 13 per cent and then, when the rental agreements were terminated, a scale was established for five years ranging from 16 per cent in 1962 to 20 per cent in 1966. This scale has been accelerated since the last federal-provincial conference. But this does not prevent the provincial governments from determining their own rates of taxation. The provinces are entirely free in this matter, but the problem is that no provincial government dares increase its rate unless the federal Government is prepared to give a proportionate rebate on the federal tax.

The federal-provincial conferences for years have reflected a preoccupation on the part of the provinces to settle their budgetary problems, but not to assume their responsibility. I think we had a perfect example of that at the last federal-provincial conference.

Hon. Mr. Hayden: Would my friend permit a question?

Hon. Mr. Flynn: Yes, certainly.

Hon. Mr. Hayden: Did you know that the original federal-provincial tax earning agreements, which provided for rental payments at certain rates on personal income tax, corporation tax and succession duties, also provided that if a province did not wish to accept that rental agreement, it might impose its own personal income tax, corporation profits tax and succession duties and that the Government would rebate to the province an amount equal to the amount provided in the rental agreement?

Hon. Mr. Flynn: I know that the first rental agreement provided, for instance, that if a province did not want to sign a rental agreement in the matter of personal income tax, it would allow 5 per cent of the federal personal income tax.

Hon. Mr. Hayden: No, it was 10 per cent.

Hon. Mr. Flynn: No, it was only in 1956 that 10 per cent was provided. I remember that very well. It was after the federal-provincial conference of 1956. The only relief provided in the law as it existed prior to 1956 was 5 per cent of personal income tax. That is all. If the province had imposed, as Quebec did in 1955, personal income tax on the basis of between 10 and 15 per cent, the taxpayer of Quebec could have a rebate of only 5 per cent at that time. That is why the federal Government of the day had to backtrack. The situation was untenable, agreeing to rebate only 5 per cent when the tax was between 10 and 15 per cent and was bringing to the provincial government about the same amount as the payment which was made by the then federal Government to the other provinces.

So I say that I agree. However, some people seem to think that if a province were to increase the rate of corporation tax or personal tax we would have double taxation. I think that the term "double taxation" is entirely false under those circumstances. If double taxation means being taxed by two levels of government, we have that both in personal income and corporation income tax. If double taxation is said to mean tax on tax, that is not the case. We may have double taxation in other fields. The way double taxation is understood at present is simply inequality of taxation where a taxpayer in a province would have to pay a higher rate of tax, if both federal and provincial taxes were imposed. For instance, you might call it double taxation because in the Province of Quebec the sales tax is 6 per cent while in Ontario it is 3 per cent.

Hon. Mr. Hayden: That is not double really, but a combination, is it not?

Hon. Mr. Flynn: Yes; I know. But to my mind the way people speak of double taxation is entirely false. Certainly, one day the principle will have to be accepted that the government which increases its expenses will have to levy the taxes, or borrow. However, borrowing is only postponing the issue.

The main point I wanted to make is that so far as the federal Government is concerned,

a very important step was taken in 1961 by putting an end to the rental agreements and by forcing the provinces to adopt their own laws to levy personal income tax and corporation taxes. I hope that we shall continue in that direction.

Hon. Mr. Croll: May I ask the honourable gentleman one question?

Hon. Mr. Flynn: Yes.

Hon. Mr. Croll: You argued that the government which spends should be the government that collects. The last figures I saw were to the effect that the people of Ontario and Alberta contribute more by way of tax to the federal treasury than their provinces receive in return, and that the other provinces receive more than they pay in. How would you provide for the poorer provinces?

Hon. Mr. Flynn: I think I made my position clear, that we could not under the present circumstances do away with the equalization payments. I said that I thought this system must be maintained, but that we should once and for all provide, through the equalization payments, for these differences. Outside of that, I think we should apply very strictly the principle of the responsibility to levy taxes by the government which spends the money.

Hon. Mr. Grosart: May I ask the honourable senator a question? He repeated his suggestion over and over again that each province should raise money which it requires to discharge its responsibilities by its own taxation. Is his suggestion in respect to, say, family allowances, old age pensions, unemployment insurance, hospital grants, and veterans allowances? Or does the honourable senator mean it should only accept this responsibility as the appropriate taxing power in certain areas that someone is going to determine?

Hon. Mr. Flynn: The honourable senator has just reminded me that I had made a note when I was listening to the honourable Senator Crerar, saying that the provinces should take back the administration of all welfare legislation. This is one problem which would take too long for me to discuss. The only comment I want to make is that if the provinces were to assume the administration of the domain of welfare, and obtain from the federal Government, if you wish, a corresponding measure of the tax dollar—and there is a method of doing that—it would not settle the problem I have indicated. This is something else. This is a constitutional matter from an administrative viewpoint. I was thinking mostly of constitutional problems from a strictly fiscal viewpoint.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Hayden, bill referred to the Standing Committee on Banking and Commerce.

Motion agreed to.

PRIVATE BILL

BANK OF BRITISH COLUMBIA—ORDER FOR SECOND READING STANDS

On the Order:

> Resuming debate on the motion of the Honourable Senator Farris, seconded by the Honourable Senator Beaubien (Provencher), for second reading of Bill S-20, intituled: "An Act to incorporate the Bank of British Columbia."

Hon. George S. White: Honourable senators, I would like to ask the Leader of the Government (Hon. Mr. Connolly, Ottawa West) if he is going to call six o'clock, and we shall sit this evening. If not, would he permit this item to be placed first on the Orders of the Day for tomorrow?

Hon. Mr. Connolly (Ottawa West): I would certainly be agreeable to whatever honourable senators wish. If they wish to sit this evening and deal with this and other items on the Order Paper, I would be in entire agreement.

I would call attention to the fact that under Rule 13, if the Speaker leaves the chair, and we do sit this evening, unless the Senate otherwise directs, he returns to the chair at 7.30. If the house desires to sit this evening for a while, I would like to have some expression of view as to what time we should return here. I am quite prepared to sit tonight.

Hon. Mr. Roebuck: It is not necessary.

Hon. Mr. Lambert: Eight o'clock.

Hon. Mr. Choquette: I think I am safe in saying 3 o'clock tomorrow afternoon.

Hon. Mr. Horner: Hear, hear.

Hon. Mr. Farris: I have to return home tomorrow night.

Hon. Mr. White: Could the honourable leader have this item placed first on the Orders of the Day for tomorrow?

Hon. Mr. Connolly (Ottawa West): Again, I am in the hands of the house. Certainly, we could give it precedence over any other business by putting it first on the Order Paper tomorrow.

Some Hon. Senators: Agreed.

Order stands.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, May 28, 1964

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

Prayers.

ROYAL ASSENT

NOTICE

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

GOVERNMENT HOUSE
Ottawa

28th May, 1964

Sir,

I have the honour to inform you that the Hon. Robert Taschereau, P.C., Chief Justice of Canada, acting as Deputy to His Excellency the Governor General, will proceed to the Senate Chamber today, the 28th May, at 5.45 p.m. for the purpose of giving Royal Assent to certain Bills.

I have the honour to be,
Sir,
Your obedient servant,
A. G. Cherrier
Assistant Secretary to the
Governor General

The Honourable
The Speaker of the Senate.

HON. W. ROSS MACDONALD, P.C.

FELICITATIONS ON HONORARY DEGREE

Hon. John J. Connolly: Honourable senators, I do not think, as a matter of practice, the kind of announcement I am about to make now need be made every time one of our members is honoured; but I am sure all honourable members will be particularly pleased to learn that the honourable Senator Ross Macdonald has been honoured with an honorary degree of Doctor of Laws by Waterloo Lutheran University. On behalf of all of us I express not only our congratulations but our great pleasure.

Hon. A. J. Brooks: Honourable senators, I join with the Leader of the Government in congratulating our colleague, Senator Ross Macdonald, on the honour which has been conferred upon him by Waterloo Lutheran University.

Frankly, I do not know of any one of those who have been mentioned in this house at various times as receiving such honours, who was more deserving than my old and dear friend Senator Macdonald. I offer him my personal congratulations, as I know all members of the Senate would wish to do.

Hon. W. Ross Macdonald: Honourable senators, I sincerely appreciate the kind references which have been made to me by the two honourable leaders of this house.

My purpose in rising is to say that the Waterloo Lutheran University over the years has been, and still is, very dear to certain senators. You will be interested to know that the first Chancellor of Waterloo was a very wise and well-informed member of this house, who is now deceased. I refer to the late Senator W. D. Euler. In his memory, the Euler family presented to the university its first mace. That mace is so exquisitely beautiful it is going to be on exhibition in various places throughout Canada after the university rises for the summer.

Also, honourable senators will be interested to know that the shaft, the main stem of the mace, was made and donated by Lunenburg Foundry and Engineering Limited, of which the president is one of our wise and well-informed senators, the Honourable J. J. Kinley.

Hon. Senators: Hear, hear.

ROOSEVELT CAMPOBELLO INTERNATIONAL PARK COMMISSION BILL

AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Gunnar S. Thorvaldson, Chairman of the Standing Committee on External Relations, presented the following report of the committee on Bill S-26, respecting the commission established to administer the Roosevelt Campobello International Park:

> Your committee recommend that authority be granted for the printing of 800 copies in English and 300 copies in French of their proceedings on the said bill.

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

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

Report adopted.

REPORT OF COMMITTEE ADOPTED

Hon. Mr. Thorvaldson, Chairman of the Standing Committee on External Relations, reported that the committee had considered Bill S-26, respecting the commission established to administer the Roosevelt Campobello International Park, and had directed that the bill be reported without amendment.

Report adopted.

THIRD READING

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

Hon. G. Percival Burchill: Honourable senators, I am going to ask the Senate to waive a rule this afternoon, in view of the urgency of this matter. It is hoped to have this park open in July, and the authorities, both in United States and in Canada, are very anxious to have this legislation passed as soon as possible.

Therefore, I move, with leave of the Senate, that this bill be given third reading now.

Some Hon. Senators: Agreed.

Hon. Jean-François Pouliot: Honourable senators, before the motion is adopted I would suggest that the speeches delivered on the second reading of this bill by Senator Burchill, Senator McLean and Senator Brooks should be printed and distributed widely as an advertisement for this international park.

Motion agreed and bill read third time and passed.

ADJOURNMENT

Hon. John J. Connolly: Honourable senators, I move, with leave of the Senate, that when the Senate adjourns today it do stand adjourned until Tuesday next, June 2, at 3 o'clock in the afternoon.

Motion agreed to.

MARRIAGE AND DIVORCE ACT

MOTION TO REFER BILL TO SUPREME COURT—ORDER STANDS

On the Order:

> Resuming debate on the motion of the Honourable Senator Pouliot, seconded by the Honourable Senator Stambaugh:
>
> That in the opinion of this House, the Government should immediately refer to the Supreme Court of Canada, for the opinion of that Court, the question of the constitutional validity of Bill S-16, intituled: "An Act to amend the Marriage and Divorce Act".—(Honourable Senator Flynn, P.C.).

Hon. Jacques Flynn: Honourable senators, I ask that this Order stand for today and that it be placed on the Orders of the Day for Tuesday next.

Hon. Mr. Pouliot: Honourable senators, I thank Senator Flynn for making that suggestion. I hope it will be accepted because this is a bill of public interest and I think the time has come to submit it to the members of the Senate. I accept this on the understanding it will be first on the Order Paper on Tuesday. It will not be a long debate.

The Hon. the Speaker: I would like to hear the views of the Leader of the Government.

Hon. Mr. Connolly (Ottawa West): I do not know as yet what business we will have to deal with on Tuesday. However, I assure the honourable senator that this item will not be placed lower on the Order Paper than it would normally come. In making up the agenda we will give it the best position we can.

Hon. Mr. Pouliot: Thank you.

Order stands.

PRIVATE BILL

BANK OF BRITISH COLUMBIA—MOTION FOR SECOND READING—DEBATE CONTINUED

The Senate resumed from Thursday, May 14, the adjourned debate on the motion of Hon. Mr. Farris for the second reading of Bill S-20, to incorporate the Bank of British Columbia.

Hon. George S. White: Honourable senators, in rising to speak in this debate on the motion for second reading of Bill S-20, to incorporate the Bank of British Columbia, I am fully aware that I am following Senator Farris, the sponsor of the bill, who for many years has been recognized throughout Canada as a leading member of the bar and a noted constitutional counsel. The honourable senator presented his case in careful detail, but from listening to him, and later reading his speech in *Hansard*, I felt that he did not have his heart in his task, and that he, personally, was opposed to the bill. He went to considerable pains to point out that he did not agree with certain remarks made by Premier Bennett. At page 487 of *Hansard*, Senator Farris said:

> I want honourable senators to understand that I am not taking a stand on what honourable Mr. Bennett said, one way or another.

At page 489 he said:

> I am not here to say whether or not that legislation in British Columbia is right or wrong. I am not saying whether I would or would not take that position.

And at page 490:

> I do not say I support Bennett's proposal; I do not have to say I disagree with it.

I think, in all fairness to Senator Farris, he realized that he had a rather poor case to present.

I do not propose to be indefinite, as was Senator Farris. I am opposed to the federal Government's granting this application for a

bank charter. I am opposed also to the granting of other applications for bank charters now before the Senate or which may be presented at a later date.

In the debate on the motion for second reading of Bill S-6, to incorporate the Bank of Western Canada, Senator Blois very clearly and in complete detail placed on record, at page 126 of *Hansard*, reasons why further banking facilities are not required in Canada. It is not necessary for me to repeat them, but I agree with and support in every way the remarks of Senator Blois. He showed that there were over 5,600 branch banks in Canada as at January of this year. This figure, of course, relates to bank branches which are capable of carrying on a complete banking business.

Senator Blois dealt also with the established trust companies, and the increasing number of new trust companies. He indicated how these trust companies are establishing branches throughout the country, and which carry on business as so-called "near banks."

In addition to the large number of bank branches, and trust companies and their branch offices, there are other facilities in Canada which receive savings. I refer to the Post Office Savings Bank, which has over $25 million on deposit. The provinces of Ontario and Alberta have provincial savings banks. In Ontario there are 21 branches with over $77 million on deposit, and in Alberta there are 56 branches with over $37 million on deposit.

In recent years, especially since the Second World War, the number of credit unions and co-operatives has greatly increased in every province from coast to coast. In 1961 there were 4,697 credit unions with a total membership of over 2,740,000.

I mention these facts simply to indicate that Canada, at the present time, is more than well supplied with banking facilities and institutions for savings.

I refer honourable senators to the proceedings before the Standing Committee on Banking and Commerce on March 18 of this year, when Mr. Clayton F. Elderkin, Inspector General of Banks, appeared before the committee. At page 18 of the report of the proceedings there is this question by Senator Pouliot and the answer by Mr. Elderkin:

> Senator Pouliot: I have a very short question to ask you, Sir. Did the Department of Finance receive any complaints about the insufficiency of the number of branches of banks in Canada?
>
> Mr. Elderkin: Not that I have heard of, Senator. At the present time there are almost 5,500 branches of banks in Canada. This is almost double the number there was at the end of the last war. This is roughly one branch office for every 3,300 persons in the country, and is far greater than the corresponding figure for either the United States or the United Kingdom.

Of course, that figure refers only to branch banks, and in addition to those, as I have already mentioned, there are the trust companies and their many branch offices.

The three honourable senators who introduced the three bills to incorporate banks in this house did not give any information as to the actual need for more banks, or additional banking facilities, in Canada, except in a most general and caual way. Neither did the witnesses appearing before the Standing Committee on Banking and Commerce with respect to the Bank of Western Canada show any need for any new banking facilities. There was nothing but a casual reference.

I would have expected that in presenting an application for a bank charter the applicants would show in detail the need of new banking facilities in the country at large, or in some particular section of the country or province, or in particular, in certain areas.

I know that as far as the Province of Ontario is concerned all sections of the province are well and adequately supplied with banking facilities. My point is well illustrated by the evidence of Mr. Stevens before the Standing Committee on Banking and Commerce at page 33:

> A number of my associates and I have felt for several years that it was financially a feasible proposition, and desirable in the public interest, to organize a new bank in Canada.

He made no attempt to show how a new bank would be in the public interest or where banking facilities are needed.

I would draw your attention to the wording "it was financially a feasible proposition, and desirable in the public interest." I was touched with the remarks "desirable in the public interest." The evidence showed the interest was financially solely in the interest of three men who, by the various companies they control, would exercise complete control over the new bank if a charter were granted.

The press indicates that a Montreal group are now working on an application for a bank charter to serve that district. Certainly if the present application is granted we may expect several other provincial governments to make application for a bank charter.

I am of the opinion that all applications for bank charters now before the Senate, and any other applications received, should be held up until such time as the Government decides on the revision of the Bank Act.

There appears to be too much haste in dealing with these applications.

The Montreal *Gazette* of March 5, the day after Senator Leonard introduced his bill regarding the Bank of Western Canada, had this to say respecting a delay in granting bank charters:

> The principal cause for expecting a delay arises in the large equity position to be taken by the provincial government in the Bank of British Columbia. No legal obstacle to provincial participation is raised within the context of the Bank Act. The objection arises, rather, in the precedent that would be set and the implications for implementation of monetary policy by the central bank. These must be worrisome, indeed, for the federal authorities—and with good reason.
>
> If the Bank of British Columbia is chartered, petitions may be expected from Quebec and the Maritimes, petitions which could hardly be held up. The central bank would then be in the position of having to implement a national policy through regional, and politically dominated, institutions. As long as policy requirements were uniform, policy implementation would be no more difficult than now. But what happens when a tight money policy is wanted in central Canada and an easy money policy is wanted on the west coast?

On April 28, a few days after the Porter Commission reported, the same paper had these further remarks as to why there should be delay in granting any further bank charters:

> The conditions it lays down for competition, though, bear directly upon at least one application, for the Bank of Western Canada, and may be found to bear upon two others, the Laurentide Bank and the Bank of British Columbia.
>
> The difficulty in attempting to establish to what extent these conditions will finally apply, assuming their acceptance by the government, is found in the number of qualifications entered by the commission. It would appear, then, that before new charters are granted, Parliament must have a clear idea of what the revised Bank Act will say. It must also have a clear idea of what guidelines will be followed in permitting the exceptions which the commission has recognized.

A bank controlled by a provincial government may be dangerous to Canada's financial system and likely to damage its constitutional structure. It is not because of competition with the present banks but because it would plunge banking into politics, thus greatly expanding the power of a provincial government.

If this charter is granted, does any senator doubt that other provinces will apply for bank charters? Thus, we would have ten provincial banks and sooner or later there would be difficulties with the Bank of Canada. Just think of the power of ten provincial banks, each backed by a sovereign government. Would any honourable senator argue that such a condition was contemplated under the B.N.A. Act? Ten provincial banks banded together could bring tremendous pressure on the Bank of Canada and the federal Government. If a dispute arose, then the provincial banks could bring the dispute or argument into federal and provincial politics. In fact, ten provincial banks could pressure the federal Government to overrule its own central bank, the central control of money might be affected, and savings could become the prey of political manœuvre, something the federal Constitution never contemplated. The B.N.A. Act gave the complete control and issuing of currency to the federal Government.

There is a very good argument mentioned in the press as to whether or not an application of the type now proposed is constitutional. This is somewhat borne out by the argument that a provincial government is allowed to collect its revenue from within the province and to use such revenues for provincial purposes, but a bank with a federal charter controlled by a provincial government operating a banking business throughout Canada, as intended under the present application, would not in my opinion be provincial.

Honourable Senator Farris, in his presentation, dealt with the resolution passed by the Vancouver Board of Trade. At page 484 of *Hansard*, he quoted from the Vancouver *Sun* as follows:

> Politically-Free
> B.C. Bank Wanted
> Trade Board Sends Resolution
> To Senate Banking Committee
>
> Vancouver Board of Trade wants to make sure the proposed Bank of B.C. is free from political control.
>
> The Board of Trade resolution said if the B.C. government bought 25 per cent of the shares that would give it effective control and thus leave the institution open to political influence.

As far as political control is concerned, Senator Farris made this most significant remark on the same page:

> I wonder what if anything is completely free of political control in the provinces.

How then can the honourable senator say that the Province of British Columbia, holding the controlling number of shares in the new bank, will not exercise at least some political control? The honourable senator quite frankly agreed that 25 per cent of the shares would give a substantial control.

The honourable senator quoted further, on the same page, from the Board of Trade resolution:

> The Vancouver Board of Trade subscribes to the proposition that no government should enter any field of business which is adequately and well served by the private sector of the economy.

I do not think many senators can disagree with that statement.

I simply cannot understand or appreciate why any provincial government should enter any field of business which can be, and is, adequately and well served by the private enterprise sector of the economy, except for the reason and purpose of acquiring some political control. It would appear to me rather difficult for anyone appearing before the Senate Banking and Commerce Committee to show that under the present banking system the whole country has not been adequately and is not today being well served by the banks and trust companies under private enterprise.

The last quotation the honourable senator read from the Board of Trade brief appears at page 485, as follows:

> Acquisition of this number of shares, or even a substantially reduced percentage, could, if as indicated the balance of the shares are widely distributed, give effective, if not complete control to the Government.
>
> We would urge that all concerned with the creation and affairs of the bank give early assurance that the bank will in every sense be a private enterprise, permanently free of the danger of government control at the operating level and of political domination in any sense.

The senator has already agreed that 25 per cent would give control, and he answers these statements by the Vancouver Board of Trade in the following manner:

> Honourable senators, I have several answers to that. I take that as my text because it is the only objection of substance that I can find to this bill—that is apart from the general objections that might apply to all new banks, and we have enough proposed incorporations before us now. My answer is, first, that the powers are only the powers of shareholders. The government, as owners of shares, will have no more rights than other shareholders.

I would ask the honourable senator what further powers are required, and who controls the bank. If honourable senators will look at the Order Paper for today they will find that there is coming before this house a bill to be explained by the honourable Senator Bouffard, respecting the Bell Telephone Company of Canada, which seeks to increase its number of directors from 15 to 20. When the bill is passed the new section 8 of the Telephone Act will read as follows:

> The business of the Company shall be managed by a board of not less than five nor more than twenty directors, as may from time to time be determined by resolution of the shareholders.

I point out the importance of those two sentences: "The business of the Company shall be managed . . ." and that the number of the directors will be ". . . as may from time to time be determined by resolution of the shareholders."

The bill to incorporate the Bank of British Columbia could provide in the same manner:

> The business of the Company shall be managed by a board of not less than five—

Etcetera.

—as may from time to time be determined by resolution of the shareholders—

It seems to me that any group of men, or a company, or several companies, or a provincial government, as shareholders holding the majority or the controlling interest in any company or bank, control that company or bank. Does that not give them the necessary authority and the opportunity both to select and elect the officials and officers of the company or the bank, who will decide the policies and who will direct and manage the affairs of the company or bank? To me it is impossible to believe that any group of men, or company, or government, holding a controlling interest will not exercise their right to control such company or bank.

The honourable Senator Farris apparently recognized this point, because he placed on *Hansard* certain remarks made by the honourable Senator Cameron when he introduced the application for a charter of the Laurentide Bank. At page 486, he quoted Senator Cameron as follows:

> However, by reason of its continuing substantial share holdings and an agreement, Power Corporation continues to be in a position to cause to be elected a majority of the company's directors.

Senator Cameron was referring there to the Laurentide Finance Company. I should point out in fairness to him that the evidence before the committee yesterday showed that there is now going to be a different set up.

The honourable Senator Farris, throughout his speech, made several references as to possible future difficulties if this house, or if Parliament, refused to pass this bill or grant this charter. The remarks sounded to me of the type, "I dare the senators to refuse this charter." I would refer honourable senators to the following statements made by him at page 488, where he had been discussing the case of the *Bank of Toronto vs. Lamb*:

> It is my submission that the Senate, in accordance with the principle laid down by Lord Hobhouse, is no more justified in questioning the *bona fides* of the provincial legislation or its administration, than was the Privy Council in the case of an attack on taxation legislation by the great Province of Quebec.

Then, at page 489:

> If the Senate or Parliament decides to interfere with that, I say they are interfering with serious constitutional rights.

He is there referring to the right of the Province of British Columbia to pass legislation authorizing the Government to purchase shares in the new bank.

On the same page 489, the honourable senator went on to say:

> I want to point out to honourable senators that there are two features with respect to that. One is that a lawyer may argue, and he may be right or wrong, that under the Bank Act you have a right to refuse to grant a charter to a bank that is going to have the support of a provincial legislature, even though under the Constitution they are authorized to purchase those shares. My own opinion, as a lawyer, is that that would be unconstitutional on the part of the Parliament of Canada.

Then at page 490 the honourable senator pointed out that this would be a choice political issue for Premier Bennett. He also stated:

> Right or wrong, that is his constitutional right and, believe me, this Parliament of Canada could inject unnecessary and unfair problems into this time of great uncertainties, great conflicts and demands among the provinces.

In the concluding paragraph, the honourable senator stated:

> Gentlemen, I ask you to support this bill and send it to the committee where it may mingle with the problems of the other two bank bills that have already been referred to committee for consideration. I say that to turn it down here would be a grave reflection on the constitutional rights of the province; such action would instigate dissatisfaction and political controversy out in the Province of British Columbia.

It seems to me that this house is not questioning the right of British Columbia to pass the bill they did authorizing them to purchase shares in the new bank. I think the question the Senate has to decide is whether or not it is constitutional to grant a charter to a bank which will be controlled by a provincial government. The honourable senator in his remarks dealt with and quoted at some length from a speech delivered by Premier Bennett as to the probable future action of the British Columbia government if this charter is granted.

Well, the honourable senator resides in British Columbia, and as I pointed out, he is a well-known counsel. He must have been well informed and familiar with all the facts when the present Premier of British Columbia and his government took over the B.C. Electric. The only information I have is what I read in the press, but I am sure the honourable senator will agree that the method employed and the actions taken by Premier Bennett and his government in that takeover were not exactly in accordance with the principles of law the honourable senator and I were taught in law school. The action by the B.C. government was both tough and high-handed, and this attitude only changed when the law was invoked. What regard or consideration, if any, did the B.C. government show to the shareholders of B.C. Electric? The action of the B.C. government in the takeover of B.C. Electric was somewhat similar to what one might expect from the government of a banana republic.

If this charter is granted, Mr. Bennett and his government can, in the future, be just as tough and high-handed as they were in the B.C. Electric takeover. Perhaps they can be even tougher, for, after all, the B.C. government as the shareholder having the majority control of the new bank will have much to do in selecting the officials and directors who will direct and decide the policies of the bank.

In conclusion, I wish to quote from a short article in the Toronto *Globe and Mail* of May 9 last, headed, "British Columbia—Bennett Wants Charter Now," and is written by Douglas Collins, of Vancouver.

The article reads in part:

> The main objections to the bank are that it may give the Social Credit Party a greater opportunity to "put the arm" on business for contributions to the Socred war chest, and that firms which want Government contracts may find themselves pressured to establish accounts with the bank . . .
>
> The Vancouver Board of Trade has not accepted these assurances. Following Mr. Bennett's pronouncements, it submitted briefs to both Ottawa and Victoria in which its objections to the provincial Government's entry into the banking field were specified. "No government should enter any field of business which is adequately and well served by the private sector of the economy," it was stated. It was stated that the Government still has the power to take 25 per cent of the available shares, and that "even a less amount could be dangerous."
>
> This sort of criticism is echoed in the press, and *The Sun*, which supports the Liberals, has suggested editorially that the establishment of a provincial bank may be unconstitutional. The paper suggests that the federal Government could send the whole question to the courts under the terms of the Constitutional Question and Determination Act.

I would draw to the attention of honourable senators the raising of the question that a provincial bank may be unconstitutional and that the whole matter should be referred to the courts.

Hon. Mr. Farris: Honourable senators, before my friend Senator Lambert speaks, may I say that I have to leave, but I do not want to appear to be running away. I shall be back.

Hon. Norman P. Lambert: Honourable senators, I have been much interested in the debating quality of the speech of the honourable senator from Hastings-Frontenac (Hon. Mr. White). It was characteristic of most of the statements he makes in this house. There is no mistaking the meaning of what he has in mind, and what he wants to say in support of his point of view. Even if I have to differ from him, it will be on a ground other than what he made the basis of his speech.

In discussing Bill S-20, which was so forcefully presented to the Senate on behalf of the Province of British Columbia by Senator Farris last week, I would say at the outset that I intend to support the bill on second reading, in the hope that it may be referred to the appropriate standing committee for further examination and enlightenment.

In the meantime, I propose, as briefly as I can, to express certain indirect factors and influences which have a bearing, not only on this particular bill, but which might be applied also to other proposed measures similar in character which already are under consideration by this chamber.

I desire mainly to emphasize, without prejudice of any kind, something of the historical, political and social background out of which this proposed legislation has emerged. I do so mainly, I think, because I happened in my earlier and possibly more impressionable years to spend the greater part of the period from 1911 to 1930 in western Canada, first as a resident correspondent for a well-known eastern journal which pretentiously carried at its masthead the title, "Canada's National Newspaper." Later I had the privilege of being connected intimately with the organized agrarian movement with which my respected colleague, Senator Crerar, was associated with much distinction over a much longer period than myself.

The point I wish to make now is that a widespread opinion in western Canada still reflects a certain inherited reaction to an earlier colonial environment. I suppose it might be described as a kind of prenatal influence. One does not refer here to the imperial power of Britain in the days of its great empire so much as to the reflection of a different and more materialistic influence emanating not only from Ottawa but from developing eastern centres of industry and finance. This influence was felt in new and undeveloped western areas long after the Confederation Act of 1867 was adopted by the Parliament of Canada.

For example, from 1821 to 1849 British Columbia, Manitoba and the northwestern territories, including the present provinces of Alberta, Saskatchewan and Manitoba, were largely the property of the Hudson's Bay Company. That vast area was an imperial colony administered by representatives of the British crown.

In 1849 Vancouver Island was proclaimed a British colony, and ten years later, consequent on the discovery of gold and a large influx of miners from California and elsewhere, the mainland territory was united with the colony of Vancouver Island under the name British Columbia.

It was not until 1871 that British Columbia entered Confederation. One of the principal conditions under which that area entered the dominion was the speedy construction of the Canadian Pacific Railway; and in 1876 the nonfulfilment of that obligation and the apparent indifference of Ottawa to the representations from British Columbia created

strained relations which were only ameliorated when the construction of a transcontinental road was begun in that year. At that time British Columbia, with an area of 373,000 square miles of unknown resources, had a population of less than 50,000.

Notwithstanding the persistant and persuasive efforts of Sir Frederick Haultain, as the leading spokesman of the Northwest Territories, long before 1900, to gain provincial autonomy for that area, it was not until 1904 and 1905 that even limited provincial status was granted by Ottawa to Alberta and Saskatchewan, and not until much later were they granted ownership and control of their own natural resources.

Much more could be said about this so-called colonial inhibition in western Canada. It really assumes the form and thought of an inferiority complex with respect to the dominant influence of the headquarters of industry and finance, which have resided mainly in Toronto and Montreal.

The present branch banking system, which since Confederation has been so closely linked up with federal jurisdiction, has been highly praised for its flexibility in serving the development of Canada as a whole. In the earlier years of the western provinces, when rural districts represented over 70 per cent of their population, and grain growing, ranching and feeding of livestock were their major occupations, credit facilities were somewhat more difficult to obtain, and the west was regarded elsewhere more as a field of speculation than of sound and mature development. The chartered banking system, while serving the seasonal requirements of western Canada at seeding and harvest time, did not always show the best judgment in dealing with those needs.

Within the last 20 years, western agriculture has been augmented by the discovery of great wealth in the form of oil, natural gas and base minerals. Farm population, aided by automation, has declined to 35 per cent instead of 70 per cent of the whole; and secondary industry, which in recent years has been emphasized as the great objective of a new Canada, is appearing rapidly as a rich asset extending all the way from Manitoba to the coast of British Columbia. The chartered banking system undoubtedly has participated in this latter phase of western development and has profited by it.

The application contained in this bill and other applications for bank charters suggest some belated competition in the field of banking which is not necessarily undesirable.

As I have said, much more could be said about this so-called colonial inhibition in western Canada. Superficially this might be regarded as an evidence of imitative institutionalism, the desire to have monumental head office buildings on the street corners of their own rapidly growing cities.

Today it requires only the most casual observance of the growth and development of the middle west and British Columbia since the conclusion of the last war to realize that these provinces are now fully qualified and entitled to demand convenient financial facilities to enable them to accommodate their own economic requirements. In the full sense of the word, they have reached man's estate. If they cannot get these requirements from within their own country because of restrictions in present federal legislation, they will surely seek them elsewhere.

There has been much idle talk and fomentation about revolts arising over considered injustices in other well-known sections of Canada. Constitutional weaknesses in the Confederation act have been stressed. These have been identified with questions of language, and an alleged maldistribution of the produced wealth of the country.

In western Canada, the situation is of much different character. A large percentage of New Canadians, drawn from postwar Europe as well as the United States, have contributed with enthusiastic optimism to the establishment of themselves as loyal and useful citizens of this country; and their desires to enjoy all the privileges of self-government and self-management of their inherited resources, in company with older Canadian compatriots, represent a potential influence upon the future destiny of Canada. If, in the past, there have been indications of revolt in the western provinces, they have been due to impediments, which the people in that area felt were obstructing the fair development of their part of the country.

In the midst of the rapid whirl of such current problems as are represented in this bill, affecting the status of Canada as a whole, the Senate surely has a vital part to play—a part which the founding fathers of this country sincerely intended it to play.

I feel that this bill should go to the Senate Standing Committee on Banking and Commerce, and that every effort should be made to have enlightening evidence presented to it, even by inviting Premier Bennett himself to state in person the position of his province. At any rate, our decisions in these vital matters should not be rushed. "The way of gradualness," as has been truly said, is the way of Parliament. I hope that I have said enough to indicate that what are commonly called party considerations are irrevelant to much of the stuff of our current legislation, and that it is high time in the interest of public enlightenment that they were being clarified and reaffirmed.

In conclusion, it should also be said that party considerations, when they are based on clear-cut, realistic facts and policies relating to the national existence of Canada, really do mean something. Until comparatively recently, lines of national policy have been more easily identified than they are today. One consideration now confronting this chamber and this Parliament in all this legislation is the principle of provincial autonomy, of provincial rights and responsibilities.

The authoritarian power which developed and centred in the federal Government during, and immediately following, the last war is being challenged, I submit, in every province of this country, especially by those provinces concerned with the costs of education, transportation and the absorption of new citizens. The demands for these charters for new banks in the newer areas of western Canada reflect an insistence upon a larger measure of provincial rights. If this means changes in the British North America Act with respect to banking in this country, then I submit they should be thoroughly and unhesitatingly examined.

There is nothing sacrosanct in the present system of banking in Canada nor in the Bank Act itself. The establishment of the National Bank of Canada some 30 years ago supplies evidence of that fact. If these matters are to be expressed in terms of definite party policy, then let them be clearly defined, and let the chips fall where they will.

Finally, I maintain that none of us, in the light of the present pressing need for co-operation and unity in this country can lightly dissociate these demands for change from the future development of Canada.

Hon. Eric Cook: Honourable senators, in a recent press story entitled "Baby Banks Battle Bills" it is stated:

> The senators, many of whom are connected with the eight "old" banks and other financial houses, now are wrestling with private bills to incorporate three new banks.

I happen to be a director of one of the "old" banks, but in presuming to address you on this bill to incorporate the Bank of British Columbia I do not speak as a bank director, a lawyer, a director of a life insurance company, or in any capacity other than that of a member of this honourable house.

My reason for speaking now is that unless the honourable sponsor can change my mind by his closing address, I intend to vote against the motion for second reading. But I do not wish to register my vote without giving my reasons.

Having informed honourable senators that I am a director of a chartered bank they may, to use a banking expression, discount anything I have to say to whatever extent or degree each may think necessary and proper in the circumstances.

In fairness to the applicants desiring incorporation as the Bank of Western Canada, and the Laurentide Bank of Canada, it was agreed that these bills should go before a committee so that they would have an opportunity of stating their case fully and frankly. However, the main principle behind this bill is nothing more or less than that of one of the provinces setting up its own chartered bank. The fact that there may be one or 10,000 other shareholders in the proposed provincial bank does not alter the fact that it will be purely and simply a provincial Government chartered bank.

It has been suggested that the proposed bank would be unconstitutional, inasmuch as the province is seeking to do something indirectly that it cannot do directly. However, there are others who are more capable of dealing with the constitutional aspect. My objections to the bill are based on practical grounds.

It is conceded—indeed, it does not matter whether it is conceded or not—that the provincial Government will have effective control. If the purchase of 25 per cent of the shares does not give the province, together with such other shareholders of the bank as are allied with the provincial Government for political, financial, commercial or industrial reasons, effective control, then there is nothing to stop the province amending its own legislation to authorize it to purchase a larger proportion so that it will at all times, in law as in fact, have complete control. Once the province acquires any substantial shareholding it would be only a very short step, and not a very difficult one, to obtain a 90 per cent or even a 100 per cent interest in the bank. We would then have a provincial Crown corporation carrying on business as a chartered bank.

Think of the consequences of a provincial crown corporation being a chartered bank. It would pay no income tax to the federal Government, and, I assume, no income, property, or municipal tax in British Columbia. It would be under no obligation to make a profit on the capital of the shareholders. In these circumstances, it probably would not be long before all provinces had their own banks, and Canada would soon have not only a federal banking system but also a provincial banking system.

This may or may not be a good idea. If it is a good idea then Parliament should bring it about by repealing the present Bank Act, and substituting the new system therefor. If this should come about it would be only after

considerable debate on the merits of the proposal, but if this bill is enacted it might come into existence through the back door. If British Columbia can establish its own chartered bank, then so can Ontario, Quebec and all other provinces. Indeed, they probably would have to do so in order to protect themselves. We would then have ten nationalized banks under provincial control.

In the event of dispute between the central bank and the provincial banks, what control would be vested in the central bank? We are warned we should not refuse this application, because we might not be acting in a proper constitutional manner if we deny the wishes of the Province of British Columbia. If the federal Government should not, or cannot, deny the province a charter then, following the same line of reasoning, the federal Government cannot subsequently revoke or take away the charter which it was powerless to refuse. What sanction then will the Bank of Canada or the Government of Canada invoke to insure that any provincial bank will carry out, from time to time, the national financial policies?

Clause 7 of Section 91 of the British North America Act entrusts "Militia, Military and Naval Service and Defence" to the federal Government. If this bill becomes law, the financial position would soon be the same as the military situation would be if each of the ten provinces had a defence department with armies, navies and air forces. In the event of a national emergency the national forces would be deployed as ordered by the general staff, while the provincial field marshals, admirals and air marshals would all be contending between themselves and Ottawa as to what should be done, and how it should be done. In short, as applied to banking we would have nothing more nor less than an absolute financial jungle.

It is said the new bank would not have any political influence. The answer to this, surely, is that while we might be easily persuaded to accept the assurances of the present Prime Minister of British Columbia that the bank would in no way have any political connections or objects, we, nonetheless, are all aware, as is every school boy, that no government can bind its successors. Within its own jurisdiction a provincial government has complete and absolute sovereignty at all times. If, therefore, in the future a subsequent government desires to change the policy of the Province of British Columbia in respect of the conduct of the affairs of its own nationalized provincial bank, then it would be entirely free to do so.

It is noteworthy that all provincial prime ministers desire to act at all times as statesmen. In the event of differences, it is the opposition and, occasionally, the government in Ottawa, who play politics. Therefore, if a difference should arise between central government monetary policy and the policy of the Bank of British Columbia, it will be the central bank in Ottawa which will be playing politics while the Bank of British Columbia will be conducted in a most statesmanlike manner.

It should also be noted that once the provincial bank of British Columbia receives a charter it can compete with all other chartered banks in Canada, and anywhere in the world. If this bill is enacted there would be granted a full banking charter to a bank which would be, or which could become, a provincial nationalized bank, controlled and directed by the province in the same way as a crown corporation of a province is controlled and directed.

Hon. Mr. Roebuck: May I ask the honourable senator a question? Does he say we should not incorporate a company the shares of which might be bought by a provincial government? Is it his proposition that we should not incorporate any company for fear that its shares might be acquired by a provincial government?

Hon. Mr. Cook: No, I do not go that far.

Hon. Mr. Roebuck: Then, what is the distinction?

Hon. Mr. Cook: Possibly there may be no distinction, but I suggest there is. The policies of this bank would be difficult, if not impossible, for the Bank of Canada to control, and it would not be possible to operate it to suit and fit every political whim and purpose. In addition, the bank would be in the position of being able to use public funds in order to compete with banks which use only private funds.

Hon. Mr. Roebuck: May I ask another question? Does that not apply to every industry? It was not very long ago that the Province of Quebec took over the private power companies. Should we not incorporate hydroelectric companies in future for fear that their shares might be bought by provincial governments?

Hon. Mr. Cook: The honourable gentleman may quote all sorts of examples, including nationalized railways. For my part and my judgment, I do not agree with a nationalized bank and for these practical reasons I submit the bill should not receive second reading.

Hon. Jean-François Pouliot: Honourable senators, in the first place I must tell you that I am not a director of any bank. I come here as any Canadian who uses the banks when needed, to put a little savings in or to

ask for a loan of some money, on some guarantees. It is the only dealing I have with the banks, the ordinary dealings of any Canadian citizen.

Besides that, I find that this matter should be considered objectively. Although I live in the east, I have the right to pass judgment on a bill which concerns our province on the west coast, British Columbia. Besides that, I consider the matter so objectively that my remarks about it could have been made if I had been born in Vancouver or Victoria, British Columbia, instead of in Rivière-du-Loup, Quebec.

In order to understand this bill, one has to go to fundamentals. The fundamentals are not a reference to new Canadians or to those who live in the Prairie provinces. That is immaterial, for the very good reason given by Mr. Elderkin, Inspector General of Banks, Department of Finance. I take this opportunity to congratulate Senator White on what he has said. He mentioned it.

When one of these bills for new banks was before the Standing Committee on Banking and Commerce, I asked Mr. Elderkin what was the number of branches of banks in Canada, if there were enough to answer the demand, to satisfy the needs of the people. Mr. Elderkin gave me a large figure, and told me that the number of branches of Canadian chartered banks in Canada was larger than anywhere else. I think he said that it was double the number of bank branches in the United States—something to that effect.

In the first place, that established that there is no need for new banks. If we have enough banks now and if they are decentralized in order to serve the people at home in every province and in every district of Canada, why should we insist to establish new chartered banks? We have enough now, according to the evidence given by the one gentleman who knows more about it than anybody else, the Inspector General of Banks. That is my first point.

My second point is that if I want to revert to fundamentals, the fundamentals for me are the Constitution of this country, the British North America Act of 1867, which is still in force, and by which we have to abide. What does it say? As my honourable colleagues are aware, section 91 deals with the exclusive powers of the Parliament of Canada. I need not read the preamble to the subsections, but subsection 14 is: "Currency and Coinage".

May I mention here that the Province of Alberta, at the time of Mr. Aberhart, tried to invade the banking business. It was found that they had no right to do so. Strongly enough—and I think that my memory is good enough to allow me to say that—the bills passed by the Legislature of Alberta to enter into the banking business were disallowed by the Parliament of Canada at the time.

There is a precedent against provincial banking on the same scale as chartered banks in Canada. There is the precedent of Alberta, and it was the policy of the founder of the Social Credit system in Canada, Mr. Aberhart, who failed lamentably.

Now, the Honourable Mr. Bennett, the Premier of British Columbia, probably is under the false impression that matters have changed, that there have been many revolutions of the earth since Mr. Aberhart died, that the history of Canada is completely forgotten and that he can start the same thing again.

I listened to honourable Senator Farris. The first part of his speech was an apology. He did not need to apologize for sponsoring this bill; it was his right to do so. I would not deny his right to sponsor legislation in which Mr. Bennett, the Premier of British Columbia, could be interested. He has the right; whether he is of Liberal lineage or not is immaterial. He comes here as a senator of Canada to sponsor a bill. Why did he excuse himself for that? Why did he challenge us about that? There was no challenge from us. We take for granted that he had the right to sponsor that legislation, as any other legislation. But it is not because he sponsored it that I have to be in favour of it. That is an important distinction.

The other day I saw on a television program a woman who was hypnotized by a gentleman who had the gift of hypnotism. I have not yet been hypnotized by anyone and the opinions that I express are my own, just as much as the opinions of Senator Farris are his—and they are subject to controversy.

All that takes me away from my fundamental point, the British North America Act, which I hold in my hand. Dealing with the exclusive rights of the Parliament of Canada, I come to subsection 15. Mark you, it is "exclusive." As I have told you in other circumstances, "exclusive" means that the party which has the right to do a thing exclusively is the only one who can do that, and others have not the right to do the same thing.

Subsection 15 says: "Banking, Incorporation of Banks, and the Issue of Paper Money." Paper money was issued in the first place by the chartered banks. Now this is one of the duties of the Bank of Canada, which is also a federal organization, coming under the Minister of Finance, just as much as a crown corporation may. But it has been

created by the Parliament of Canada to serve as an instrument of banking for federal affairs.

Subsection 16: "Savings Banks". Savings banks come under federal jurisdiction for their incorporation. Naturally there are provincial savings banks; there is one for the Province of Ontario, right here on Sparks Street in this city; and there are others which do business within the province itself, and that according to the charter that is granted by federal legislation.

There is also the matter of the issue of paper money, which is under the control of the Parliament of Canada.

Subsection 18: "Bills of Exchange and Promissory Notes". This logically comes under the exclusive jurisdiction of the Parliament of Canada.

Subsection 19: "Interest". Interest on loans is under the jurisdiction of the Parliament of Canada. I would not say that our Parliament has been always very fair in establishing the rates of interest, and there might be an equalization that would be well appreciated by all those concerned. But that is something else.

I have not read the first part of section 91, which has been repeated *ad nauseam*; but the last paragraph of the section I will put on record to show that there is no possible doubt about the exclusive jurisdiction of the Parliament of Canada in banking. It reads as follows:

> And any matter coming within any of the Classes of Subjects enumerated in this Section shall not be deemed to come within the Class of Matters of a local or private Nature comprised in the Enumeration of the Classes of the Subjects by this Act assigned exclusively to the Legislatures of the Provinces.

This is exactly what I have reminded you of. The Parliament of Canada alone is able to do this. Parliament has the exclusive right, and therefore the provinces have not the right to do that. This is why the courts and the federal Government have been adamant with regard to the new legislation which Mr. Aberhart had passed.

Now I come to Section 92, entitled "Exclusive Powers of Provincial Legislatures". There is nothing mentioned about banking in the section, except subsection 3: "The borrowing of Money on the Sole Credit of the Province."

They can borrow money from the banks, and borrow money in other countries if they want to do so, or through brokers. That is that.

What is enumerated in section 92 concerning banking as an exclusive power of a provincial legislature? Nothing, concerning banking. Mr. Bennett, who is very able and whose province is one of the most prosperous in Canada, due to splendid natural resources, thinks that he can put the Constitution aside, and become a banker in his capacity as provincial premier of his government. It is pretty hard to accept that. It is not that I mistrust him; he may have great qualities. I have met him on occasions. The last time I met him was in the general election before the last one. I happened to be between Mr. Fleming and Mr. Bennett at a hotel in Montreal, and at that time I told a journalist that once again I came as a peacemaker with an olive branch in my hand. However, at that time there was no question of this legislation. I really think that it is only personal ambition on the part of Mr. Bennett to start something that dear old Mr. Aberhart was not successful in accomplishing.

I see no other reason, because the province is prosperous. Is it not by reason of the assistance given by the present chartered banks that the Province of British Columbia is so well off today? I would say that it is due, in the first place, to natural resources, and then to the assistance given by the chartered banks to that provincial government. I say that without having any personal knowledge of the dealings of Mr. Bennett with the banks, but that is the only conclusion one could come to when one analyzes the whole matter.

I have heard some most likeable people from the Prairie provinces and the Province of British Columbia say, "Now is the time for us to have our own bank—it will be the Bank of Western Canada." Well, that is a very nice ambition; but would it really help the people of Canada west of the Great Lakes? No. Would it help the people of eastern Canada? No.

The new bank, if you deem it in your wisdom to adopt this legislation, will not be a horn of plenty, any more than the present banks, if it is well administered. When customers go to the bank to make their deposits, they will expect that the bank will be managed along the same lines and according to the same principles of administration as the existing chartered banks. They will not make deposits in the new bank unless they are sure that it is managed in the same manner as existing chartered banks. Is that not also your view, honourable senators? Therefore, what will be the advantage?

At the present time the banks have divided their operations into regions. I know from reading reports of the annual meetings of the banks that for banking purposes Canada is divided into three regions: a western region, a central region, and a maritime region, and in charge of each region is a general manager

for the province. Moreover, in the two older provinces—Ontario and Quebec—there is a general manager for each province. I understand that the annual reports of the chartered banks are not always as interesting reading as the latest novel that has been described as a "best seller," but it is important that they be read.

What it is important to check also are the reports that appear monthly or in the *Canada Gazette* to inform us about the operations of the banks. That information is available to all of us. What I admire is that since the failure of the Home Bank, when I was a young Member of Parliament, I have never heard of a wrong-doing by the banks. The service of the banks is excellent, and I do not see what useful purpose this new bank would serve.

If I were from New Westminster, Vancouver, Nanaimo or anywhere in British Columbia, I would say exactly the same thing as I say now, because all those who are rich and prosperous in the Province of British Columbia, as well as in the other nine provinces of Canada, in large measure owe their affluence to the good and faithful service the chartered banks have rendered them. You know very well that when you wish to speculate you are warned by your bank manager to be careful; and if you want to make a sound investment it is not the broker you have to consult, but you have to go, in the first place, to your personal bank manager and ask him. If you have $500, $1,000 or more to invest, he is the one you have to see. Those men are well-trained, competent and honest, and they serve you well.

Therefore, I pay tribute to them for the good services they have rendered to the Canadian people. It should be appreciated. Those who come under the protection of helping the new Canadians, of helping this one or that one, in preference to those who were born here, play a very dangerous game. It is not right to speak that way. If the banks have done something wrong and if there is some complaint about them, let them say so. If the service rendered by the banks is not satisfactory, let them prove it. Unless they do so, I have no reason to change my mind and I have no reason to vote for this piece of legislation.

Hon. R. B. Horner: Honourable senators, I only want to take a few moments, because there have been so many fine speeches made already—for example, by Senators Blois, Cook and White. I want to congratulate them all. I feel uneasy that some of my good old friends, the bankers, would think I was being unjust to them. I also prompted quite a lecture from the honourable senator from Churchill (Hon. Mr. Crerar) that reminded me of the early days of the banks, especially before the railroad came in and we were starting up. Another gentleman and I were going to ship some horses. He asked me if I had been to the new bank, and, if so, how I had got along with the manager. I said I had had a little trouble talking to him, but I finally got everything I wanted. He had been to the bank and had been turned down. Referring to the bank manager, he said, "Well, he isn't a very good judge of character!"

The honourable senator from Churchill gave me the same sort of treatment the other day when he said that if a man was of good character he could always do business with a bank. It was other than the general policy as far as I personally was concerned. It would be unjust for me to say anything other than that I was well treated.

Hon. Mr. Crerar: If my honourable friend is referring to me, will he tell me when I made those remarks?

Hon. Mr. Horner: When the bill was first introduced and I first opposed it. The senator across the way made no attempt to point out any place that needed banking facilities. As a matter of fact, the honourable senator from Churchill and Senator Pouliot were in the House of Commons when they heard Dr. Motherwell raging about the bank closing in his little town where he paid interest and did business for 50 years. However, they closed that bank. He denounced the head management, and there was a bitter feeling. After all, it is pleasing when a little building goes up in your community, but it is a sad sight when it is dismantled, loaded on a truck and hauled to the country for a hen house. There have been many banks closed in western Canada.

If a man is worthy of credit and can talk well enough, he can get his money. I would go into the bank with a scheme and the banker would tell me many times, "That is not a banking proposition." I paid no attention but would argue that it was, whereas other fellows would take their hats and walk out. I know that in some cases the banker was trying to find out whether they were determined enough, and would be able to make money and return the loan with interest to the bank.

So far as needing new banks is concerned, look at the corners of the streets, they are all occupied now, either by a bank or a trust company doing good business. They will have to create new corners if they wish to create new banks. I think it is a national waste. We had the Weyburn Security Bank start up, and they paid $10,000 to a man so he would refrain from banking for three years. That was just a little prairie village. The last bank is closed up, and there is no bank at all in

the place now. However, with increased transportation facilities there are not so many branches needed.

Do we know of any place where banking facilities have been refused? In my experience bank branches will move in to fill the slightest need. With the number of banks we have now the banking business is highly competitive. They are chasing one after the other, looking for new locations. I have heard no complaints about anyone lacking banking facilities in western Canada.

There is money out in western Canada now, but what I am fearful of is what has happened before, where there have been unscrupulous but persuasive salesmen selling foolish men worthless stock; it was simply like taking honey from the bees. Perhaps some of these banks will go broke with a full pocket. It is a dangerous move.

My advice to western Canada and my friends in western Canada is that if they wish to buy, then buy in some of the well-established old banks whose shares are for sale, but do not put a single dollar into any of these new banks, if they should happen to get a charter—and I hope they do not.

Hon. J. Wesley Stambaugh: Honourable senators, I do not wish to enter into the debate on the pros and cons of whether we should pass this bill or not, but since the Province of Alberta has been mentioned I should like to set the record straight in this regard.

I understood honourable Senator White to refer to the "Provincial Bank of Alberta." There is no provincial bank of Alberta, but there is what is called a Treasury Branch, and it is owned, operated and controlled by the Alberta Government. There are no shares sold, and it operates almost entirely the same as a chartered bank but has no federal charter and does not come under the Bank Act.

Hon. Mr. Lambert: It is a savings bank.

Hon. Mr. Stambaugh: It is not a bank at all. Its branches are not allowed to use the title "Bank". You can deposit money with them, or you can borrow money from them, the same as a bank, but they do not come under the federal Bank Act. They are not subject to inspections by the Government. They are an entirely provincially-owned and controlled institution.

Hon. Mr. Roebuck: They do not have a clearing house.

Hon. Mr. Stambaugh: If the Government of British Columbia wants to start the same sort of institution, they will not have to apply for a charter to do so.

Hon. Mr. Pouliot: My honourable friend must remember that some legislation passed by the Alberta Legislature was disallowed.

Hon. Mr. Stambaugh: In that regard what Aberhart intended to do and tried to do was not to form another bank—he was going to take charge of the present banks.

Hon. Mr. Roebuck: What he really wanted to do was to try to issue paper money.

Hon. Mr. Stambaugh: And to force the present banks to accept that money, the same as any other currency. It would have put them out of business.

On motion of Hon. Mr. Macdonald (Cape Breton), for Hon. Mr. Beaubien (Bedford), debate adjourned.

DIVORCE

REPORTS OF COMMITTEE ADOPTED

Leave having been given to proceed to Order No. 7:

The Senate proceeded to consideration of reports of the Standing Committee on Divorce Nos. 293 to 331, inclusive, which were presented on Monday, May 25.

On motion of Hon. Mr. Roebuck, Chairman of the Standing Committee on Divorce, reports adopted on division.

RESOLUTIONS PRESENTED

Hon. Mr. Roebuck, Chairman of the Standing Committee on Divorce, presented the following resolutions:

Resolution 281, for the relief of Jeannine Roger Couvrette.

Resolution 282, for the relief of Florence El'nore Anne Friel Stevens.

Resolution 283, for the relief of Hazel Vera Caines Kennedy.

Resolution 284, for the relief of Kurt Sperlich.

Resolution 285, for the relief of Joseph Azarie Rene Major.

Resolution 286, for the relief of Harriet Agnes Hellier Anderson Ainslie.

Resolution 287, for the relief of Margaret Jane O'Brien Dagenais.

Resolution 288, for the relief of Yvonne Alice Wilson Thomas.

Resolution 289, for the relief of Barbara Susan Ship stone.

Resolution 290, for the relief of Fred Cury.

Resolution 291, for the relief of Margaret Jean Coutts Moffatt.

Resolution 292, for the relief of Michael Chabotar.

Resolution 293, for the relief of Antoinette Raymonde Francoise Joseph dit Teyssier Audet dit Lapointe.

Resolution 294, for the relief of Barbara Joan Eversfield Boudrias.

Resolution 295, for the relief of Catherine Eileen Kennedy Tennant.

Resolution 296, for the relief of Frederick Roberts.

Resolution 297, for the relief of Mary Hurley Simmonds.

Resolution 298, for the relief of Jeannine Thauvoye Wiame.

Resolution 299, for the relief of Ruth Ensor Decosse.

Resolution 300, for the relief of Herbert Elliot Siblin.

Resolution 301, for the relief of Roland Malaket.

Resolution 302, for the relief of Nicole Desjardins Kudin.

Resolution 303, for the relief of Joyce Muriel Blight Smith.

Resolution 304, for the relief of Claudette Amyot Gingras.

Resolution 305, for the relief of Iris Lawson McFarlane Land.

Resolution 306, for the relief of Panagiotis Vekos.

Resolution 307, for the relief of Eva Daniel Mack.

Resolution 308, for the relief of Harold Norman MacCallum.

Resolution 309, for the relief of Dorothy Ann Derick Weir.

Resolution 310, for the relief of Mary Cameron Ross Atkinson.

Resolution 311, for the relief of May Sherwood Bishop.

Resolution 312, for the relief of Irene Dorothy Stevens Jones.

Resolution 313, for the relief of Robert John Day.

Resolution 314, for the relief of Carole Irene Leggett Paterson.

Resolution 315, for the relief of Emile Simard.

Resolution 316, for the relief of Richard Price Bradley.

Resolution 317, for the relief of Gertrude Elisabeth Drehmann Sas.

Resolution 318, for the relief of Marie Frances Theurkauf McMahon.

Resolution 319, for the relief of Ludmilla Gorny Chiriaeff.

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

Hon. Mr. Roebuck: Honourable senators, I move that these resolutions be considered on Tuesday next.

Motion agreed to.

PRIVATE BILLS

THE BELL TELEPHONE COMPANY OF CANADA—SECOND READING

Hon. Paul H. Bouffard moved the second reading of Bill S-27, respecting The Bell Telephone Company of Canada.

He said: Honourable senators, I shall be very brief in my remarks concerning this bill. It is a very simple bill, the purpose of which is to increase the number of directors of The Bell Telephone Company of Canada from fifteen to twenty.

At the present time, according to the charter of 1880, the shareholders have the right to elect not less than five and not more than fifteen directors. From time to time the company elected seven, nine, and then ten directors. Since 1927 the number of directors of the company has been fifteen. In each case the election has been made following a resolution of the shareholders.

Permission is now sought to increase this number to twenty, after the shareholders have decided to do so in a regular or special meeting called for that purpose.

When I outline the growth of the company I think this will be considered a step that is long overdue.

In 1888 the number of directors was 10, the number of telephones was 14,000—I am giving round figures—the gross receipts were $585,000, the total assets were $2 million, and the number of shareholders was 50,000.

In 1927, when they went to 15 directors, there were 668,000 telephones; gross revenue was $33 million; the number of employees, 14,000; and the number of shares outstanding, 2.1 million. In 1963, the number of telephones was 4 million; the gross revenue, $502 million; total assets, $2,300 million; number of employees, 35,000; number of shares, 26 million; and number of shareholders, 195,000.

It is felt by the shareholders that the company should now be represented by at least 20 directors, and the shareholders have passed a resolution to that effect.

I can also give some information as to the shareholders. For instance, the shareholders in Ontario number 130,000; in Quebec, 44,000; and in the remainder of Canada, 15,000. The total in Canada is 189,000, which means that practically all the shares are owned by Canadians.

The total number of shares is 26 million, that is after a division made some time ago

of four to one. There are 196,000 shareholders; men hold six million shares, and women hold nine million. Small shareholders, holding from one to twenty-five shares, hold 887,000 shares; those with 25 to 99 shares, hold 3,700,000; and from 100 to 499 shares, 9,627,000. Nearly all the shares are held by Canadians, a very small percentage being held by foreign shareholders.

If this bill receives second reading, I shall move that it be referred to the Standing Committee on Transport and Communications for further study.

Motion agreed to.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Bouffard, bill referred to the Standing Committee on Transport and Communications.

THE QUEBEC BOARD OF TRADE—SECOND READING

Hon. Paul H. Bouffard moved the second reading of Bill S-28, respecting The Quebec Board of Trade.

(Translation):

Hon. Paul H. Bouffard: Honourable senators, the effect of this bill is to revise the charter of the Quebec Board of Trade.

In the first place, the name must be changed, in order to represent a little better the activities of the Board of Trade which apply to all metropolitan businesses, so that the Quebec Board of Trade will be known under the name of "Chambre de commerce de Québec métropolitain."

This charter was granted by the federal government in 1841. It was amended once in 1845, in order to make it permanent, and once again in 1889, to enable people who had not been residing in Quebec City for two years and who had not been residents of Quebec City for two years to become members of the Board of Trade. Since the 1889 amendment, anyone, even a corporation, can be a member of the Board of Trade.

That board looks after the interests of the Quebec metropolitan area which, as defined by the Dominion Bureau of Statistics, includes the neighbouring municipalities of Sillery, Ste. Foy, Giffard, extends eastwards to the Montmorency river and, in the direction of Lévis, includes Lévis, St. Romuald and the neighbouring municipalities which are all in the Quebec metropolitan area.

The powers asked by the charter, which becomes a new act because the others will be repealed, are the usual powers of boards of trade. The title locates the head office. The objects of the corporation are broadly to defend and promote the professional and economic interests of its members, to acquire appropriate office accommodation for its activities, to organize a stock exchange if necessary, to promote uniformity in business transactions, to adjust and determine disputes and, finally, to do all the necessary publicity. It also has the right to purchase and sell any property whatsoever and to acquire new property, if need be. It has the right to enact by-laws for internal management. It has the right to invest its own funds. It determines its membership. Its board of directors must be made up of not less than 18 nor more than 35 members. It has the right to appoint officers as well as employees.

In short, those are the general powers of that corporation which promotes trade and industry in Quebec City and in neighbouring areas.

If this bill is read for the second time, I intend to refer it to the Committee on Banking and Commerce for further study.

Hon. Mr. Pouliot: Mr. Speaker, I should like to ask the hon. senator what is the exact translation of "Board of Trade".

Hon. Mr. Bouffard: The French name will be: "Chambre de Commerce de Québec métropolitain." I do not have a French version of the bill, but I know that the French name will be "Chambre de Commerce de Québec métropolitain."

Hon. Mr. Pouliot: Mr. Speaker and dear colleagues, the reason why I ask that question is that a senator introduced a bill concerning the Montreal Board of Trade which was translated in French by the words "Bureau de Commerce", an expression I have never heard. Moreover, it seems to me that the designation "Board of Trade" cannot be translated, since there already is a Chamber of Commerce in Montreal which is different from the "Board of Trade". I wonder why the Montreal "Board of Trade" is translated as "Bureau de Commerce" in French, an expression which no one will understand.

Hon. Mr. Bouffard: The reason is that there already is a Chamber of Commerce and a Board of Trade. Now, they did not want to confuse the two names, because the Board of Trade and the Chamber of Commerce are two altogether different organizations. That is why they tried to find the best name and called it "Le bureau du commerce." I do not say the name is good, but I say it was used because there already was a Board of Trade for purposes other than those of the Chamber of Commerce.

Hon. Mr. Pouliot: That is quite all right, but it was the first time I saw the expression

"Bureau du commerce", and I imagine that nobody will understand what it means.

Here, honourable colleagues, I wish to point out the fact that in trying to francize certain words to the utmost, errors are committed, and "Board of Trade" should not be translated by "Bureau du Commerce", but we should say "Board of Trade", and everyone who speaks French calls that organization "Board of Trade" rather than "Bureau du Commerce."

I think that a better translation of the bill will add nothing; only confusion would result. That has no relation with this bill, but I wonder why the name "Chambre de Commerce" was not translated by "Chamber of Commerce" which is accepted in ordinary language.

Hon. Mr. Bouffard: If there are discussions or suggestions to be made as far as the name is concerned, I am sure that my hon. friend could make them before the Committee on Banking and Commerce, and his remarks will be listened to attentively. If it is in order to change the name, that is where the change will be made because, as far as I am concerned, I have no authority to make a translation other than that one. That is the official translation given by the promoters. I am convinced that, in committee, that matter can be discussed and the change made, if necessary.

(Text):

Motion agreed to.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Bouffard, bill referred to the Standing Committee on Banking and Commerce.

MARRIAGE AND DIVORCE ACT

BILL TO AMEND—ORDER FOR SECOND READING STANDS

On the Order:

Second reading of Bill S-16, intituled: "An Act to amend the Marriage and Divorce Act".—(Honourable Senator Pouliot).

Hon. Jean-François Pouliot: Honourable senators, I ask that this order stand, but I take the liberty of reminding you of what was said at the beginning of this sitting. I would appreciate it very much if Senator Flynn is given the opportunity of discussing this bill as early as possible at the next sitting.

Order stands.

The Senate adjourned during pleasure.

ROYAL ASSENT

The Honourable Robert Taschereau, P.C., Chief Justice of Canada, Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned and being come with their Speaker:

The Honourable Alan A. Macnaughton, Speaker of the House of Commons, then addressed the Honourable the Deputy of His Excellency the Governor General as follows:

May it please Your Honour:

The Commons of Canada have voted certain supplies required to enable the Government to defray the expenses of the public service.

In the name of the Commons, I present to Your Honour the following bill:

An Act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1965.

To which bill I humbly request Your Honour's assent.

The Honourable the Deputy of His Excellency the Governor General was pleased to give the royal assent to the said bill.

The House of Commons withdrew.

The Honourable the Deputy of His Excellency the Governor General was pleased to retire.

The sitting of the Senate was resumed.

The Senate adjourned until Tuesday, June 2, at 3 p.m.

THE SENATE

Tuesday, June 2, 1964

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

Prayers.

DOCUMENTS TABLED

Hon. John J. Connolly tabled:

Copy of Order in Council P.C. 1964-373, dated March 12, 1964, authorizing the manner in which fishing bounty may be distributed for the year ended March 31, 1964, together with a statement of such payments for the said year, pursuant to section 4 of the Deep Sea Fisheries Act, chapter 61, R.S.C., 1952. (English and French texts).

Report on the Operations of the Exchange Fund Account for the year ended December 31, 1963, together with the Financial Statement for the said year, pursuant to section 26 of the Currency, Mint and Exchange Fund Act, chapter 315, R.S.C., 1952. (English and French texts).

Statutory Orders and Regulations published in the *Canada Gazette*, Part II, of Wednesday, May 27, 1964, pursuant to section 7 of the Regulations Act, chapter 235, R.S.C., 1952. (English and French texts).

PRIVATE BILLS

THE DOMINION OF CANADA GENERAL INSURANCE COMPANY—FIRST READING

Hon. T. D'Arcy Leonard presented Bill S-30, respecting The Dominion of Canada General Insurance Company.

Bill read first time.

Hon. Mr. Leonard moved that the bill be placed on the Orders of the Day for second reading on Thursday next.

Motion agreed to.

THE CASUALTY COMPANY OF CANADA—FIRST READING

Hon. Mr. Leonard presented Bill S-31, respecting The Casualty Company of Canada.

Bill read first time.

Hon. Mr. Leonard moved that the bill be placed on the Orders of the Day for second reading on Thursday next.

Motion agreed to.

DIVORCE

REPORTS OF COMMITTEE PRESENTED

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 332 to 370, inclusive, and moved that the said reports be taken into consideration on Thursday next.

Motion agreed to.

GENEVA CONVENTIONS BILL

AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Gunnar S. Thorvaldson, Chairman of the Standing Committee on External Relations, presented the following report of the committee on Bill S-25, respecting the Geneva Conventions, 1949:

> Your committee recommend that authority be granted for the printing of 800 copies in English and 300 copies in French of their proceedings on the said bill.

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

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

Report adopted.

REPORT OF COMMITTEE ADOPTED

Hon. Mr. Thorvaldson, Chairman of the Standing Committee on External Relations, reported that the committee had considered Bill S-25, respecting the Geneva Conventions, 1949, and had directed that the bill be reported without amendment.

Report adopted.

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

Hon. Mr. Thorvaldson moved that the bill be placed on the Orders of the Day for the third reading at the next sitting.

Motion agreed to.

COLUMBIA RIVER TREATY

NOTICE OF MOTION FOR APPROVAL

Hon. John J. Connolly: Honourable senators, I give notice that on Thursday next, June 4, I will move:

> That it is expedient that the Houses of Parliament do approve the ratification of the treaty between Canada and the United States of America relating to co-operative development of the water resources of the Columbia River Basin, signed at Washington on January 17, 1961, and the consequent coming into force of the protocol thereto annexed to the exchange of notes signed at Washington on January

22, 1964, and that this house do approve the same.

Hon. A. J. Brooks: I take from the notice that there will be a debate on this subject on Thursday next.

Hon. Mr. Connolly (Ottawa West): Yes. The intention is that we in this chamber should have a debate on the treaty and the motion for its approval. From talking to a good many honourable senators who have expressed interest in it, I think the treaty should be considered also by the Standing Committee on External Relations.

I should add that the debate may not proceed on Thursday. However, if it is desirable to go ahead with it on Thursday, then at least we will be in a position to do so.

Hon. Mr. Brooks: Will the debate in this chamber be concurrent with the debate in the other place, or has it been concluded there?

Hon. Mr. Connolly (Ottawa West): I think after the debate has been concluded in the other place we shall be in a better position to debate the matter here. But we shall cross that bridge when we come to it. It will depend upon how the debate proceeds in the other place. The members there have made an intensive and exhaustive study of the whole matter in committee, but just how long it will be before the debate in the house is concluded no one can prophesy.

Hon. Mr. Brooks: It is my understanding that the debate in the other place has not yet commenced.

Hon. Mr. Connolly (Ottawa West): I am told there is a possibility of it starting today.

REFUND OF FEES

THE GENERAL COUNCIL OF THE CANADIAN BRANCH OF THE ST. JOHN AMBULANCE ASSOCIATION

Hon. John J. Kinley, with leave of the Senate, moved:

That the parliamentary fees paid upon Bill S-5, intituled "An Act respecting The General Council of Canadian Branch of the St. John Ambulance Association", be refunded to the petitioners, less printing and translation costs.

Motion agreed to.

BUSINESS OF THE SENATE

On the Orders of the Day:

Hon. John J. Connolly: Before the Orders of the Day are called, I would ask if all honourable senators would agree to vary the order of the items on the Order Paper by dealing first with Order No. 5, second reading of Bill C-98, to amend the Bank Act and the Quebec Savings Banks Act. As the second item of business I would ask leave to proceed with Order No. 8, the resumption of the debate on Senator Pouliot's motion.

If honourable senators agree, I would ask the Clerk Assistant to call the items in that order.

Hon. Senators: Agreed.

BANK ACT—QUEBEC SAVINGS BANKS ACT

BILL TO AMEND—SECOND READING

Hon. T. A. Crerar moved the second reading of Bill C-98, to amend the Bank Act and the Quebec Savings Banks Act.

He said: Honourable senators, this bill is a simple one. It can scarcely be said to have any principle at all.

Hon. Mr. Hugessen: It is an "unprincipled" bill.

Hon. Mr. Crerar: In the exigencies of fortune, the Bank Act and the Quebec Savings Banks Act come up for revision this year. If nothing is done the charters of both will expire at the end of this month, and we should then be without banking facilities. I have been told that the Government had intended to proceed earlier with the revision of these acts, but after careful consideration, and apparently with general public agreement, it was decided to postpone this decennial revision of these acts until Members of Parliament and the public generally had had an opportunity to digest the massive report of the Porter Commission on Banking and related subjects. Quite obviously, we already know enough of the contents of that report to understand that it will have a very definite bearing, in its recommendations, on any consideration of a revision of these two statutes.

Consequently, all this simple bill does is extend for one year the revision of the Bank Act and of the Quebec Savings Banks Act, so that an opportunity will be available to those who wish to study further the Porter Commission Report. That is really all there is to this measure. It simply extends for one year the operation of the Bank Act and the Quebec Savings Banks Act.

I thought I should give a little information on the matter of these extensions, and it may be of interest to senators, as it was to me. The original Bank Act was passed first in 1871, a few years after the Confederation of the Canadian provinces. It evidently became apparent to the statesmen of those days that the existing banks should be brought under a measure of regulations and have definite statutory authority.

Thereafter the Bank Act was revised every ten years, with one or two exceptions when a general election or something else intervened.

So far as the Quebec Savings Banks are concerned, they are in precisely the same position. The original act affecting them was passed in 1890. The act was repealed and a new act was passed in 1953 or 1954. Many senators who were in the house at that time will remember the discussions which took place then. There were further revisions in 1957. These banks also have no authority after the end of this month.

This bill is simply an extension of the charters for one year, and I cannot see that there could be any exception taken to that. Let me repeat that the reason for the extension is to afford an opportunity not only to members of both houses but to the public generally and to all interested persons to study the recommendations of the Porter Commission and the reasons therefor, in regard to the operations of our banks and related subjects.

Hon. A. J. Brooks: Honourable senators, as Senator Crerar has said, there is nothing at all to take any exception to in this bill. If the bill is not passed, it will certainly be most embarrassing. I can see no reason in the world why the bill should not be passed, and every reason why it should.

Hon. Mr. Grosart: The honourable sponsor of the bill (Hon. Mr. Crerar) spoke of the savings banks in the plural. I know that originally there was only one bank, but is there only one bank involved in this bill now before us?

Hon. Mr. Crerar: All banks are involved.

Hon. Mr. Roebuck: That is what I was going to ask. This bill is with respect to the Quebec Savings Banks—

Some Hon. Senators: No, no.

Hon. L. M. Gouin: In answer to the question Senator Roebuck was about to ask, may I say that I am Vice-President of the Montreal City and District Savings Bank, which is doing business in the Montreal District of Appeal. The other savings bank is the Caisse d'epargne de Quebec. It is doing business in what we call the Quebec District of Appeal. There are only two savings banks in Canada, both in the Province of Quebec, one in Montreal and the other in Quebec City.

Our Montreal Savings Bank is more than 100 years old. Our statute is to a large extent the same as that of the so-called chartered banks. However, the chartered banks engage in commercial operations, which our savings banks are not allowed to do. Otherwise, to a great extent their powers are the same as those of other banks. In the old days there were several savings banks in different parts of Canada, which have since ceased to do business.

I will be glad to answer any questions that might be put concerning our two Quebec savings banks.

Hon. Jean-François Pouliot: Honourable senators, I have no objection to this bill, but I have a question to put to the Government.

We have received the report of the Porter Commission, both in French and English. They are two bulky books. The printing is beautiful and is done on the choicest paper. The books are well bound, but they are too heavy and are very difficult to handle. Also, the paper is glossy; therefore, the print is very difficult to read, although it has been well done on splendid paper.

My suggestion is that there should be a paperback edition of the Porter Commission report in both languages, so that we can carry it without the need of a special brief case or a trunk. As it is at present, we must put it on a table to read it.

I have made my suggestion, which is a simple one, and I will not repeat it. I know that our leader (Hon. Mr. Connolly, Ottawa West) who is always willing to help us, will submit that suggestion to whom it may concern. It would not be very expensive, and one presumes everybody would appreciate it.

Hon. John J. Connolly: Honourable senators, it might help if I make a simple reply to the question Senator Roebuck has raised.

Looking at the Bank Act, which is chapter 48 of the Statutes of Canada, 1953-54, section 2 (1)(c) defines the word "bank" as follows:

> "bank" means a bank to which this Act applies;

Section 4 states:

> This Act applies to
>
> (a) each bank enumerated in Schedule A,
>
> (b) an amalgamated bank as specified in subsection (5) of section 100, and does not apply to any other bank.

Schedule A contains the names of the important banks incorporated under the act.

Hon. Mr. Grosart: According to the Orders of the Day, the title of the bill is "An Act to amend the Bank Act and the Quebec Savings Bank Act." Whereas, Bill C-98 gives as the title "An Act to amend the Bank Act and the Quebec Savings Banks Act." So the title in the Orders of the Day is not correct.

Hon. Mr. Connolly (Ottawa West): The honourable gentleman is quite right.

Hon. Mr. Cameron: May I ask Senator Crerar a question with respect to this particular bill? Will it have any effect on applications for charters now pending before the Senate?

Hon. Mr. Crerar: As I understand the question of Senator Cameron, it is this: Will the passage of this bill have any effect on pending applications for bank charters? No, it will not. If, in the good judgment of Parliament, charters are issued for new banks before the Bank Act revision ultimately takes place, they will operate under the existing Bank Act. If they are not issued, of course they do not operate. So I do not think there can be any difficulty on that point at all.

The applications that we have before Parliament for the incorporation of new banks are wholly independent and separate from the proposals in this measure. This is simply to enable the banks to continue in business after the end of this month.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

Hon. Mr. Crerar: Honourable senators, is it your wish that the bill be referred to committee?

Hon. Mr. Croll: No.

Hon. Mr. Crerar: Do I understand that the bill is to be sent to the Banking and Commerce Committee?

Hon. Mr. Brooks: For what purpose? There is no desire to do so.

Some Hon. Senators: No.

Hon. Mr. Aseltine: Third reading next sitting.

Hon. Mr. Roebuck: I think the bill should go to the Banking and Commerce Committee. I raised a question on a matter of which I was not at all clear, nor am I yet clear as to the whole purpose of the amendments. I would be more satisfied if the bill were reported on by the Banking and Commerce Committee.

Hon. Mr. Brooks: May I say that we on this side have no objection to the bill going to committee. Senator Roebuck thinks that it should be referred.

Hon. Mr. Connolly (Ottawa West): Honourable senators, if there is a desire on the part of anyone that the bill should go to a committee, I think it would be more satisfactory to do so. There are not many senators who can explain a bill on second reading and then receive almost unanimous consent that it should not go to a committee, but perhaps Senator Crerar will not mind in these circumstances.

Hon. Mr. Crerar: There is no more agreeable mortal on earth than I, when it comes to a matter of this kind. If the bill goes to committee one or two questions will be asked, it will come back for third reading and receive the royal assent.

Honourable senators, in order to terminate this discussion, and to save time, I move that the bill be referred to the Standing Committee on Banking and Commerce.

An Hon. Senator: On division.

On motion of Hon. Mr. Crerar, bill referred to the Standing Committee on Banking and Commerce.

MARRIAGE AND DIVORCE ACT

MOTION TO REFER BILL TO SUPREME COURT—DEBATE CONTINUED

The Senate resumed from Tuesday, May 19, the adjourned debate on the motion of Hon. Mr. Pouliot:

> That in the opinion of this House, the Government should immediately refer to the Supreme Court of Canada, for the opinion of that Court, the question of the constitutional validity of Bill S-16, intituled: "An Act to amend the Marriage and Divorce Act."

(Translation):

Hon. Jacques Flynn: Honourable senators, the resolution proposed by Senator Pouliot exemplifies his character, his fighting spirit and his steadfastness of purpose. People know Senator Pouliot especially because of his long political career. It will be forty years next December that he entered Parliament. Throughout that period, he has been sitting continuously in one place or the other. He has been in this Chamber for almost ten years.

However, I think that the other facet of his personality is less well known. Some might be unaware that he has always been a true jurist, and that just a few years after the beginning of his legal career he published a municipal code and compiled a book of parochial statutes. He has always taken an interest in legal problems, as shown by his numerous interventions in this house. I think, once again, that the resolution he has moved stems mainly from his judicial mind. He asks us to urge the government to submit Bill S-16 to the Supreme Court.

Of course that resolution is based on section 55 of the Supreme Court Act which provides that important matters of law or fact touching the interpretation of the British North America Act or the constitutionality

or interpretation of any federal or provincial legislation may be referred by the governor in council to the Supreme Court. The resolution is based on that section rather than section 56 which confers to the Supreme Court, according to the Standing Orders of this house or of the other place, the right to consider the constitutionality of a private bill.

I wish to say now that I am in complete agreement with Senator Pouliot in that it is really a public bill. When this resolution was first called, I pointed out that, in my view, it would be easier to consider it after we had examined the bill itself. The mover did not think so. He suggested that the committee to which a similar bill was referred last year, had not given his bill the consideration it deserved. He would prefer to have the whole discussion take place in this house. As the discussion on the resolution progresses, perhaps he will change his mind. In the circumstances however, and since we are now considering the resolution, we must examine the problem from this angle only.

Of course, we cannot but discuss Bill S-16 itself, I agree; but I do not think it is easy to consider Bill S-16 in detail during a general debate as this resolution will have us do.

Bill S-16 deals with the legal status of married women. It could be said, I think, that its object is the emancipation of married women of Quebec or rather that the mover of the bill wishes to emancipate the married women of Quebec. This is the object of the bill, though we should forthwith say that the bill does not apply locally, but nationally, and would affect the legislation in other provinces as well as the law of the province of Quebec in respect of the legal status of married women. But did Senator Pouliot only intend to emancipate the married women of Quebec?

I think that the aim is rather to submit to the Supreme Court, not so much the problem of the legal capacity of married women, but the jurisdictional conflicts which may result from the interpretation of sections 91 and 92 which award, on the one hand, to the central government, that is to the federal parliament, jurisdiction in matters of marriage and divorce, and, on the other hand, under section 92, to the provinces, jurisdiction with regard to the solemnization of marriage and property as well as civil rights; because, if the mover only wanted to emancipate, if I may say so, or to abolish the state of bondage of married women in the province of Quebec, I might say that the work is already half done, if not entirely finished, now that the Quebec legislature passed its bill No. 16. It is a strange coincidence that the provincial legislature of Quebec should have passed a bill bearing the same number as the legislation which may eventually be submitted to us by Senator Pouliot. That bill has, I think, been read for the third time last Friday in the Legislative Council, where it had been amended to a considerable degree. It was again submitted, as amended, to the legislature last Friday, where it was passed without further amendments.

Obviously, from a strictly legal point of view, the main problem was most definitely the system of joint property in the province of Quebec. It was not possible to tell Quebec married women overnight that their legal status was exactly the same as that of single women regardless of their matrimonial system. At any rate, Bill S-16, which has only to receive royal assent, settles the essential points regarding certain incapacities which were obviously outdated.

Consequently, the purpose of this resolution is to ask the Supreme Court of Canada to determine whether the provisions concerning marriage which were enacted by the provincial legislatures since 1867 are ultra vires and whether the federal government could change such legislation.

In other words, does section 91 of the British North America Act, when conferring to the federal Parliament jurisdiction over marriage and divorce, merely mean that the federal Parliament alone will have jurisdiction to determine the necessary qualifications to contract marriage or does it say more than that?

Senator Pouliot seems to suggest that when marriage is concerned one must necessarily take into account the civil consequences of marriage not only with respect to the wife but also with respect to relations between husband and wife as a consequence of marriage and also with respect to children. All civil consequences of marriage, according to Senator Pouliot, would come under the exclusive jurisdiction of the federal Parliament.

Of course, when last year, the bill he introduced on the same subject matter was deferred to the miscellaneous private bills committee of this house, Senator Pouliot clearly stated his position.

Since 1867, the federal parliament was content to pass only one act concerning marriage and divorce which I believe is chapter 176 of the Revised Statutes of Canada.

Hon. Mr. Connolly (Ottawa West): What year?

Hon. Mr. Flynn: 1952, the last. We must consider section 129 of the British North America Act which says:

> Except as otherwise provided by this Act, all Laws in force in Canada, Nova

> Scotia, or New Brunswick, at the Union, and all Courts of Civil and Criminal Judisdiction, and all legal Commissions, Powers, and Authorities, and all Officers, Judicial, Administrative, and Ministerial, existing therein at the Union, shall continue in Ontario, Quebec, Nova Scotia and New Brunswick respectively, as if the Union had not been made; subject nevertheless (except with respect to such as are enacted by or exist under Acts of the Parliament of Great Britain or of the Parliament of the United Kingdom of Great Britain and Ireland,) to be repealed, abolished, or altered by the Parliament of Canada or by the Legislature of the respective Province, according to the Authority of the Parliament or of that Legislature under this Act.

It could well be said that the federal Parliament was satisfied with the legal provisions then in existence in the provinces and did not want to interfere. As a matter of fact, we quite agree that, if the federal Parliament did not amend, for instance, a provision of the civil code as it stood in 1867, that provision remains valid. Therefore, the problem is to know if the new provisions or the amendments made since 1867 in matters of marriage and divorce or which could affect the civil consequences of marriage are ultra vires, as suggested by Senator Pouliot. Of course, there is the specific case I pointed out, that of the Marriage and Divorce Act, chapter 176, which sets out certain conditions to enter into marriage. In my opinion, that act amended the provisions of the civil code, and may have changed the terms and conditions of some statutes that may have been in force at the time in New Brunswick, Ontario or Nova Scotia, at all events, in the provinces that entered into confederation.

Of course, this is a very important question, but I feel that when one refers to the wording of the British North America Act—the texts I quoted previously—section 91 that says, on the one hand, that the federal parliament has jurisdiction in the field of marriage and divorce, and section 92 that says that the legislature is responsible for the solemnization of marriage and in the sector of civil and property rights—by considering those texts as a whole, one must of necessity come to the conclusion that the federal parliament has jurisdiction only as far as the necessary conditions to get married, and that does not go further.

Hence I draw a first argument from the fact that, if this did go further, why would the marriage solemnization have been taken out of the subject matter if, when the British North America Act deals with marriage, it also means the civil effects of marriage? Why merely take out this minor provision that deals with the solemnization of marriage?

Of course, the second argument is that provincial legislatures have jurisdiction in the field of property and civil rights and that civil consequences of marriage certainly form part of property and civil rights.

This is to say that I do not agree with Senator Pouliot. I have much respect for his opinion, and the more so inasmuch as he had on his side to support him, in 1958, when he referred the problem to the premier of the Province of Quebec, when he was a member of the committee for revision of the Civil Code, none other than the former Chief Justice of Canada, the Right Honourable Thibaudeau Rinfret.

But if there is any difference of opinion between himself and some jurists, on the one hand, and, if I may say so, the body of the present jurists, on the other hand, does this justify referral to the Supreme Court of Bill S-16 which is before us? In my opinion, this is only an academic difference, which would not warrant asking the Supreme Court for a ruling.

I say this would not be justified. First of all, there is no real conflict between the federal government and the provincial governments, because, since 1867, the federal parliament always interpreted section 91, granting it jurisdiction in matters of marriage, as limiting its power to the strict requirements to contract marriage. In fact, such is the position taken by the federal government. Besides, since 1867, the provinces always considered that they had jurisdiction in matters relating to civil consequences of marriage. Then, there is no real conflict at the present time. There can be a theoretical conflict, an academic conflict, but there is no real conflict.

The second point I should like to stress and because of which I think we should reject Senator Pouliot's resolution is that indeed, if there really existed the serious doubt he is suggesting, the Supreme Court, through the years since 1867, would certainly have had an opportunity to make a ruling. In other words, there were all kinds of judicial conflicts of a private nature which would have

brought the matter before the Supreme Court. There were some decisions, of course, dealing indirectly with the problem, decisions which Senator Pouliot mentioned himself before the committee that studied his bill last year and which the Law Clerk also mentioned in the opinion he gave at that time. But those are not decisions dealing specifically with the case at issue, that is whether the jurisdiction of the federal Parliament overrides the strict frame of qualifications and conditions required to be able to contract marriage.

In other words, Senator Pouliot brings up a very fine legal point. But when the Quebec Bar or the bar of other provinces, the legal minds of our law schools, the attorneys general of the provinces, the attorney general of Canada, when all those people see no conflict, do not discuss the issue, do not see any real problem, I fail to see why the Senate should want—even though it might be a very agreeable task from a strictly academic and intellectual point of view I am sure—to deal with that matter which might have been brought up in 1958 in the circumstances I mentioned. How could the Senate, today, on the strength of those facts alone, ask the government of Canada to bring the matter before the Supreme Court?

There are many other questions of constitutional law, of real conflict between the federal government and the provinces, which could be dealt with by the Supreme Court, before we ask them for a ruling on a matter which, I repeat, is very interesting for a jurist, very interesting in the perspective under which it was presented to us by Senator Pouliot, but which, as a matter of fact, certainly has not the necessary qualifications to justify the government to ask the Supreme Court for a ruling in the matter.

(Text):

Hon. Arthur L. Beaubien: Honourable senators, on behalf of Senator Dupuis, I move that this debate be adjourned.

Hon. Mr. Pouliot: Honourable senators, may I ask the honourable gentleman if Senator Dupuis will be present tomorrow?

Hon. Mr. Beaubien (Provencher): Senator Dupuis asked me to adjourn the debate for him. Like my honourable friend, I always like to render a service.

Motion agreed to.

PRIVATE BILL

BANK OF BRITISH COLUMBIA—MOTION FOR SECOND READING—DEBATE CONTINUED

The Senate resumed from Thursday, May 28, the adjourned debate on the motion of Hon. Mr. Farris for the second reading of Bill S-20, to incorporate the Bank of British Columbia.

Hon. L. P. Beaubien: Honourable senators, before commencing I would like to say I am sorry that Senator Farris is not present today, for I would have liked to have told him how able I thought he was in his presentation, and to congratulate him upon it. I listened to him with the greatest of interest, and I must say I was impressed by the adroit way in which he made an excellent case for what I think is a bad bill.

May I say to Senators White, Cook, Lambert and Pouliot that I regret not being in the chamber when they made their excellent speeches. I have read their speeches carefully, and congratulate them most sincerely.

With the opinions expressed by the honourable sponsor of this bill and the four honourable senators who followed him in this debate, the subject has been more than well covered from every conceivable angle. Therefore I am not going to tackle the whole field, but will concentrate on those aspects of the bill that I consider the most important.

All honourable senators will agree, I think, that if a charter is granted to this bank then the bank will be, or could be, controlled by the Government of the Province of British Columbia. As Senator Cook put it, if participation to the extent of 25 per cent as contemplated by the province is not sufficient, then the province can buy more shares if it wishes to assume control. Each provincial government, quite naturally, controls its natural resources, and if it wished to do so it could influence people and corporations who hold timber limits, mineral rights, etcetera, to deal with its bank. Also, those who build roads and bridges, and even those who sell liquor to the provincial liquor board, could, no doubt, be prevailed upon to patronize the bank of the province. Honourable senators will not have to let their imaginations run riot in order to be able to mention many refinements of the gentle art of extortion which a government-controlled bank could put its hand to if it wished.

My dear colleagues, I am not accusing the Premier of the Province of British Columbia,

or his government, of having any such intentions. Furthermore, I do not think that the intentions of the honourable gentleman in question should sway us one way or another in our decision. I am thinking simply of the principle involved. If we grant a charter to one province, can we deny a charter to another such applicant? We cannot base our judgment on approval or disapproval of any one provincial leader, for provincial leaders come and go. The Province of Quebec has had four premiers in five years.

Honourable senators, we are called upon to decide now whether or not we will grant ten provincial bank charters, whether or not premiers in the generations to come will control the banks. A charter once granted will not be surrendered in a hurry. I maintain that if we grant these charters then sooner or later a political party will start using the bank as a sort of toll gate. Sooner or later it will undermine public morality. Sooner or later such action will divide Canada into ten little economic camps. Our excellent system of chartered banks, which is the best in the world, would commence dying on the vine, and it would die very quickly if the big provinces followed British Columbia's example.

Honourable senators might be interested to know that the issued and outstanding shares of our seven big chartered banks have a combined market value of about $1,900 million. These shares are owned by our people. They are part of the people's savings. They are owned by our pension funds and insurance companies. If we did anything to shake confidence in these institutions then Canada's economy would suffer. Those who worry about the amount of foreign capital coming into this country would find they had new problems of a more distasteful nature with which to contend.

I am not trying to say that our chartered banks are hothouse flowers that should be protected from competition; far from it. Our chartered banks are able institutions. They are well managed, and they have the respect and support of the public. They can live and thrive with any competition that observes the same rules they do, but, I say they cannot compete with the Crown if the Crown wants to use its vast influence to deprive them of their customers.

In a few words I have tried to prove that we have a great deal to lose if provincial politicians, once granted a bank charter, should use their bank as a sort of fund-raising institution. On the other hand, what have we to gain? If a provincial bank were to act normally, then I point out that that function is already being adequately performed by existing chartered banks. If honourable senators look at page 120 of the Report of the Royal Commission on Banking and Finance they will see that British Columbia has more banks per capita than any other province, and more than twice as many per capita as the United States of America.

The argument that British Columbia should have a bank with its head office in the province does not impress me very much. Let the people of British Columbia put up the money, if they want such a bank, and let it be clearly and simply a bank that can stand on its own feet. By that I mean that such a bank should not be a subsidiary of any company, and should not be controlled by any one person or any small group of persons. It should be a company with its voting shares well distributed, as are the shares of the chartered banks. If such a bank had no connection with a provincial government then I would be glad to support its application for a charter.

In my opinion, there is no body in Canada that is better suited to understand and judge the merits of this bill than this honourable house. We should deal with it firmly. I repeat that I think the principle of this bill is bad. I am going to vote against it, and I ask all honourable senators to do likewise.

Hon. A. K. Hugessen: Honourable senators, I have listened with a great deal of interest to the debate that has taken place on the second reading of this bill. Following the example of some honourable senators, I think I should say at once that I am not a director of any of our chartered banks, although I do happen to be a small shareholder in some of them. I am not aware that my judgment is influenced in any way by that circumstance.

Generally speaking, I do not think I agree with Senator White when he says there is no need for more chartered banks in this country. I think there is quite a field for additional chartered banks, for two reasons. The number of our chartered banks has gone down to so great a degree in the last 30 or 40 years that there are now only eight or nine such banks in operation. A little more competition from new chartered banks will be a desirable thing.

The second reason which strikes me is one which was mentioned by my honourable friend Senator Lambert. It will be a good thing if we get away from the concentration of bank headquarters in the cities of Montreal and Toronto. Under present conditions, with the west developing so rapidly, I, like my honourable friend who has just spoken, would welcome banks which had their head offices in other parts of the country. I am glad to see that of the three applications for new bank charters now before us, one bank proposes to have its head office in Winnipeg and the other two in Vancouver.

As regards Vancouver, I should issue a caveat. The honourable senator who introduced this bill (Hon. Mr. Farris), and who I am sorry is not in his place this afternoon, rather led us to believe that the exhilarating air of British Columbia is such that it has a eupeptic effect upon bank managers there and causes them to grant loans to their customers on inadequate security which we in the effete east would perhaps not do. I suggest that sound banking is sound banking, whatever may be the atmosphere in which the bank manager happens to live. Therefore, I wish to issue that short caveat about the remarks of my honourable friend.

With these preliminary observations, I come to the consideration of the bill that is now before us.

Honourable senators, I am wholeheartedly with those who have spoken in opposition to this bill. I intend to vote against it myself on second reading, largely for the same reasons which they have given and which can be summarized in one short sentence: Banking and politics do not mix.

I do not need to repeat the arguments of my honourable friends, but I wish to emphasize what seems to me a constitutional issue. As we are all aware, banks and banking come within the purview of the federal Parliament, under the British North America Act. A province cannot enter directly into the business of banking. That position has been upheld by our Supreme Court in the case of Mr. Aberhart of Alberta. It seems to me that we are faced here with the position in which we are told that the Government of British Columbia is going to take a 25 per cent share interest in this bank. The proponent of this bill himself admitted in his speech that in normal circumstances a 25 per cent interest is effective control where the other shareholdings are scattered.

Under those circumstances, the attempt of the Province of British Columbia to exercise share control over the new bank is in effect trying to do indirectly what they cannot do directly under the B.N.A. Act.

We were told by the honourable sponsor of the bill about the wishes of the Premier of British Columbia and about the resolution adopted by the Legislature of British Columbia. It was suggested to us that we should take these things into consideration and not object to what the premier and the legislature wished to do. I cannot accept that position. This is a federal matter, and this Parliament has to make a decision in the interests of Canada as a whole. We cannot abdicate our responsibility in favour of the Legislature of British Columbia.

Honourable senators, I wish to remind you that this is not the first time that the Parliament of Canada has had to take action to restrain the Premier of British Columbia from doing something contrary to the interests of Canada as a whole. You will recall that in 1954 the premier proposed to sell to Mr. Henry Kaiser of the United States the right to construct a dam at the outlet of the Arrow Head Lakes on the Columbia River, in British Columbia, to permit Mr. Kaiser to produce a considerable quantity of electric power for a factory he proposed to build.

The objections to that were twofold. First of all, the consideration which the premier was proposing to get from Mr. Henry Kaiser for that enormously valuable privilege was simply derisory.

Secondly, if that scheme had gone through it would have interfered with and perhaps entirely prevented the enormous scheme for the development of the whole Columbia River, which we will have to consider in a few days when we discuss the resolution introduced by my honourable friend the Leader of the Government this afternoon.

The Parliament of Canada had to act in 1955, by passing the International River Improvements Act, which provided that nobody could build any work in any international river flowing from Canada across the border, which affected the flow of that river over the border, without the permission of the Governor General in Council. That was the manner in which the Premier of British Columbia was restrained in 1955.

Hon. Mr. Brooks: Might I ask, did he have authority before that act was passed here, or was it not *ultra vires* even then for the Province of British Columbia to try to give authority to build that dam?

Hon. Mr. Hugessen: That would be a doubtful point, because the work itself was entirely within the province. The reason the federal Parliament was able to take authority was because it was in an international river and the work was proposing to affect the flow of the river beyond the country. There was no specific statute in existence until the act of 1955 permitting the federal Parliament to act.

I would also remind my honourable friends that this is not the first time that the Government of this country has had to restrain a Social Credit provincial government from attempting to enter the banking business. You will remember the case of Premier Aberhart, of Alberta, in the year 1936. I believe it was referred to by my honourable friend, Senator Pouliot, in the debate on this bill last Thursday. In that case, the government had to act, and it acted, if I remember rightly, in two ways. First, it submitted to the Supreme Court the proposed banking legislation of the Province of Alberta, which the Supreme Court promptly declared to be *ultra vires* of the province. Secondly, if I remember rightly, it had also to disallow one or more of the pieces of provincial legislation which had been enacted by the Alberta legislature.

In the present case, honourable senators, it is the Senate which is in the front line. My view is this: The statements made by the proposer of this bill (Hon. Mr. Farris) in his opening speech, coupled with the resolution of the Legislature of British Columbia to which he referred us, forces us to face on second reading, fairly and squarely, this question of principle: Should a provincial government be allowed to own the controlling share interest in a federal chartered bank? I personally think that that would be a deplorable principle for us to agree to, for the many reasons which have already been advanced by some of the other speakers in this debate, and particularly by the honourable gentleman who preceded me (Hon. Mr. Beaubien, Bedford). I think we have to face this question fairly and squarely on the second reading of this bill. That is my reason for saying, as I repeat now, what I said at the beginning of my remarks, that I intend to vote against the second reading of this measure, and I can only hope that those of my honourable friends who think like me will do the same.

Hon. Mr. Croll: May I ask the honourable gentleman a question?

Hon. Mr. Hugessen: Yes.

Hon. Mr. Croll: Let us assume that we turn down the application for this bank, and we grant the application to the Laurentide Bank, which is located in British Columbia and has its head office there, and the province then proceeds to pick up 25, 30 or 35 per cent of the stock, which would not be very difficult to do, in those circumstances, where would we stand?

Hon. Mr. Hugessen: What is the difference in principle? Well, we are not at the moment faced with that question at all. Did my honourable friend happen to attend the last meeting of the Banking and Commerce Committee where the Laurentide Bank application was considered?

Hon. Mr. Croll: Yes.

Hon. Mr. Hugessen: According to them, they are going to offer their shares to a very wide circle of the public in such a way that there will be no controlling interest. There is nothing to prevent anybody, I suppose, from attempting to acquire a controlling interest in the shares of any company, but it is a very difficult thing to do with a bank which has a great number of shareholders; and the disadvantage of a province attempting to do that, to my mind, resides precisely in the legal question whether they have the constitutional right to do so—whether some of the other shareholders could not attack them right away if they attempted it.

Hon. Arthur W. Roebuck: Honourable senators, I have not studied this matter with the same great care as have some other senators, but I would like to make my position clear with regard to this and other applications for bank charters. As all honourable senators know, I am a free-trader. As a rule, I am prepared to allow businessmen to do those things which are in their best interests and, therefore, usually in the interest of the public at large. In general, I am not in favour of restrictions imposed from above.

My honourable friends have been talking about the Constitution. It seems to me quite clear that we have a perfect right either to issue a charter or not to issue a charter, as in our good judgment we see fit. Banking, the issue of paper money, and so forth, are within our jurisdiction by virtue of the British North America Act. However, the rights and wrongs of this situation do not rest there. The people of British Columbia, or of any other province, and indeed the legislatures of the provinces, also have certain rights. One is with respect to property and civil rights. If we interfere with the exercise of provincial rights with regard to property and civil rights, we are assuming something far beyond our jurisdiction. Our right is to decide whether we shall issue a charter. The province's right is to say whether the shares of a company within the province, or within Canada, shall or shall not be dealt with in that province by the individuals there, or indeed by the government there. That is not our business. If the government of the Province of British Columbia wishes to buy shares in a bank, that is an exercise of property and civil rights. That is not the incorporation of banks.

Honourable senators, for us to say we will not incorporate a bank because one of the

provinces may acquire some of its shares is going far beyond our jurisdiction, and far beyond what is wise on our part in the carrying on of the financial business of this nation. If we were to refuse the incorporation of a bank, say, because a provincial government may acquire some or all of its shares, would that not apply to every other company which we are asked to incorporate?

Recently, someone mentioned the acquiring by the Province of Quebec of a controlling interest in some or all of the power companies of that province. I can imagine all sorts of abuses the Province of Quebec might impose upon the people there because of the power that was acquired by their provincial government in the control of those shares. Indeed, I think I could set up straw men by the dozen and knock them down. Shall we then refuse to incorporate a power company because the province may acquire some or all of its shares, and wrongfully abuse its power, to the injury of the people in that province? Well, hardly.

Moreover, if we are to refuse this charter because of the prospective purchase by the province of shares in the company which we have incorporated, what about the companies that are already incorporated, as my friend Senator Croll has just mentioned? There is no law in Canada that prohibits a provincial government from buying shares in a chartered bank; nor is there any law which prevents a provincial government from buying shares in any company incorporated by the dominion, or by itself. That is a matter of property and civil rights; and for us to interfere would be wrong. If the provincial government abuses its powers acquired by the ownership of shares, that is something for the provincial government to answer to the people of that province, and not to us.

Honourable senators, as I stated, I have not studied this measure in great detail, but I have yet to hear anything that influences me to vote against the granting of this charter. Therefore, I intend to vote to send this bill to a committee of the house for further consideration.

Hon. T. A. Crerar: Honourable senators, there are two aspects in my consideration of this proposed bill. First, there is the question of whether or not it is desirable to give charters to responsible people who wish to organize a bank.

Let me say at once, I have no sympathy with the argument that we have now a sufficiency of chartered banks. That is of course a matter of opinion. I should think that our population has increased by several millions since the last charter for a bank was issued. Certainly, the commerce of the country has increased enormously. If that is so, and I believe it is, I cannot see the reason why we should refuse to give a charter to a bank on the bare argument that we have enough banks now. I do not believe in that principle; I believe in the principle of competition.

In so far as this particular application for a charter is concerned, there is a proposal in it that gives me a great deal of concern. I do not like the idea of a province, any province, controlling a bank. I may be wrong—it may be my judgment in this is at fault—but that does not prevent me from saying that I shall vote to send this bill to a committee if we come to a vote in this house upon it. I would justify that vote, in my own judgment, on the ground that we would, I think, be acting unwisely to say to the people who wished to charter this Bank of British Columbia, "We will not even give you a chance to explain your case in committee." That would be very unwise. But that does not affect my attitude to the principle.

Senator Roebuck was quite right a few moments ago in stating it is quite within the power of a province now to get control of a bank, if it wants to do so. The province of Ontario has its Hydro Commission. It has a brood of crown corporations through which it could buy up the shares of an existing bank until it got control of it. I think that would be wholly undesirable too. The Province of Quebec could do it.

Hon. Mr. Flynn: Any province could do it.

Hon. Mr. Crerar: I would not be too certain the Province of Manitoba could not do it, though it is not nearly as rich in dollars as are Quebec and Ontario.

If this question of keeping a province out of the banking area is to be settled effectively, let us settle it when we come to a revision of the Bank Act—

Hon. Mr. Roebuck: Of course.

Hon. Mr. Crerar: —and provide in the Bank Act against any province controlling a bank. That can be argued on the ground of general public interest.

In my philosophy of government I have always held the view that the public interest is paramount. I do not care whether it is in labour, agriculture, banking, or anything else. What is best for the majority of the people is the sound principle to apply, and I think it could be argued on the basis of the paramountcy of the public interest that it is unwise in our country today to allow provincial governments to control banks.

I have stated my reasons very briefly, but before registering my vote I simply wanted to state to the house why I propose to vote to send this bill to committee.

Hon. Mr. Roebuck: May I ask the honourable senator, does he know that the Province

of Ontario now has a provincial bank in which deposits are accepted and on which cheques are drawn?

Hon. Mr. Vaillancourt: It is a savings bank.

Hon. Mr. Hayden: Yes, it is a savings bank.

Hon. Mr. Roebuck: It is not a chartered bank, but it is a bank.

Hon. Mr. Cameron: Honourable senators, I would like to ask Senator Hugessen a question, even at the risk of appearing to be the devil's advocate.

It gives me some concern when this chamber, or any other body, is quite willing to grant a charter for a bank, with all the powers which that entails, to a group of private citizens on the one hand, but then will say it is not prepared to grant a charter to a provincial government representing all the people of the province. It seems to me there is a principle here which is rather important and very dangerous. I would like to hear Senator Hugessen's answer to that. My question is: If we are prepared to grant a charter to a group of private citizens, why are we not prepared to grant one to another body representing a larger number of citizens? This question bothers me, and I would like to hear your answer.

However, before you answer, let me say one thing more. By way of the grapevine we hear that an attempt will be made to kill this bill in the Senate. I must just say that were this done, it would be one of the biggest mistakes the Senate ever made. My feeling is we should by all means send this bill to the Standing Committee on Banking and Commerce, lean over backwards to be fair about it, and leave it to the committee to decide. That is my view.

Hon. Mr. Hugessen: I think I can answer my honourable friend's question by asking him one. Is he in favour of the principle that a province should hold stock control of a federal bank?

Hon. Mr. Cameron: That is not answering my question.

Hon. Mr. Roebuck: And it is not in issue at this moment.

Hon. Mr. Cameron: I would like to hear your answer to my question first.

Hon. Thomas Reid: Honourable senators, it would be expected that those men from British Columbia would sometimes join in the parade. Before I say much about the bill or the premier of the province, may I say I am one of those who believe in fairness, and that the bill should go to committee and that its backers be given an opportunity to be heard. At the moment I am not convinced that I will support the bill. My mind is still fairly open.

There are many things that could be said about the premier of the province of British Columbia. One of the things that still rankles is his taking over the B.C. Electric in one fell swoop, though the year before he had said he had no intention of doing so and gave a pledge. The pledge did not mean much, because the following year he just took it over. Just ask people who lost money in bonds if they would trust him with a bank. As I say, I have an open mind as to how I would vote, but I would propose that the bill be sent to committee for consideration.

The honourable Senator Hugessen mentioned some of the events which have occurred in the past. When the bill on the Columbia River Treaty comes before the Senate I shall have quite a story about the actions of the provincial government and the fact that up until last year Bennett had a cheque in his possession for $120,000, given by Kaiser Aluminum Company, with the promise, I believe, of a million. So far as I know, he never denied this. I think it was only last year he said he had sent it back. The mystery is, why did he keep it all those years? Those who come from British Columbia know about these things, and we are a little afraid of what he might do. As I said, he took over B.C. Electric in one fell swoop, and people who had shares in that company did not get full or fair value for them. So you can understand why those of us who come from British Columbia and who have watched Bennett and his government are somewhat uneasy about giving him control of a bank. Every one here realizes what can happen and does happen with a government that wants something done.

Later, when the bill goes to committee, I may have more to say. However, I think that the Kaiser deal would have been a dastardly one for British Columbia, had the federal Government not stepped in to pass this new hydro bill to take care of the situation. When they came to Ottawa in 1955 half the cabinet was arguing about what they were to do. It was never clear, in my mind at any rate, why he kept that cheque for $120,000 which I think was given to him in his name, and then took over the B.C. Electric in one stroke. Just ask those who had shares in the B.C. Electric if they thought they got a fair deal from the premier of that province.

That is not all. You can realize that those of us who come from British Columbia are very hesitant about giving the premier of that province the control of a bank. I don't have to tell you what it would entail. If you wanted a timber licence or an oil licence or any other kind of concession, they would

say, "Well, you had better use the Bank of British Columbia. If you do, you may get the concession you are after." That is one of the dangers I see in a situation where a government takes control of a bank. They would only have to ask, "What bank have you got your money in?" That would be sufficient intimation to people that they should put their money in the Bank of British Columbia. That is what we are afraid of. We do not want the situation to arise where it will be intimated to people seeking contracts of various kinds that they would get greater concessions if they were to do their banking with the Bank of British Columbia.

I am not going to delay the debate any longer, but I would like this bill to go to committee, because at the moment I am not fully satisfied that the Province of British Columbia should get a bank charter.

Hon. Mr. Horner: May I ask a question? Has the Premier of British Columbia, on behalf of the province, received all this money he was supposed to get under the Columbia River deal? He will not be able to get the money for his new Bank of British Columbia until the Columbia River arrangement has been completed.

Hon. Mr. Reid: I know he has not got the money, but he makes everybody believe he has it.

Hon. David A. Croll: My only purpose in rising at this point is to keep the debate open, because if the honourable Senator Beaubien (Provencher) were to move the adjournment now in the name of Senator Farris it would mean the closing of the debate. I do not want to see it closed, and if any senator wants to speak now he is welcome to do so. I have just a few remarks to make on it.

Hon. Mr. Choquette: Adjourn it.

Hon. Mr. Croll: May I say a sentence or two before I sit down, because I have a few things on my mind.

I am disturbed about one point, and in mentioning it I am not indicating how I shall vote on the bill. I am troubled about what Senator Cameron said—and we must remember that he is not the only one who has his ear to the grapevine. I think it would be the height of folly to kill this bill in the Senate. If we think in terms of co-operative federalism, and if we want to get on speaking terms with the provinces, then we have got to hear them, and the one mistake we ought not make is to close them off here. Let them get to the committee stage, and let them have their day in court. Give us an opportunity to ask them what are their plans. Let them explain Social Credit to us. Let them tell us what they are going to do. It gives us an opportunity to have a day of enjoyment, as well as being educated along certain lines. Those things are important.

That is all I have to say for the moment.

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

DIVORCE

RESOLUTIONS ADOPTED

The Senate proceeded to consideration of Resolutions, numbered 281 to 319 inclusive, which were presented on Thursday, May 28.

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved the adoption of the following resolutions:

Resolution 281, for the relief of Jeannine Roger Couvrette.

Resolution 282, for the relief of Florence El'nore Anne Friel Stevens.

Resolution 283, for the relief of Hazel Vera Caines Kennedy.

Resolution 284, for the relief of Kurt Sperlich.

Resolution 285, for the relief of Joseph Azarie Rene Major.

Resolution 286, for the relief of Harriet Agnes Hellier Anderson Ainslie.

Resolution 287, for the relief of Margaret Jane O'Brien Dagenais.

Resolution 288, for the relief of Yvonne Alice Wilson Thomas.

Resolution 289, for the relief of Barbara Susan Ship Stone.

Resolution 290, for the relief of Fred Cury.

Resolution 291, for the relief of Margaret Jean Coutts Moffatt.

Resolution 292, for the relief of Michael Chabotar.

Resolution 293, for the relief of Antoinette Raymonde Francoise Joseph dit Teyssier Audet dit Lapointe.

Resolution 294, for the relief of Barbara Joan Eversfield Boudrias.

Resolution 295, for the relief of Catherine Eileen Kennedy Tennant.

Resolution 296, for the relief of Frederick Roberts.

Resolution 297, for the relief of Mary Hurley Simmonds.

Resolution 298, for the relief of Jeannine Thauvoye Wiame.

Resolution 299, for the relief of Ruth Ensor Decosse.

Resolution 300, for the relief of Herbert Elliot Siblin.

Resolution 301, for the relief of Roland Malaket.

Resolution 302, for the relief of Nicole Desjardins Kudin.

Resolution 303, for the relief of Joyce Muriel Blight Smith.

Resolution 304, for the relief of Claudette Amyot Gingras.

Resolution 305, for the relief of Iris Lawson McFarlane Land.

Resolution 306, for the relief of Panagiotis Vekos.

Resolution 307, for the relief of Eva Daniel Mack.

Resolution 308, for the relief of Harold Norman McCallum.

Resolution 309, for the relief of Dorothy Ann Derick Weir.

Resolution 310, for the relief of Mary Cameron Ross Atkinson.

Resolution 311, for the relief of May Sherwood Bishop.

Resolution 312, for the relief of Irene Dorothy Stevens Jones.

Resolution 313, for the relief of Robert John Day.

Resolution 314, for the relief of Carole Irene Leggett Paterson.

Resolution 315, for the relief of Emile Simard.

Resolution 316, for the relief of Richard Price Bradley.

Resolution 317, for the relief of Gertrude Elisabeth Drehmann Sas.

Resolution 318, for the relief of Marie Frances Theurkauf McMahon.

Resolution 319, for the relief of Ludmilla Gorny Chiriaeff.

Resolutions adopted, on division.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, June 3, 1964

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

Prayers.

PRIVATE BILL

WORLD MORTGAGE CORPORATION—FIRST READING

Hon. T. D'Arcy Leonard presented Bill S-32, to incorporate World Mortgage Corporation.

Bill read first time.

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

Hon. Mr. Leonard: Honourable senators, I should like to ask the leave of the Senate to move second reading of this bill tomorrow. I do so for the reason that if it does receive second reading tomorrow it can then be considered by the Standing Committee on Banking and Commerce at its regular meeting next Wednesday. If second reading is delayed until next week the bill cannot be considered by that committee until the following Wednesday, on which day I have to be in Vancouver. So, with the unanimous consent of the Senate, I would move that the bill be placed on the Orders of the Day for second reading tomorrow.

Hon. Senators: Agreed.

Motion agreed to.

INCOME TAX ACT

BILL TO AMEND—AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the following report of the committee on Bill C-91, to amend the Income Tax Act:

> Your committee recommend that authority be granted for the printing of 800 copies in English and 300 copies in French of their proceedings on the said bill.

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

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

Report adopted.

REPORT OF COMMITTEE ADOPTED

Hon. Mr. Hayden reported that the Standing Committee on Banking and Commerce had considered Bill C-91, to amend the Income Tax Act, and had directed that the bill be reported without amendment.

Report adopted.

THIRD READING

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

Hon. Mr. Hayden: With leave of the Senate, I move this bill be read the third time now.

Hon. Mr. Reid: Why the hurry? What is so special about it?

Hon. Mr. Hayden: I move third reading now because if honourable senators have any questions to ask I would like to be here to deal with them.

Motion agreed to and bill read third time and passed.

PRIVATE BILL

SEICHO-NO-IE—REPORT OF COMMITTEE ADOPTED

Hon. Norman P. Lambert, for Hon. Mr. Bouffard, Chairman of the Standing Committee on Miscellaneous Private Bills, reported that the committee had considered Bill S-23, to incorporate Seicho-No-Ie, and had directed that the bill be reported without amendment.

Report adopted.

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

Hon. Mr. Lambert moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

MARRIAGE AND DIVORCE ACT

DEBATE ON MOTION TO REFER BILL TO SUPREME COURT—OFFICIAL REPORT

On the Orders of the Day:

Hon. Jacques Flynn: Honourable senators, before the Orders of the Day are called I wish to say that I shall make several corrections to my speech as reported in the *Debates of the Senate* of yesterday. I am not going to indicate what those several corrections are. I merely want to enter a caveat.

GENEVA CONVENTIONS BILL

THIRD READING

Hon. A. B. Baird moved the third reading of Bill S-25, respecting the Geneva Conventions, 1949.

Motion agreed to and bill read third time and passed.

PRIVATE BILL

BANK OF BRITISH COLUMBIA—MOTION FOR SECOND READING—DEBATE CONTINUED

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Farris for the second reading of Bill S-20, to incorporate the Bank of British Columbia.

Hon. David A. Croll: Honourable senators, may I defer to honourable Senator Sydney Smith?

Hon. Sydney J. Smith: Honourable senators, I wish to make a brief statement regarding my stand on Bill S-20.

As a representative from British Columbia, I have a particular interest in this bill, but at this time I am not prepared to endorse the bill in principle. I wish to give notice that I intend to support the bill on second reading, for the sole purpose of endeavouring to put it before a committee where the applicants will have an opportunity to convert me, if they can, to the principle of the bill. In the meantime I want to reserve my final decision.

Hon. Gunnar S. Thorvaldson: Honourable senators, my remarks on this bill will be brief and they will deal only with one problem, the question which has been referred to by honourable Senator Sydney Smith, namely, the problem that some of us face on the second reading of this bill.

As we are all aware, it is an old rule of parliamentary practice that on second reading we either affirm or deny the principle of a bill. As for myself, I must say that at the moment, and without having heard anything more than the speeches made in this house during the last few days, I am quite convinced that this bill is bad in principle.

Nevertheless, and consequently, I am faced with a problem of conscience, namely, whether or not to vote in favour of second reading.

As a result of that, I was prompted to do some research during the last half hour in regard to this problem of what we are doing if we give second reading to this bill. In other words, I asked myself the question: Am I approving of this bill in principle by voting for second reading? That is the problem I have tried to determine.

I recall the parliamentary experience I had before coming here, which was in the Legislature of the Province of Manitoba. Certainly there, in regard to public bills, we acted on this principle quite sternly. On public bills, if it was deemed that it was not in the public interest that such a bill be passed, then the second reading was the time to deal with it and the bill did not go further.

Nevertheless, I believe there is a distinction to be drawn, particularly in the Senate, in regard to private bills, when we are considering on second reading the principle of such legislation.

I read from *May's Parliamentary Practice,* Fourteenth Edition, page 496, referring to second reading of a bill—and this refers to the House of Commons:

> The day having been appointed for the second reading, the bill stands upon the notice paper amongst the other orders of the day, and when the day arrives, is called on in its proper turn. The second reading is the most important stage through which the bill is required to pass; for its whole principle is then at issue, and is affirmed or denied by a vote of the House . . .

From that, I go to the *Rules of the Senate of Canada,* and read Rule 64, which is in these words:

> The principle of a Bill is usually debated at its second reading.

The reason I read that is to indicate that in our own rules this principle I am speaking of is diluted by insertion of the word "usually".

Now I would like to read from *Beauchesne's Parliamentary Rules and Forms,* Fourth Edition, 1958, at page 351, part of article 482. Honourable senators will note that this refers to a private bill, and that the bill now before us is a private bill.

> The second reading of a private Bill corresponds with the same stage in other Bills, and in agreeing to it the House affirms the general principle, or expediency, of the measure. There is, however, a distinction between the second reading of a public and of a private Bill, which should not be overlooked. A public Bill being founded on reasons of state policy, the House, in agreeing to its second reading, accepts and affirms those reasons; but the expediency of a private Bill, being mainly founded upon allegations of fact, which have not yet been proved, the House, in agreeing to its second reading affirms the principle of the Bill, conditionally, and subject to the proof of such allegations before the committee.

Honourable senators, that is all I want to say on this point, because I have frequently been personally bothered by this question as to whether I can conscientiously vote for a bill, the principle of which I do not believe in, on second reading, or whether I should vote against it under those circumstances. In the case of this bill, under the rules as I believe them to be from what I have read, I feel I am justified in voting in favour of second reading without, shall

I say, compromising my conscience. Consequently, the point of the whole matter, as I see it, is that we should allow this bill to go to the Standing Committee on Banking and Commerce in order to allow the allegations by the mover (Hon. Mr. Farris) to be proved.

The first principle which of course I reject in regard to this bill is that I think it is not in conformity with the Constitution of this country. The second principle I oppose in regard to it is that I believe it is not in the best interests of Canada that the provinces should be granted bank charters.

Honourable senators, that is all I have to say on this, but as far as I am concerned, I propose to vote for second reading, not because I am in favour of the bill but because I believe the petitioners and the mover of the bill should have an opportunity to prove their case, both constitutionally and otherwise, before the Standing Committee on Banking and Commerce.

Hon. Mr. Hollett: May I ask my honourable friend a question? What is there in the principle of this bill with which he does not agree? I have read all its sections. I would like to know if the honourable senator can tell me what his objection is to the principle of this bill settting up the bank?

Hon. Mr. Thorvaldson: In answer to my honourable friend's question I would say that, in my judgment at least, until it should be proven to the contrary in committee, it is not in accordance with the Constitution of this country that a province should be authorized by Parliament to become the majority shareholder or have a controlling interest in a chartered bank. That is my first reason.

My second reason is that, as I indicated a moment ago, I think on other grounds it is contrary to public policy that a province should become the owner of a chartered bank. I do not have to say anything further, except simply to remark that I can see tremendous conflicts arising between such a bank and, for instance, the Bank of Canada which is owned and controlled by the people and Government of Canada. That is just one point I would refer to as a practical problem in regard to the proposal of a province becoming the owner of a chartered bank.

There are several other points I have no doubt will be referred to if the debate continues in this house, and certainly if it goes to committee. There are several other reasons why, as a matter of public policy, we should not allow the banking system of this country to be proliferated, I may say, by banks becoming owned by provinces, which would eventually put them into serious conflict, both constitutionally and otherwise, with the federal authority in so far as banking is concerned, and including various other matters related to banking, such as the issuing of currency, the control of credit, and so on. All these and other related problems would likely create dangerous conflicts between the federal and provincial governments of this country.

Those are some reasons which have been enumerated in this house during the course of the debate and which appeal to my mind.

Hon. Mr. Hollett: I have a supplementary question, following the concise answer to the first.

I would like to ask the honourable senator where in this bill he finds that any province has any interest in this particular bank? Where, any more than in the case of the Laurentide Bank or the Bank of Western Canada bills, is there any indication in this bill that the bank is going to be controlled by any province? If there is, would he kindly point out the section to me? If he is able to, then I also would be against the principle.

Hon. Mr. Thorvaldson: I refer my honourable friend to a bill passed by the Legislature of the Province of British Columbia a few weeks ago wherein the government of the Province of British Columbia was authorized to do certain things; namely, it was authorized to use public funds of that province for the purpose of subscribing to a 25 per cent interest in this proposed bank.

Hon. Arthur W. Roebuck: Honourable senators, I rise on a point of privilege, and not to take part in this debate.

My honourable friend has raised a question as to whether or not he is at liberty to vote in favour of second reading of this bill because if he does so the authorities that he has read would seem to indicate he has approved the principle of the bill. That is a matter of privilege of us all—and I am not discussing the bill, but only speaking to a point of privilege.

Let me point out that the rules of the Senate and its traditions are for the purpose of facilitating the conduct of the business of the Senate, and not for the purpose of obstructing it. In the authorities that he read, I think it is implied that the principle is presumptive only. It is a presumption, and not a rule, or a fact, or a law, that a favourable vote on second reading approves the principle of the bill. I submit that we are at all times permitted to vote for second reading of a bill without that presumption being held against us, if in doing so we state the purpose of our vote.

The honourable senator has stated that he is not in favour of the bill, but that for some reason he wishes to send it on to a committee. Under these circumstances, the rules do not require an interpretation that he has voted

approving the principle of the bill. He has said clearly and publicly that he votes for the reading of the bill for quite another purpose. The rule is a presumption; it is a rebuttable presumption, and my friend has emphatically rebutted it.

Hon. Donald Cameron: Honourable senators, I would just like to make an observation in connection with this discussion, aside from the principle of the bill. I am very glad to hear Senator Thorvaldson take the stand he did because if we were not prepared to send this bill to a standing committee, it occurs to me there would be only one other way of doing it which would be fair to the province represented by the petitioners. That would be to consider it in a meeting of the Committee of the Whole.

The Hon. the Speaker: I am very sorry to interrupt the honourable senator, but I think he has already spoken on the bill.

Hon. Mr. Cameron: Mr. Speaker, my intervention yesterday was only to ask a question.

Hon. David A. Croll: Honourable senators, I had the adjournment of this debate, but I am glad it finally came back to me. The purpose of my taking the adjournment yesterday was to be able to express the view that I thought this bill should go to committee. From what I have heard today, that is the general impression.

I would point out the pitfalls we can encounter. You will remember that we began with the Bank of Western Canada bill, and certainly I went for it hook, line and sinker. However, when we got into committee we found the cowboys came from Bay Street.

Hon. Senators: Hear, hear.

Hon. Mr. Croll: I must admit the picture changed. The honourable senator who introduced the bill gave us all the facts he had in his possession. Then on further questioning we obtained a little different picture than was originally presented. That indicates the importance of having such bills go to committee where we can obtain all the facts which are pertinent.

With respect to the Laurentide Bank bill considerable emphasis was laid on the interests of Power Corporation, and we were very much impressed. When we got into committee we found a letter had been received from that corporation saying they wanted no part of the bill. In the face of those facts we had to assess the situation.

I do not know what new facts will appear in connection with the bill now before us. Senator Hollett's remarks made sense, when he asked where is there any evidence that the Province of British Columbia has anything to do with the bill. There is no such evidence before us, and yet every one of us knows that is so. We know there was a resolution, and we know that the Province of British Columbia has authority to pass such a resolution.

Hon. Mr. Aseltine: The sponsor said so.

Hon. Mr. Croll: That is so. Once we consider the bill in committee, then we can collect all the pertinent facts. I think that is the importance of sending it to committee. Senator Thorvaldson drew a distinction between a private bill and a public bill. My seatmate (Hon. Mr. Roebuck) agrees with that distinction. That is good enough for me.

Hon. A. J. Brooks: Honourable senators, it was not my intention to speak on this bill, but I think there is one point we have perhaps lost sight of; it is that there is not only one but three banking bills before the Senate. In the other two cases we sent both bills to committee and, as Senator Croll has just pointed out, information was gained there which helped us make our decision as to what should be done, possibly, though I am not saying we have made up our minds yet. However, I do think this bill should be given the same treatment as the others, and that it is only right and fair that it should be sent to the Standing Committee on Banking and Commerce.

The same question, as to whether or not there is need for additional banking facilities, was raised with regard to the other banking bills before the Senate. There is the added objection my good friend Senator Thorvaldson has mentioned about the British Columbia government having control. But we have no definite information on that; it is only supposition and rumour. We in the Senate are not going to base our decisions on suppositions and rumours.

I listened yesterday to the honourable Senator Roebuck while he expressed the opinion that if a bill conforms to the rules and regulations of the Senate, then such a bill should receive our serious consideration and should be sent to a committee. I do not agree altogether with that, because these bills all conform to the regulations. Supposing we had 10, 15, 20 or 25 such bills, all conforming to the regulations, I think the Senate would decide that this country does not need so many bills. That is one of the main questions we have to decide, whether we need more banks in this country, or whether the country is already well served.

I am very pleased indeed that it looks as if this bill will go to the Committee on Banking and Commerce. If I had a vote on it at the moment, without having it first considered in that committee, I think I would be against it. But I think it is only right and

proper that it should go to that committee, and I am pleased the indications are that it will go there.

Hon. Arthur W. Roebuck: I think my friend quoted me rather too broadly. He certainly gathered from what I said more than I intended. I said the Senate had the right to incorporate or not to incorporate as it saw fit, according to our own good judgment. If we should incorporate a new bank, then it would come under the jurisdiction of the Bank Act. But I made the distinction that when it came to the matter of dealing in the shares of such a bank, if incorporated, this would then come within the scope of civil rights and would not be within our jurisdiction. I did not say we were under an obligation to send all applications to a committee, although I think it would be a very good thing to do so.

Furthermore, in view of the fact that these gentlemen have all paid a very considerable sum when they made their application for a private bill, the least we can do is to give them a chance to speak to it. I did not go quite as far as my friend said.

Hon. Mr. Brooks: You went very far. I shall read it again. The revised version is much better.

Hon. Mr. Beaubien (Provencher): If nobody else wants to take part in this debate, may I be permitted to move the adjournment of the debate on behalf of Senator Farris who is unable to be here this week?

Hon. Mr. Brooks: May I ask the honourable senator if that is at the request of Senator Farris?

Hon. Mr. Beaubien (Provencher): Yes.

Hon. Mr. Brooks: I understood Senator Farris would be very happy if this bill were to go to committee after second reading.

Hon. Mr. Beaubien (Provencher): I am doing it at his request.

Hon. Mr. Hollett: May I say a word? Senator Farris is absent today, and it is possible that there are other senators also absent today who would like to speak to this bill.

An Hon. Senator: But they are not here.

Hon. Mr. Hollett: Neither is Senator Farris. Even I might want to say a word or two on it myself.

The Hon. the Speaker: As all honourable senators know, the motion is not debatable. If other honourable senators wish to speak, I am sure that Senator Farris will give them an opportunity to do so before he closes the debate.

Hon. Mr. Beaubien (Provencher): Honourable senators, before I made the motion, I used the words, "if nobody else wants to take part in this debate." Nobody rose to do so, so I stated I was moving the adjournment of the debate on behalf of Senator Farris, because he asked me to do so.

Motion agreed to.

MARRIAGE AND DIVORCE ACT

MOTION TO REFER BILL TO SUPREME COURT—ORDER STANDS

On the Order:

Resuming debate on the motion of the Honourable Senator Pouliot, seconded by the Honourable Senator Stambaugh:

That in the opinion of this House, the Government should immediately refer to the Supreme Court of Canada, for the opinion of that Court, the question of the constitutional validity of Bill S-16, intituled: "An Act to amend the Marriage and Divorce Act".—(Honourable Senator Dupuis).

An Hon. Senator: Stand.

Hon. Mr. Pouliot: Mr. Speaker, I wonder when the honourable gentleman will be ready to proceed on this bill. It is the same story as before. I rise on a question of privilege, because there were many postponements at the request of Senator Flynn, who spoke yesterday, and now Senator Dupuis is playing the same game. I am ready to proceed on this bill at this time, and I do not think it is fair to have it postponed from day to day and so prevent the Senate from considering it.

Hon. Mr. Flynn: Honourable senators, I rise on a question of privilege. I only asked on one occasion that the order should stand, because I had a reason for doing so. At all other times I was ready to proceed but there was no time available.

Order stands.

PRIVILEGES AND IMMUNITIES (UNITED NATIONS) ACT

BILL TO AMEND—SECOND READING

Leave having been given to proceed to Order No. 7:

Hon. L. M. Gouin moved the second reading of Bill S-24, to amend the Privileges and Immunities (United Nations) Act.

He said: Honourable senators, first of all I wish to thank the Leader of the Government (Hon. Mr. Connolly, Ottawa West) for having entrusted to me the task of moving the second reading of this bill. In this way I shall be able, in a modest way, to assist him in his parliamentary work which he

has carried on so ably and efficiently since the beginning of the session.

It gives me great satisfaction to move the second reading of this bill, which will enable Canada to fulfil its international obligations.

I wish to state very clearly that by the provisions now before us we do not undertake any further international obligations, but we want to be able to honour our signature, which is, by the way, a good old Canadian tradition.

In 1947 we adopted the bill which we are now seeking to amend. If honourable senators will refer to the Senate *Hansard* of 1947, at pages 520 and 521 you can read the very interesting remarks made by the then excellent chairman of our Committee on External Relations, Senator Norman P. Lambert. That bill of 1947 is now chapter 79 of the statutes of 1947, but it is reproduced in the Revised Statutes of Canada, 1952, as chapter 219.

The original title of the bill was An Act to provide for Privileges and Immunities in respect of the United Nations and Related International Organizations. The purpose of that original bill was to enable Canada to apply the provisions found in the schedule to the original act, which is now the schedule to chapter 219 of the Revised Statutes of Canada. The purpose of that legislation was to enable us to apply the conventions on the privileges and immunities of the United Nations, conventions which had been adopted by the General Assembly on February 13, 1946.

We want now to extend those provisions to some international organizations which are not part of the United Nations, and not what can be called specialized agencies of the United Nations. I will mention some of them in a few minutes. I submit it is quite in order for us to grant to them the privileges I will describe.

The first amendment, in clause 1 of the bill, is to change the long title of chapter 219 of the Revised Statutes, which now reads:

> An Act to provide for Privileges and Immunities in respect of the United Nations and related International Organizations.

I put the accent on "related" because the original act covered only the United Nations, and the organizations that are recognized as part of or affiliated with the United Nations in virtue of Article 63 of the charter of the United Nations. The other organizations cannot come within all four corners of chapter 219 of the Revised Statutes. Now the word "related" is eliminated, and the title is to read:

> An Act to provide for Privileges and Immunities in respect of the United Nations and International Organizations.

Clause 2 of the bill changes the short title of the act to "Privileges and Immunities (International Organizations) Act." In other words the United Nations is included within the meaning of the words "International Organizations". The present short title of the act is too restricted, if we wish the result I shall explain in a few moments.

Clause 3 of the bill is the really important clause, and it brings about two changes. Section 3 of chapter 219 of the Revised Statutes reads:

> (1) For the purposes of this section, the expression "organization" means—

I stop quoting at this point to say that immediately after that beginning of what is a definition we find the words:

> —any specalized agency of which Canada is a member and which is brought into relationship with the United Nations in accordance with Article 63 of the Charter of the United Nations.

Immediately after the word "means" clause 3(1) of this bill would insert "(a)" so as to make a separate and distict paragraph, followed by the words I have just read from section 3(1). Then another paragraph, designated "(b)", will be added, as follows:

> (b) any international organization of which Canada is a member, the primary purpose of which is the maintenance of international peace or the economic or social well-being of the community of nations.

This second paragraph has the effect of covering organizations which do not come within the provisions of Article 63 of the United Nations Charter. The first paragraph of Article 63 of the Charter reads:

> 1. The Economic and Social Council may enter into agreements with any of the agencies referred to in Article 57, defining the terms on which the agency concerned shall be brought into relationship with the United Nations. Such agreements shall be subject to approval by the General Assembly.

The second paragraph of Article 63 does not concern us, but Article 57 of the United Nations Charter reads:

> 1. The various specialized agencies, established by intergovernmental agreement and having wide international responsibilities, as defined in their basic instruments, in economic, social, cultural, educational, health, and related fields,

shall be brought into relationship with the United Nations in accordance with the provisions of Article 63.

The best example I can give of such specialized agencies is one upon which we all look very favourably, namely, the International Labour Office, which has existed since 1919, and the Peace Treaty after the First World War. After the extinction of the League of Nations it became autonomous, and was affiliated with the United Nations in virtue of Articles 57 and 63 of the Charter, which I have just read.

The new paragraph (b) of section 3 of chapter 219 is very clearly inspired by the wording which we find in the first part of Article 57 of the United Nations Charter. These are international organizations of which Canada is a member, the primary purpose of which is the maintenance of international peace or the economic or social well-being of the community of nations.

There are many such organizations which are not part of the United Nations, such as the International Atomic Energy Agency for Peaceful Purposes. I have no special enthusiasm for atomic energy when used for military purposes, but when it is looked upon as a source of power which can distribute, to what I call the undernourished nations, energy to enable them to irrigate their land, and for other uses, then I think this association to which we belong deserves to enjoy the privileges I shall describe in a few minutes. Its officials and experts should enjoy privileges and immunities. Canada became a member of that agency in 1957, whose head office, by the way, is in New York.

In 1957 we also became a member of the International Bureau of Exhibitions, which has its head office in Paris. That bureau has been mentioned very often recently, especially in view of the fact that a World's Fair is to be held in Montreal in 1967. We have every reason to believe that representatives of that bureau will come to Montreal from time to time, and I submit it would be quite normal to grant to them the privileges and immunities which are granted them by other nations such as Great Britain, the United States and Australia.

In 1961 we became a member of the Organization for Economic Co-operation and Development which, for the sake of brevity, we refer to as O.E.C.D. That organization is quite active in Europe, and through its European members it helps underdeveloped countries. Again, we want Canada to be able to discharge her obligations concerning officials of that organization.

I referred a few moments ago to statutes of some friendly nations that give us a good example. Such statutes, which are similar to the bill we are now discussing, were passed by the United Kingdom in 1950, by the United States in 1945, and by Australia last year. Canada must also offer a good example of international co-operation.

I come now to the last amendment which is before you, on page 2. It deals with section 3(2) of the 1947 act, which is now found in Chapter 219 of our Revised Statutes.

The present section 3(2) has four paragraphs. At present the word "and" appears at the end of paragraph (c). This amendment would mean the transposing of that word to the end of paragraph (d); but it is purely a question of drafting. I will read now verbatim the proposed new paragraph (e):

> such experts performing missions for an organization as may be designated by the Governor in Council shall, to such extent as may be specified in the order, have the privileges and immunities set forth in Article VI of the Convention for experts on missions for the United Nations.

The experts, in a certain sense, are different from officers or officials of one of the international organizations to which I have just referred. The experts are eminent men in engineering or other fields, who are employed temporarily for a special mission. For instance, they may be sent to Canada in connection with the Montreal World's Fair. Suppose it becomes advisable to have an engineering expert to advise on the building of the artificial island in the St. Lawrence River, the purpose of the bill would be to grant that expert the privileges he would enjoy on projects in various countries—in particular the United Kingdom, Australia, and the United States.

The act, as it now reads in Chapter 219, refers only to Article IV and to Article V, of the 1946 convention. The present amendment would also include Article VI of the Convention for experts on missions for the United Nations, and would cover the privileges and immunities as they are mentioned in Article VI of the 1946 Convention. They would be only such privileges and immunities as would be granted by the Governor in Council.

It is intended that these immunities and privileges would not be granted in a wholesale manner to any so-called international organizations. In the past, the case has arisen only for a few international organizations. One is ICAO—the International Civil Aviation Organization—which has premises in Montreal and some representatives who live permanently in Canada.

To some extent we have the same situation in the case of ILO—the International Labour

Organization. During the last war, the ILO enjoyed the hospitality of McGill University, and in fact its head office was in Montreal during that time. The ILO still has an office in Montreal, but has returned its head office to the original site at Geneva.

In addition there are some distinguished visitors, representatives of international organizations, who come to Canada to attend congresses or conventions. We have had representatives from UNESCO—the United Nations Educational, Social and Cultural Organization. They were welcomed to Canada when they came and we all hope they will come often. It is an excellent thing that our country be better known, and from a business point of view it is in our interests that Canada should be the place of meeting of such international organizations.

Secondly, I wish to mention some representatives for the Congress on Meteorology which took place in Canada about a year ago. We also have some representatives of the United Nations who came here to discuss questions concerning reduction of taxes. Here we have an organization which has enjoyed some of the privileges I mentioned a few minutes ago.

The immunities to which I referred include the immunity from personal arrest or detention, the immunity from seizure of personal baggage. There is also the immunity from legal process of any kind for the official acts done by a representative of international organizations. There is the inviolability of all papers and documents. There is the question of communication facilities, that they may freely communicate with the international organization in question. There are also some immunities and facilities similar to those of a diplomatic envoy, for their personal baggage. These immunities, or those which the Governor in Council would think it advisable to grant, would be given either to officials, officers or experts of organizations coming within the purview of the provisions I have described. The personal baggage of such persons is not subject to inspection by customs officers and is not subject to customs duty.

As I have explained, these privileges have been granted in the past only in a few cases, and we have no reason to believe that in the future they would be given too freely.

Another organization which deserves mention is FAO—the Food and Agricultural Organization. It is a world body whose purpose is precisely to try to prevent famine and starvation, even hunger and undernourishment, in several parts of the world, the greater majority of human beings being precisely in that unfortunate condition.

Finally, I believe in international co-operation. I believe ardently in human brotherhood. I am convinced that international co-operation is precisely the application of that fine principle of brotherhood which I have mentioned. I am anxious that we continue to give to the whole world the good example we have given in the past as a champion of peace, always ready to co-operate in the promotion of peace and welfare throughout the whole world.

If this bill in due time receives second reading, I will move that it be referred to the Standing Committee on External Relations. In that committee, of course, the officers of the department will be present, and they will be in a much better position than I am to answer any questions which honourable senators may wish to ask.

Hon. Allister Grosart: Honourable senators, I am sure we are all grateful to the sponsor (Hon. Mr. Gouin) for his full and detailed explanation of the bill amending this act.

In effect, what is proposed here is another extension of the immunity of a large number of persons from the domestic law of this country. This is another step in a long process. I need hardly remind honourable senators that immunities and privileges were first confined to the heads of states, under international law, then extended to ambassadors, then to ministers, and following World War II, were for the first time extended to representatives of an international organization and its related organizations, namely, the United Nations. The extension has been not only to new categories of persons over the years, but within those categories it has kept extending from time to time. That is the reason for one of the specific amendments proposed in the bill by section 3 (1) (e).

Originally, immunity referred only to persons as representatives of a nation. Now immunity is granted to representatives of the United Nations. That immunity has been extended to the officials of the United Nations and its related organizations, as well as to the actual representatives. It was also extended to the UN experts, bringing in a whole new class. So that we have created in effect an international body of civil servants exempt from the laws of various lands.

What has not been explained to me, either in the chamber today or as the result of some inquiries I have made outside, is the vital question as to why these people under section 3 (1) (b) need these immunities and privileges. One of the organizations specifically mentioned in the explanatory notes, for example, is the International Bureau of Exhibitions. I have had some contact with officers, representatives and officials who might come under that designation, and in my experience these

are people doing strictly a commercial job. Why they need these extensive immunities and privileges is beyond me. Perhaps this will be explained by the officials when the bill goes to committee.

I am also interested in knowing how far we are going to extend this list of organizations mentioned in the explanatory notes. The honourable Senator Gouin said great caution would be exercised, that it would not be a wholesale—I believe he used that term—expansion. One would certainly hope not. There is nothing in the bill to indicate the basis on which the decision will be made by the Governor in Council as to what organizations are going to be granted these extensive immunities and privileges as enumerated by this Senate bill.

Perhaps it is worth noting, if I may use the senator's words, that three of the immunities are (a) immunity from personal arrest; (b) seizure of personal baggage; (c) immunity from legal process of any kind, in respect to official acts. As I have said, I find it difficult to understand why members of international organizations, such as those coming under the definition in the bill, need this exemption.

Perhaps it may be interesting to note a divergency of meaning between the wording of the bill and the explanatory notes. Section 3(1)(b) extends these immunities and privileges to:

> any international organization of which Canada is a member, the primary purpose of which is the maintenance of international peace or the economic or social well-being of the community of nations.

The explanatory note, in two places, reads, "all those international organizations of which Canada is a member." I submit that the explanatory note is far too wide in its application, because obviously the wording of the bill will rule. However, I think it is important that this has been said in the explanatory note, because it arouses, in me at least, some fear that there may be too wide an extension of the privileges and immunities proposed here.

There is no mention in the amendments or in the bill itself of the method of control. In diplomatic immunity a method of control has been found necessary, and that is the official listing by each nation with its own foreign office of the names of the persons to whom that immunity is to be extended. As I read this bill, there is no such control. I would suggest that this is another matter that might well be discussed in committee because, while it is true, as the honourable senator has said, that this same type of legislation has been introduced in Great Britain and the United States, Great Britain has found it necessary to qualify it in a subsequent act known, I believe, as the International Organizations Restrictions Act, which specifically restricts the power of the Crown to extend these immunities to any nation which does not extend reciprocal immunities and privileges.

The reason I raise that point is the possible legal situation created when any nation gives effect to an international convention, which this act does, because the act itself by section 2 authorizes the Governor in Council to authorize the accession of Canada to the United Nations Convention on Immunities and Privileges, mentioned by Senator Gouin, and which of course is a schedule to the act. When you do that, as some honourable senators know much better than I do, you begin to create rights in international law. I will not go beyond that, because there are divergent views as to what rights are created. However, I suggest that the control feature of this extension of these immunities and privileges might well be considered in committee, and perhaps incorporated in the bill.

Another matter which arises is the status of these organizations that are named by the Governor in Council as coming under this act. Do these organizations themselves obtain the same kind of status that the United Nations obtains in Canada? I think that is an important question, because the amendments in section 3 very definitely relate the status of these new organizations to the status of the United Nations under the convention which is a schedule to the act, and that schedule confers on the United Nations a juridicial personality. Some of these organizations may well claim that because they are linked in paragraphs (a) and (b) of section 3 with the United Nations, they may claim a juridical personality, which I am sure is not the intention of this bill.

In passing, it seems to me that the addition of paragraph (b) to section 3 makes paragraph (a) completely redundant. What has been done here is to say that the expression "organization" means: (a) the United Nations and related organizations; and, (b) any international organization of which Canada is a member and which meets these tests. Of course, (b) would take in the United Nations. Perhaps the reason is to make it clear we have acceded to the convention.

One can think of other problems arising. For instance, Red China might well be a member of an international organization which is important enough to be regarded by the Governor in Council as worthy of these privileges and immunities. We might be in the difficult position of saying: Do we exclude all the members of that organization from these privileges and immunities because Red China is a member; or do we admit them all, including Red China, and put ourselves

in the ridiculous position of granting privileges and immunities to nationals of a nation we do not recognize diplomatically?

That is all I have to say on the bill, honourable senators. I am not a member of the External Relations Committee, but it occurred to me it might be of some use to the committee if these points were raised so that they might be taken up with the appropriate officials. I thoroughly agree with the honourable sponsor of the bill that we do have in Canada an obligation to behave well in our international relations, to show that spirit of co-operation leading toward the day when perhaps we as international citizens will all enjoy the privileges and immunities of these privileged persons. I have merely thrown out a few warnings because I think there are some dangers inherent in this continual extension of immunities and privileges to these classes of persons. It is not fully in keeping with the original philosophy and theory of these immunities and privileges which were given only because persons to whom they were given were themselves representatives of a head of a state or a state itself. We are now giving much the same general immunities, if I understand the bill, to these various classes of international officials, as are extended to diplomats.

Hon. Mr. O'Leary (Carleton): Which are often abused.

Hon. Mr. Grosart: My honourable friend rightly observes, if I may quote his words, "which are often abused."

I was going to conclude my remarks with that very observation. Perhaps that aspect of it might be covered by the remarks I have already made on the necessity of some kind of control, and perhaps we will be given that information in committee. I do think there should be control, that at least the officials should be named, and that immunity should not be given to them *in extenso*, merely because they happen to be representing one of these organizations. We should know that each one of these persons is worthy of this grant of immunity, which the rest of us unfortunately do not at the present time enjoy under the laws of our own country.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Gouin, bill referred to the Standing Committee on External Relations.

JUDGES ACT

BILL TO AMEND—MOTION FOR SECOND READING—DEBATE CONTINUED

The Senate resumed from Tuesday, May 26, the adjourned debate on the motion of Hon. Mr. Roebuck for the second reading of Bill C-96, to amend the Judges Act and the Exchequer Court Act.

Hon. John J. Connolly: Honourable senators, at this stage of the debate it might be appropriate for me to say a few words about Bill C-96.

In the first place, I conceive it to be a simple bill. It enlarges the Exchequer Court by one judge; it provides for his remuneration in accordance with the scale provided for other judges of that court; and it authorizes the Speaker of the Senate to designate, in consultation with the President of that court, a judge of that court to hear evidence in the matters of parliamentary divorce as the obligation has been passed to this chamber.

Of course, this measure can really be understood only in relation to Chapter 10 of the Statutes of 1963, and it is in fact supplementary to that legislation. I should say, first of all, that for two provinces of this country—namely, Quebec and Newfoundland —divorce is still a matter to be determined and handled by Parliament. In that respect each divorce which Parliament grants is an exception to the general law prevailing in both those provinces which have no specific divorce laws.

Chapter 10 of the Statutes of 1963 gives the Senate sole authority to grant divorces; and the House of Commons, by the passage of that act, divested itself of responsibilities in this field. The act which the Senate performs in respect of these matters, we should remind ourselves, is a legislative one. It is not a judicial act, although there is a judicial step in the process, and that judicial step is incidental, is preliminary to the legislative step which is taken by Parliament. In provinces other than the two I have already mentioned divorce is the result of a judicial act. For these two provinces, and because of the way Parliament deals with it, divorce is a legislative act. It is a step taken in Parliament: it is a step taken by the Senate, for Parliament. But if the Senate has the authority to do this under Chapter 10 of the Statutes of 1963, I think the Senate has the responsibility to ensure that the work is done as efficiently as possible.

Chapter 10 of 1963 also decreed that the evidence in respect of parliamentary divorces should hereafter be heard by a divorce commissioner. As all honourable senators know, this work was formerly done by the members of the Divorce Committee of the Senate.

I pause for a moment to say—and it has been said many times and on many occasions —the work that that committee has done through the years is work of which the Senate

and Parliament can be justly proud. It is very difficult and exacting work, but it was always thoroughly done.

Now the change in the method of hearing evidence connected with divorce arose from a number of reasons. The first, I think, was the pile-up of divorce bills in the other place, the blockade that went on there in respect of this area of legislative action, the practical strangulation of Parliament and its work in this field. As a solution, the House of Commons passed the bill which became chapter 10 of the 1963 statutes, divesting itself of responsibility in this area.

However, there are other important reasons for providing that this evidence should be heard by a divorce commissioner rather than requiring members of the Senate to sit and hear it in the divorce committee. First, the increasing number of divorces gave that committee a tremendous amount of work. It must be remembered that in the early days of Parliament in this country there were one, two or three divorce applications a year. In latter years the number of applications have been counted, not in single numbers but in the hundreds. This work placed an undue burden upon senators who had to sit long hours hearing this kind of evidence. As a result of the transfer of this task to the Commissioner, honourable senators are more free to deal with the work of the chamber and of the standing and special committees of the Senate. I think it is no exaggeration to say that honourable senators generally feel they were appointed to this chamber primarily to do that work. Previously the Senate had the responsibility of hearing divorce evidence, and under the chairmanship of the honourable Senator Roebuck, that responsibility was assumed and the duties entailed were discharged excellently.

I think the time has come to provide relief for honourable senators. While the Senate, and the Divorce Committee, have been relieved of the burden of screening this evidence, they would of course want to assure themselves that these hearings were conducted with the utmost competence, and that the reports made upon the evidence were completely reliable. In this field not only must justice be done, but it must also appear to be done. Parliament, the Senate, the Divorce Committee and the public must have confidence in the work done in respect of the hearing of evidence in these cases.

When it comes to a decision on the standard of competence required for this work, and having regard to its legal and judicial nature, it is appropriate that someone skilled and learned in the law should be chosen, because there are technicalities involved, particularly in the application of the rules of evidence, the assessment of evidence given by witnesses, and in the testing of their credibility. These matters often give rise to difficulties. Many members of the Divorce Committee, if not all, were or became skilled in this field.

So, it was considered advisable to select a person who would be worthy of appointment to one of the Superior Courts of the provinces, or to a federal trial court. In the circumstances it was felt that if a person worthy of appointment to the Exchequer Court could be found, such a person would be suitable for the discharge of this kind of responsibility. Personally, I think members of the Divorce Committee and all honourable senators who have met him, feel that Mr. Walsh, the present Commissioner, is such a person.

The legislation now before us is helpful to the Senate in another respect. In an emergency, if the Commisioner is ill or for any reason cannot attend to his duties, the bill allows for the appointment of another member of the Exchequer Court to take his place. In that way the work will continue to be competently done.

My friend Senator Choquette said that this is a step towards the removal of divorce from Parliament and transferring it to the Exchequer Court. This is like a man saying "you cannot get there from here," but a step in any direction may be a step either towards or away from a given objective.

I think we all realize that neither this bill nor Chapter 10 of the Statutes of 1963 take divorce out of Parliament. Parliament still must act in accordance with the requirements of the statutes. And if divorce for the provinces of Quebec and Newfoundland is to cease to be granted by Parliament, then only Parliament can so decide; only Parliament can take such a formidable step. I would venture the personal opinion that it is a step unlikely to be taken without a request from the provinces to be affected.

I say too, in passing, that this act does not confer a judgeship upon the present divorce commissioner, because judges are appointed by order in council upon the recommendation of the minister.

Honourable senators, there is nothing devious about this measure, or the other one which is its companion. At all times I have wanted to be frank with respect to this and other measures. This bill is a simple one. It is a consequential measure, in view of other legislation. I think it is a provident bill, one that can help a great deal in the work this chamber performs.

Hon. Jacques Flynn: Honourable senators, I shall take only a few moments to explain my reluctance to support this bill.

I have nothing to say against the bill that was passed last year creating the post of divorce commissioner. But this bill has only one justification—one that was mentioned by the honourable sponsor (Hon. Mr. Roebuck) —namely, that a member of the Government assured the present commissioner that he would be made a judge of the Exchequer Court. There is nothing very wrong in that, and if the bill was otherwise justified I would not be critical of it.

However, I think it has been clearly shown by Senator Choquette that it is not necessary to appoint the commissioner a judge of the Exchequer Court if the object is simply to assure him security. This can be done without making him a judge. There are other positions in the Senate which do not lack lustre because their appointees are not members of the court, and who, at the same time, are provided with reasonable security.

My second point is that this measure goes against the principle of the division of legislative and judicial powers. The honourable Leader of the Government (Hon. Mr. Connolly, Ottawa West) has taken great pains to demonstrate that the Senate in dealing with divorces is making legislative and not judicial decisions. I do not like the idea of a judge of the Exchequer Court, or any member of the judiciary, coming under the authority of this chamber or one of its committees. The principle that the judiciary should be completely outside the influence of Parliament is one we have always taken care to preserve.

If this was a bill to give our present divorce commissioner security of tenure of office, then I would approve of it, but I am against the idea that such security cannot be given him otherwise than by appointing him a judge of the Exchequer Court. This is against the principle of the division of legislative and judicial powers.

Hon. Arthur W. Roebuck: Honourable senators—

The Hon. the Speaker: I must inform honourable senators that if the honourable Senator Roebuck speaks now it will have the effect of closing the debate.

Hon. Mr. Roebuck: Honourable senators, this debate has carried on for so long and so many things have been said, and no one knew that it was to be continued today, that I feel I am not quite ready to speak at the moment. Therefore, with your consent, I would like to move that it be adjourned until tomorrow, when I shall be ready to speak.

However, there is one thing that is large in my mind—perhaps it is the largest of all in my mind—that I can mention to you. I am thinking of the very great kindness with which one honourable senator after the other has referred to me and my committee. I have particularly in mind the remarks of Senator Choquette, those of my friend directly across the chamber, Senator Grosart, and those of my good friend, Senator Pouliot. The honourable Leader of the Government in this house (Hon. Mr. Connolly, Ottawa West) made some rather nice references a few moments ago. Many times my committee and I have been grateful for the kindness and understanding we have received from the members of this house.

Senator Choquette, in his opening remarks, hoped that I and others would not take anything personal out of them. All he was asking me at that time, I think, was not to be juvenile. We are able to carry on our debates in this house without unfriendliness resulting, and yet to approach them vigorously and without pulling punches. That is one of the characteristics of this house, that we are more adult than those in some other places. We have reached a degree of maturity in which we can agree or disagree without it affecting the relationships. I would say to Senator Choquette and the others who have spoken that I hope they will extend to me the same latitude and tolerance that was asked of me.

I shall certainly reply in a spirit of humbleness, although in vigorous disagreement with some of the statements already made. That is all I wish to say now because, as I have said, the very great kindness with which the members of this house have viewed thte labours of the Divorce Committee, and their expressions of appreciation over the years, are very large in my mind.

Honourable senators, while I have been chairman of the Standing Committee on Divorce for more than ten years, the fact that Senator Aseltine carried this burden for the previous ten years, and did so with the same devotion and attention to detail with which I hope you will credit me, should not be overlooked. As the years go by we are sometimes inclined to forget what people did a long time ago, but I, for one, having acted as chairman for so long, realize what my predecessor did in that regard.

I thank you, and I move the adjournment of the debate.

Hon. Mr. Vaillancourt: Would the honourable senator permit me a question?

Hon. Mr. Roebuck: Yes.

Hon. Mr. Vaillancourt: Does the honourable senator remember that a few years ago an investigator was prosecuted for perjury?

He was convicted in the first court, but on appeal the conviction was quashed. That is true, is it not?

Hon. Mr. Roebuck: Yes.

Hon. Mr. Vaillancourt: Will the commissioner, as a judge of the Exchequer Court, be able to cause the prosecution, if necessary, of a witness for perjury? Does the honourable senator understand my question?

Hon. Mr. Choquette: Honourable senators, I might point out to honourable Senator Vaillancourt that he was away when I raised that point in my speech. I put the question to Senator Roebuck, who answered it partially and who promised to look into it and give us the answer. Is not that correct?

Hon. Mr. Roebuck: The question of the status of a commissioner, not being a committee of the house, has been open to question in my mind and in the minds of members of the Committee on Divorce ever since he was appointed.

The whole question has been under advisement prior to the time Senator Choquette raised this question. I am not ready right now to answer it fully. I should answer the point raised by Senator Vaillancourt.

The charge against this man was the fabrication of evidence. It was held in the Court of Appeal that the Senate committee was not the kind of court to which the Code referred and therefore the charge was not good as against him and he was discharged. At the next session we amended the Code so that it applies now to a committee of this house.

The question arises now—it has been very largely in my mind for some considerable time and I am taking action in connection with it—as to whether or not the fabrication of evidence, the right to administer an oath, and the effect of misstatements amounting to perjury, come under the Code as it now stands.

I can assure both Senator Choquette and Senator Vaillancourt that the matter is not being overlooked. I think that is as far as I wish to go at the moment.

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

EXTERNAL RELATIONS

COMMITTEE EMPOWERED TO STUDY REPORT

The Senate resumed from Monday, May 25, the adjourned debate on the motion of Hon. Mr. Thorvaldson:

> That the fifty-fourth Report of the Department of External Affairs, covering the calendar year 1963, laid before the House on February 25th, 1964, pursuant to section 6 of the External Affairs Act, be referred to the Standing Committee on External Relations for consideration.
>
> That the committee have power to send for persons, papers and records, and to report from time to time.

Hon. Josie D. Quart: Honourable senators, while governments of many countries rise and topple, while conflicts explode and subside, all the while the women of this world have been waging their own quiet revolution—and not so quiet revolution—over the years.

What women are fighting for and have largely won are some of the basic twentieth century rights which men take for granted but for which women still have to struggle and strive to achieve success.

This may seem like an old story to women and men in Canada, the United States and Great Britain, but not so in Asia, Africa, Latin America, and even in some parts of Europe where the right to vote, to be elected and to hold public office on equal terms with men is still a far cry.

The question of rights and wrongs between men and women has always been a problem since the time of our first parents, Adam and Eve, and, as is usually the case, the woman was blamed, rightly or wrongly, for that Garden of Eden episode.

All down through the ages other controversial issues have come and gone, but not so with the battle of the sexes, even though that is a battle which neither side can win, for there is too much fraternizing with the enemy. But, to help solve these injustices the United Nations has emerged as woman's best friend. This may sound like a good advertising "gimmick," but in reality it is one of the most honest and truthful compliments that any woman in any part of the world could pay the United Nations.

Since the UN Commission on the Status of Women was set up in 1946, the delegates to this commission have wholeheartedly and persistently used the commission's world-wide influence to endeavour to persuade governments to extend political and other rights to women in countries where they did not already have them.

Canada was elected for the first time to the UN Status of Women Commission in 1958 for a three-year term. I assure you it was quite an important occasion for Canada, and a great honour and privilege for me to have been appointed as the official delegate to this commission, where I was conscious of speaking and voting in the name of the Government of Canada, on behalf of the women of Canada.

A three weeks' session of the commission is held yearly, usually at the United Nations headquarters in New York, or at the Palais des Nations in Geneva. One session was held in Beirut in 1949 and one in March 1960 in

Buenos Aires. That was the last one I attended, as Canada's three-year term expired that year.

However, as is the case with all other functional commissions of the Economic and Social Council, with the exception of the Human Rights and Narcotic Commissions, the Commission on the Status of Women will not meet in 1964. This is due largely to a combination of the increased work placed on the Secretariat by the United Nations Trade Conference, and to the reconstruction of committee rooms now in progress at the UN Headquarters Building in New York.

Therefore, in 1963, in the Eighteenth Session of the General Assembly, Resolution 1921 was adopted, requesting the Economic and Social Council, the commission's parent body, to invite the Commission on the Status of Women to prepare a draft declaration on the elimination of discrimination against women, with a view to its consideration by the General Assembly at its Twentieth Session. Governments of member states and appropriate nongovernmental organizations have been asked to send to the Secretary-General their comments and proposals relating to the principles which might be incorporated in the draft declaration. The drafting of this declaration on the elimination of discrimination against women in all member countries of the United Nations will probably be the major task of the commission for its next session in 1965.

There is a very strong rumour at the United Nations, and seemingly gaining favour with many countries, that since women have obtained voting and major political rights in over 75 countries of the world, it may be that the Status of Women Commission should now be merged with the Human Rights Commission.

It is my understanding that the Government of the United Kingdom is favourable to this suggestion, but I do not know what Canada's policy is on this matter, so at the present time I shall not venture my personal opinion. However, as the Status of Women Commission may eventually be merged with the Human Rights Commission, I deem it my duty to place on record a few of its achievements and its background before they are filed away from our memory into the history books of the United Nations, to gather dust and be forgotten by future generations.

At the San Francisco meeting of the United Nations in 1945, the question was discussed whether women should be segregated to work out their own salvation, or treated as part of the human race. Bertha Lutz, a well-known feminist on the delegation of Brazil, proposed that the status of women in different countries be radically improved and their political rights extended to promote human rights and fundamental freedoms; that a Status of Women Commission be set up by the United Nations to study conditions in member states and to prepare reports with special reference to discrimination and limitations placed upon women on account of their sex. The Brazilian resolution was strongly supported by other Latin American countries and by the majority of other countries.

The United States and the United Kingdom were not too enthusiastic about setting up a special commission on women's rights, believing at the time that it was a retrograde step, that women would achieve equality and settle problems of discrimination far better and more quickly within the framework of the Human Rights Commission.

Many nongovernmental organizations in the so-called "advanced" countries were lukewarm about the value of the commission and its plan of action, and sent in resolutions to the effect that it would be a mistake to have a commission composed only of women. Some suggested that the membership should be made up equally of men and women—whether the intention was to educate the men or to keep the women in order was not too clear.

Be that as it may, the Economic and Social Council, at its first meeting in March 1946, sponsored the setting up of the Status of Women Commission. Its aim is to consider measures for removing discrimination of all kinds against women. Whereas the commission deals particularly with the rights of women, its aim is to foster a real partnership between men and women—husband and wife. It recognizes the family as the natural group unit of society; it believes that the subordinate status of the wife is not conducive to family unity and mutual respect; it believes that the legal equality of husband and wife, and the sharing of authority, prerogatives and responsibilities involved in marriage, are of benefit not only to the status of women, but also to the family as an institution.

A three weeks' session of the commission is held yearly, usually at the United Nations headquarters in New York, or at *Le Palais des Nations* in Geneva.

The eighteen member states which constitute the membership of the commission are usually represented by women delegates, although there are many men who act as legal advisers. I guess it takes a brave man, or maybe a foolhardy one, to claim he is an authority on women. Perhaps that is why the Status of Women Commission is made up of women delegates from the various countries.

Although Canada has not been a member of the commission since 1960, Canada's permanent mission, either in Geneva or in New York, usually sends an observer to the sessions to follow the procedures and to prepare a report for the Department of External Affairs. When Canada's term expired, we supported Australia's election on the commission. It would be hard to deny that the existence of the commission has not strengthened the fight in every country for full political rights for women. Since its inception over forty countries have granted women voting rights and the right to hold public office; and there are only comparatively few countries where women, as yet, have no voting rights at the national level. Some of these are: Afghanistan, Iran, Iraq, Jordan, Saudi Arabia, Yemen, Libya and Switzerland. Of course the women of Switzerland now vote in elections in three or four cantons. And it seems strange that a country as advanced as Switzerland would still deny the women the right to vote on a national level.

Many of the achievements of the Commission on the Status of Women would never have been possible if left solely to the Human Rights Commission.

There are articles on the agenda of the commission which men would never have touched with a 50-foot telegraph pole, such as bride sale, where abuses exist; the abolition of the ritual operations on girls, especially in African countries, which are degrading to women and are a form of slavery.

It is good news that the Secretary-General of the United Nations, U Thant, following the Resolution (960 XXXVI) concerning slavery, passed at ECOSOC last July, has now appointed a special rapporteur, "Charged with the preparation of an accurate, comprehensive and up-to-date study on the extent to which slavery, the slave trade and practices similar to slavery, still persist." This will, however, not be presented to ECOSOC until 1965.

Then again, only the persistence of the women delegates on the Status of Women Commission, in continually sending back their requests and draft resolutions to ECOSOC, finally got through a Convention on the Political Rights of Women, and a Convention on the Nationality of Married Women. Both these conventions have had a wide effect on women's rights, and the commission's recent effort, the Convention on Minimum Age of Marriage and Consent to Marriage, is already having important legal and social consequences, although it had a rough passage both in ECOSOC and in the General Assembly.

The Status of Women Commission at every session deplores the small number of women serving in official positions on delegations at the General Assembly and on United Nations' commissions, other than the Status of Women Commission. But one cannot blame the United Nations organization for that situation, for there is no democratic means of insuring more women as representative delegates, for it is not individuals, men or women, who are appointed or elected to the General Assembly or to the commissions, but governments, and they have the right to choose their own representatives. The fact that so few women are appointed as representative delegates or alternates only reflects the unequal status of women in the countries that send delegates.

As an example, the total number of women serving in official capacity on the main committees of the 1963 General Assembly was 92, and even then some served on more than one committee. There were 48 official delegates on the six main committees, and 49 alternates.

When I was a representative delegate on the Canadian delegation to the General Assembly in 1957, upon my return to Canada I sent a recommendation to the Minister for External Affairs stating that it added to Canada's prestige to appoint a woman as representative delegate on the Canadian delegation. In that year there were only seven women as representative delegates at the opening of the General Assembly, and last year, if I am not mistaken, there were eight representative delegates. I am not talking about alternate delegates, nor observers or advisers.

The proposed agenda for the 1965 Status of Women Commission will include the following:

1. The implementation of the commission's resolutions;

2. The importance of co-operation from international women's organizaitons;

3. The advancement of women in developing countries;

4. Governments and N.G.O.'s are to contribute reports on types of action to be taken to carry out commission resolutions, beginning with political rights and family law.

5. A new pamphlet on civic and political education of women directed to leaders in this field is being prepared and will be circulated to governments, specalized agencies and N.G.O.'s for comment;

6. The commission will ask UNESCO to seek further information on programs and methods which N.G.O.'s and others have used in combating illiteracy among women;

7. The consideration of economic rights and opportunities for women centered mainly on retirement age and pensions.

With respect to the status of women in private law, the commission at its last

session, as requested by the General Assembly, drew up a draft text of the recommendation on consent to marriage, minimum age for marriage and registration of marriages, to parallel the provision in the convention adopted by the General Assembly in 1962. The commission felt that its adoption could exert a moral influence on all member-states, while the convention bound only those which ratified or acceded to it.

I understand that at the 1965 session there will be a discussion on the effects of dissolution of marriage, as well as on the subject of guardianship. This will probably interest the Senate, which is rather deeply involved in the marriage question at the present time.

As regards the minimum age of marriage, consent of the parties to the marriage and the registration of marriages, the more I look into this question the more I am impressed, in fact dismayed, by its complexity. With all the torrent of factual information from many countries, reflecting, as might be expected, wide diversity with respect to marriage laws, one may question, as have many people, on hearing the proposals before the Status of Women Commission, whether ancient laws and customs so deeply rooted in social traditions are possible subjects for international agreements. However, I feel that all efforts must be pursued until some satisfactory instrument can be evolved as a touchstone for marriage laws in all member states of the United Nations.

At the session in Buenos Aires in 1960 the most controversial and most challenging subject on the agenda was the minimum age of marriage. The proposal of a definite age created difficulties for Canada's vote, since the federal Government obviously could not take the matter out of provincial hands, nor, I am sure, would it want to do so. Therefore, I was authorized by the legal division of the Department of External Affairs to support a resolution, rather than a convention.

Here in Canada, the question of marriage laws is one of considerable complexity. Under our federal system the solemnization of marriage, as my honourable colleagues know, is a matter of provincial jurisdiction. The resulting diversity of legislation among the ten provinces and two territories is a veritable microcosm of the wider situation in the world as a whole. However, I firmly believe that already in Canada, as the result of the discussions in the Status of Women Commission, considerable interest has been aroused in the subject, and a good deal of critical thinking is being brought to bear upon the adequacy of our legislation, especially with respect to the minimum age of marriage.

Honourable senators, at the expense of being somewhat tedious, I would like to place on record a statement I made in Buenos Aires, regarding marriage laws in Canada, in compliance with a questionnaire for information requested by the Secretary-General from member states as contained in document 356, and the alternative projects presented in document 353 of the United Nations. I quote excerpts from my statement as I would like to have them included in the Senate *Hansard* for future reference:

> First, with respect to consent to marriage, as is indicated in the report of the Secretary-General, the various jurisdictions in Canada belong in the category called group 2, in which the consent of both parties is required subject to an age limitation, together with the consent of other persons. In all ten provinces and the two territories as well, a man or a woman who has reached the age of 21 is free to marry without consent of parents or guardians. In one province the requirement is 18 for the prospective bride but not for the bridegroom, and in three provinces parental consent for both parties to marriage is waived at the age of 18. In one province and two territories, marriage at 18 is permissible without consent of parents under circumstances which are laid down in the relevant acts or ordinances. The requirement of the consent of parents or guardians is generally regarded as a salutary check upon immature decision regarding marriage on the part of young people who have not yet reached the years of majority.
>
> It is in the matter of a legal minimum age for marriage that the greatest diversity exists. In the older provinces of eastern Canada no absolute minimum is fixed by statute, although in the absence of a statute, the minima of the Anglo-Saxon common law, 14 for boys and 12 for girls, presumably would apply. In Quebec, the only Canadian province which does not derive its law from the Anglo-Saxon common law, the Civil Code fixes a 14-year minimum for boys and 12 for girls. Ontario has a minimum of 14 years, while in the four western provinces and the territories the minimum legal age for marriage is either 15 or 16 years and is the same for both girls and boys. Where legislation exists to prevent very young marriages, it is not usually a matter of declaring invalid all marriages of persons under a certain age, but control is exercised through the issuing of licences and other provisions concerning a legal marriage ceremony. I might add at this point that statistics show that the proportion of very young marriages in Canada is very, very small.

> But to come to the heart of the matter, first, I must remind you again of the constitutional situation whereby the Canadian provinces have individual and complete jurisdiction over the age of marriage. For that reason therefore, and because of the variations in the minimum age from one province to another, together with the fact that four provinces have no minimum age fixed by statute, I am not in a position to present or vote for any firm recommendation regarding a minimum age.

I am using "I" because this is an excerpt from a statement I made before the Buenos Aires Status of Women Commission.

> However, expressing my own preference, but without commitment for the Government of my country, I must confess that I am personally inclined to a minimum of 16 years. Already this is the minimum legal age of marriage in three Canadian provinces and since, as is noted in the Secretary-General's report, the trend in recent legislation is towards a higher minimum age I feel that the majority of my compatriots would perhaps tend to favour the age of 15 or 16 as an acceptable compromise.

Here may I mention that my colleague Senator Fergusson has also expressed that idea.

> The requirement of the full and free consent of the intending spouses stands beyond dispute. Nor does provision for the registration of marriage present any problems for Canada, because in all parts of the country some form of registry of marriage is required by law. In several instances in Canada it is a Vital Statistics Act rather than a marriage law that sets out the provisions concerning the registration of marriages.
>
> At the same time, of course, one must not lose sight of the very basic importance of registration in protecting the marriage, in particular in safeguarding the position of the wife. I should like therefore to express—

—which I did—

> my complete agreement with articles 2 and 3.

Now, as to seminars, it is wholly apparent that the advisory services program has become a very significant part of the work of the Human Rights Division of the United Nations, and surely it has had no more effective expression than in the many seminars it has sponsored on the participation of women in public life in all its phases.

Honourable Senator Fergusson gave a glowing and interesting report on the seminar on "Women in Family Law," held last December 3 to 16, in Bogota, Colombia. She said she was deeply impressed by the calibre of the delegates attending. Her enthusiasm was eloquent testimony of the influence of these seminars on the thinking of the delegates, the peoples, and the governments of the countries participating. I am happy to say, Senator Fergusson, that during my three-year term on the Status of Women Commission I strongly supported seminars, with a preference for regional seminars. I stated that in my opinion more effective and better integrated programs are possible in a regional seminar which brings together women from countries with some similarity of background, while from a financial point of view regional gatherings are also more practicable.

Honourable senators, I am very happy that to date Canada has signed and ratified two international conventions. The first is the United Nations convention on the political rights of women, drafted by the Status of Women Commission and opened for signatures in 1952. The convention had three principal provisions: article 1, the right of women to vote on equal terms with men; article 2, the eligibility of women for election to all publicly elected bodies; and, article 3, the right of women to hold public office and exercise all public functions.

Canada signed this convention in 1952, but only ratified the convention in 1958, thereby officially accepting article 3 of the convention, which is "the right of women to hold public office and exercise all public functions." It is article 3 of the convention that has held back many governments from ratifying the convention.

The United Nations Convention on the nationality of married women was signed by Canada in 1957. Canada was the first country of the Commonwealth to sign. The Canadian Parliament approved the ratification of this convention, as I am sure all of you remember, on July 15, 1959, and it was ratified officially at the United Nations General Assembly on October 21, 1960. It provides that neither marriage nor its dissolution nor the change of nationality by the husband during marriage shall automatically affect the nationality of the wife. Countries that have ratified the UN convention also agree that an alien wife may, at her own request, acquire her husband's nationality, following privileged naturalization procedures. Formerly there were times when women found themselves without a country.

In concluding, may I say that although each country has its own history, its own traditions, its own personality, its own political, economic and social systems, the policies of which are

reflected in the votes and statements of the delegates, nevertheless, when you scratch beneath the surface you realize how similar are the interests of women, their objectives and aspirations, their eagerness for information about, and contact with, women from other parts of the world.

The Status of Women Commission provides an outlet for first-hand information. Unlike any other functional commission of the United Nations, there is on this commission a common bond among the delegates, as all are working towards the same goal: full political rights and equal opportunities for the women of the world.

Here, I would like to clarify a point. The women delegates on this commission should not be regarded as militant suffragettes nor a group of frustrated females. On this commission there was general agreement that the age of hunger strikes, indignant protests for women's rights is past; for with women's new found freedom in so many countries, it is possible to evaluate women's responsibilities in an atmosphere calmer than that at the turn of the century.

Any normal woman will agree that the role of wife and mother is a woman's crowning glory. Canadian statistics prove that Canadian women are more interested in marriage than in a career. That is as it should be. But do not forget, all women are not called to the married state. It requires the co-operation of a man to sign a marriage contract and put his name on the dotted line. A woman may say, "I do", but if the man says "I won't", there is just no marriage and a single "unclaimed treasure" is just as free as the air to follow a career. So are widows and women with no family responsibilities.

However, I do not think the women or men of today should scorn or ridicule the suffragettes of yesteryear, for it is very easy for us in our generation to forget the debt of gratitude we owe to the pioneers of women suffrage, who laboured so long, and against such tremendous odds, to give women the measure of equality we possess today. Remember prior to World War I women voted in only three countries: New Zealand, Norway and Finland.

Of course, it is one thing to obtain basic political rights, but it is quite another thing to make the most effective use of those rights once they have been obtained. Mere legislation is not enough—what is needed afterwards is political education to stimulate interest and spread knowledge amongst all women and men, in order to eliminate as soon as humanly possible social and economic discrimination and inequality of the sexes in all civilized countries of the world.

Hon. John J. Connolly: Honourable senators, at this stage in the debate to refer the subject of tourist traffic to committee, I rose to speak, and afterwards I was very bluntly told by one of our colleagues, whose name shall not be mentioned, that my speech was completely unnecessary and that I might very well have dispensed with it. I propose to observe that injunction today in respect of this item.

Hon. Mr. Brooks: That was well-deserved applause.

Hon. Mr. Connolly (Ottawa West): However, as I understand this is the last speech to be made on this item, I rise only to thank the Chairman of the Committee on External Relations for the work he has done, not only by his contribution to the debate, but for the encouragement he has given to other honourable senators to participate in it. We all realize that there is a great deal of capacity for discussion of foreign affairs among the members of the Senate. A number of senators have been on delegations to various international meetings, and have acquired much experience in the field. This has been borne out by the quality of the speeches which have been made, and in my view this augurs well for the success of the work of this committee this year. I wish the Chairman and its members success in the work they undertake.

Motion agreed to.

MARRIAGE AND DIVORCE ACT

BILL TO AMEND—ORDER FOR SECOND READING STANDS

On the Order:

Second reading of Bill S-16, intituled: "An Act to amend the Marriage and Divorce Act".—(Honourable Senator Pouliot).

Hon. Jean-François Pouliot: Honourable senators, I ask that this Order stand until Wednesday next, June 10.

Order stands.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, June 4, 1964

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

Prayers.

DOCUMENT TABLED

Hon. John J. Connolly tabled:

Report of the number and amount of loans to immigrants made under section 69(1) of the Immigration Act, for the fiscal year ended March 31, 1964, pursuant to section 69(6) of the said act, chapter 325, R.S.C., 1952. (English and French texts).

OTTAWA TERMINAL RAILWAY BILL

FIRST READING

Hon. John J. Connolly presented Bill S-33, to incorporate the Ottawa Terminal Railway Company.

Bill read first time.

The Hon. the Speaker: When shall this bill be read the second time?

Hon. Mr. Connolly (Ottawa West) moved that the bill be placed on the Orders of the Day for second reading on Tuesday next.

Motion was agreed to.

PRIVATE BILLS

NOVA SCOTIA SAVINGS & LOAN COMPANY—FIRST READING

Hon. Gordon B. Isnor presented Bill S-34, to incorporate Nova Scotia Savings & Loan Company.

Bill read first time.

Hon. Mr. Isnor moved that the bill be placed on the Orders of the Day for second reading on Tuesday next.

Motion agreed to.

THE BELL TELEPHONE COMPANY OF CANADA —REPORT OF COMMITTEE ADOPTED

Hon. A. K. Hugessen, Chairman of the Standing Committee on Transport and Communications, reported that the committee had considered Bill S-27, respecting The Bell Telephone Company of Canada, and had directed that the bill be reported without amendment.

Report adopted.

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

Hon. Mr. Hugessen moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

BUSINESS OF THE SENATE

On motion for adjournment:

Hon. John J. Connolly: Honourable senators, I move that when the Senate adjourns today it do stand adjourned until Monday, June 8, 1964 at 8 p.m.

Hon. Mr. Brooks: Can the honourable Leader of the Government give us some idea of the business we might expect next week?

Hon. Mr. Connolly (Ottawa West): Yes, I will do my best. In addition to a fairly full Order Paper, there are some prospects that the other place may this week finish the approval of the Columbia River Treaty, the Farm Credit Bill—I know honourable senators will think I am dreaming as I go on—the Export Credits Bill and possibly the housing legislation. There is a possibility that one or more of those last three pieces of legislation will reach us early next week.

Hon. Mr. Choquette: Could the flag be included in that list?

Hon. Mr. Connolly (Ottawa West): No, I think not. We will be putting out more flags on other occasions.

We have, of course, the notice of motion on our own Order Paper for the approval of the Columbia River Treaty and Protocol, and I would hope that the debate would start in this chamber on Tuesday afternoon next. On Monday evening next we will have some items on the Order Paper which will be left over from today. Perhaps some of these other bills to which I have alluded will reach us from the other place.

I was happy to introduce today a further Government bill for consideration first in this house, to deal with the agreement between the Canadian Pacific and the Canadian National Railways with reference to railway relocation in the City of Ottawa, to conform with the requirements of the National Capital Commission. So that there is a good deal on the Order Paper for work next week.

In addition, honourable senators will note from the *Minutes of the Proceedings* that on Tuesday next, we will have two committees sitting in the morning, and another in the afternoon. Therefore the Senate will be fairly active next week.

Hon. Mr. Brooks: I hope the honourable leader is not too optimistic in his projection of business. I would like to ask if it is necessary that the debate on the Columbia River be concluded in the other place before we debate it here.

Hon. Mr. Connolly (Ottawa West): I think not. I think we can go ahead with our consideration of it, as I propose. As the honourable Leader of the Opposition will appreciate,

a great deal of preparatory work had to be done for the explanation of the treaty in this house. Perhaps I should announce that the honourable Senator Hugessen has undertaken that work and will be making the explanation. He has agreed to do that on Tuesday afternoon.

Hon. Mr. Brooks: Thank you.

Motion agreed to.

CONVENTION ON DISCRIMINATION IN EMPLOYMENT AND OCCUPATION

MOTION FOR APPROVAL

Hon. David A. Croll moved, pursuant to notice by Hon. Mr. Connolly (Ottawa West):

> That it is expedient that the Houses of Parliament do approve of Convention No. 111 concerning discrimination in respect of employment and occupation, which was adopted by the International Labour Conference on the 25th of June, 1958, and that this house do approve the same.

He said: Honourable senators, the convention concerning discrimination in respect of employment and occupation, the text of which has been distributed to honourable senators, was adopted by the International Labour Conference in 1958, and has since been ratified by 43 member countries. Following its approval by Parliament, the Government proposes to ratify the convention.

The purpose of the convention is to promote efforts throughout the world to remove discrimination in employment and occupation, based on grounds of race, colour, sex, religion, political opinion, national extraction, or social origin, and to promote equality of opportunity.

When the convention is ratified its obligations will be—and I quote:

> to declare and pursue a national policy designed to promote by methods appropriate to national conditions and practice, equality of opportunity and treatment in respect of employment and occupation with a view of eliminating any discrimination in respect thereof.

After the convention is ratified, a member country must report to the ILO regularly on the manner in which the policy is being observed.

In December of 1958 an opinion was obtained from the Justice Department indicating that the subject matter of this convention is partly within federal and partly within provincial jurisdiction. The obligation imposed by this convention, unlike some other ILO conventions, rests essentially on the federal Government. An ILO committee of experts, which has reviewed this convention, states that it is possible for the federal authorities, in federal states, to give effect to this convention by—and I quote:

> ... declaring a national policy and pursuing it through methods appropriate to existing constitutional practice, i.e. by taking direct legislative or other action, in areas which are within the competence of the federal authorities and by exercising their influence in other areas through educational measures, co-operation by employers' and workers' organizations and other appropriate agencies, as envisaged by the Convention.

In October of 1963 the Prime Minister wrote to each provincial premier a similar letter, to ask confirmation that the provinces were pursuing by methods considered appropriate within the province a policy of promotion of the equality of opportunity and treatment in respect of employment and occupation within the spirit of the convention. In the course of his letter he said—and I quote:

> I am confident you will agree it is important for Canada to support this international effort to remove all forms of discrimination in the field of employment. Ratification of the Convention would confirm a non-discrimination policy practised by the federal and provincial governments. It would be in keeping I feel with desires of Canadians—it would act as a spur to greater efforts to eliminate any discrimination which exists in Canada and it would undoubtedly have a beneficial effect in helping to achieve the same objective to other parts of the world.

Honourable senators will be pleased to learn that the response to the Prime Minister's communication to the provincial premiers was one of full concurrence. The government has received confirmation from all the provinces that they are pursuing policies to promote equality of opportunity and treatment in respect of employment and occupation. Clearly, an anti-discrimination policy has been and is being pursued in Canada at the national and provincial levels.

At the national level, a number of pertinent statutes speak for themselves. The Canada Fair Employment Practices Act has the express purpose of preventing discrimination in employment in industries under federal jurisdiction; and the Fair Wages Order in Council set forth a similar policy regarding work on federal Government contracts. The Female Employees Equal Pay Act, applicable to industries under federal jurisdiction, prohibits differences in rates of pay based solely on the

sex of the employee. The National Employment Service and the Unemployment Insurance Act set forth clearly the principle of nondiscrimination in placement and operation. The federal-provincial agreements under both the Technical and Vocational Training Assistance Act and the Rehabilitation of Disabled Persons Act contain clauses providing that assistance will be available without discrimination of racial origin or religious views of persons seeking such service.

The Civil Service Act specifically expresses a nondiscrimination policy in public employment, in that provisions authorizing the Civil Service Commission to prescribe qualification state that in so doing they shall not discriminate against any person by reason of race, national origin, colour or religion.

The Canadian Bill of Rights proclaims rights, and then provides that all Canadian statutes shall be construed and applied so as not to infringe on these rights. It says:

> It is hereby recognized and declared that in Canada there have existed and shall continue to exist without discrimination by reason of race, national origin, colour, religion or sex the following human rights and fundamental freedoms, namely, (b) The right of the individual to equality before the law and the protection of the law.

This is a shield, but the victim of discrimination needs a sword as well, and the sword is legislation that forbids discrimination. Moreover, the Department of Labour undertakes educational measures aimed against discrimination with the advice and co-operation of employers, workers, and other organizations.

The provinces have provided a sword, and they have given leadership to prevent discrimination in employment. Saskatchewan spelled it out first. In 1951 Ontario passed a very similar act, followed in 1953 by Manitoba, in 1955 by Nova Scotia, and in 1956 by New Brunswick and British Columbia.

I remind honourable senators that the Canadian employer, worker and government representatives all played a significant part in the framing of the text of the discrimination convention in the 1958 ILO Conference. The text was developed by a conference committee, the chairman of which was Mr. Arthur H. Brown who was then Deputy Minister of Labour for Canada. The committee was tripartite, and the leader of the workers' group and vice-chairman of the Committee was Mr. Kalem Kaplansky, director of International Affairs for the Canadian Labour Congress. He was thus the principal spokesman for labour at this convention.

In the year 1957, when the conference committee first discussed the proposed convention, Mr. Kaplansky was also Vice-Chairman of the Committee for the workers' group, and the employers' Vice-Chairman was Mr. Allan Campbell, Vice-President in charge of Industrial Relations of Canadian Westinghouse, the Canadian employer delegated to the conference. Thus, you will see Canadian representatives were spokesmen for the workers and employers of the world in framing the convention against discrimination in employment and occupation.

The struggle against discrimination must be a continuing one. The legislation which has been enacted in Canada must be viewed as part of this continuing struggle, and not as evidence of a struggle that has been finally won. The Government of Canada, using all media at its disposal, has conducted a continuing expanding program of educational publicity to assist in removing the attitudes of mind that give rise to acts of discrimination.

Between 1950 and 1960, Parliament and six provincial legislatures passed a Fair Employment Practices Act, prohibiting discrimination in employment on grounds of race, colour, religion and national origin, and two more provinces have acts before them at the present time.

The enactment of these acts is recognition of the widely accepted truth that legislation can and does serve as a potent educational agent. And experience indicates clearly that rarely, if ever, has there been need for resorting to the judicial sanctions provided in the law.

The very enactment of Fair Employment Practices law proclaims that henceforth public policy will be one of employment on merit to the exclusion of such criteria as race, creed and colour.

To most law-abiding citizens, and Canadians on the whole are that, the very declaration of this policy determines their behaviour pattern. Legislation attacks discrimination as such, as the underlying prejudice and by so doing it corrects injustices, and at the same time it weakens chances for a further growth of prejudice.

Too often governments have adopted the attitude that the mere passing of human rights legislation solves the problem. Our task is to make certain that the laws which have been passed will become living, working realities rather than mere pious words.

Let me indicate what I have in mind. In this instance I shall speak of the Province of Ontario, because that is the one I know best, but there are other provinces equally responsive. The Province of Ontario has not permitted its Fair Employment Practices Act to lie dormant. It has appointed a director to its Human Rights Commission, which is part

of the Ontario Labour Department, and it has provided him with adequate staff for its implementation and enforcement by educational campaigns; and in March of this year an historic agreement was signed between the Ontario Human Rights Commission and the Association of Professional Placement Agencies and Consultants and its 15 member agencies. In signing the Declaration on Equal Employment Opportunity, the association and its members pledged their co-operation to the advancement of full and equal employment opportunity for all qualified workers irrespective of race, creed, colour, nationality, ancestry or place of origin.

Honourable senators may have read yesterday the report concerning an incident where two gentlemen from Florida came to Ontario to transact some business here. They phoned a stenographic agency and asked for a stenographer. The agency made a stenographer available. However, she was a coloured girl and they would not hire her. The matter came to the attention of the Human Rights Commission of Ontario. The result was that these gentlemen not only apologized but they compensated the girl for the time she had lost. This is an indication of how the Human Rights Commission was on the job, and it is well for our friends to the south to know that we are concerned about these matters. That is the kind of enforcement that makes some sense.

Now I think it is well understood that society uses pressures, legal or non-legal, to make its members conform in their conduct. Indeed, one of the roles of law is to operate as an instrument of social control. While the law will be ineffective if it goes counter to the deeply held views of the majority, it can, on the other hand, help to form opinions, and while a discrimination law does not purport to make discriminators love a man of a different race or colour, it does tell them to treat him as they would anyone else.

It is often said that you cannot legislate morality. Well, we legislate hardly anything else. All movements of law reform seek to carry out certain social judgments as to what is fair and just in the conduct of society. Moreover, these laws have worked because they have been in harmony with the thinking of the people. If this country really believes in the United Nations Declaration on Human Rights and the principles of the Canadian Bill of Rights—and I think it does—it will, through its federal and provincial governments support, pass and enforce legislation to put all humans on the same basis in the matter of employment.

Opponents of such a measure often invoke the right of a businessman to deal with whom he wishes. We must ask ourselves this question: Can a member of a race that suffers from discrimination justifiably ask society, through its branches of government, to take steps to protect him from the hurt he suffers through the refusal of persons in business or trade to treat him the same as anyone else? The answer in our country is a thunderous "Yes."

Ratification of this convention does not constitute a declaration that we in Canada are entirely free of the evil of discrimination in employment, but it is an affirmation that the policy of Canada at the federal and provincial levels is directed against discrimination in employment. Ratification will act as a spur to greater efforts towards the elimination of any discrimination that now exists in Canada, and it will demonstrate our support of the international campaign to achieve the same objective in other parts of the world.

The very able and distinguished Minister of Labour will be attending the ILO convention in Geneva on June 17. I hope that the Senate will consider the appropriateness of making it an occasion for him, as well as for us, to advise the convention that Canada has ratified this convention. I ask your support.

Hon. Mr. Hnatyshyn: Honourable senators, I move that the debate be adjourned.

Hon. Mr. Grosart: Before the motion for adjournment of the debate is put, may I ask the honourable Senator Croll a question?

In view of the fact that the motion asks for the approval of the convention, and not approval of ratification, what will be the next step? My information is that this will not be ratification in the usual sense.

Secondly, is it intended to submit this convention for similar approval, which is not ratification, to the provinces?

Hon. Mr. Croll: The provinces have already approved of it by letter. I do not think there is any intention of submitting it for further approval, but I really do not know the mechanics by which this is to be done. Once the motion is passed here it will be considered and passed in the other house.

Hon. Mr. Connolly (Ottawa West): And then the Government will take action.

Hon. Mr. Croll: Yes; the Government will then take action by order in council.

Hon. Mr. Grosart: My question is: What will that action be? My information is that it will not be ratification, although that word has been used here several times, and it was also used in the Prime Minister's letter.

May I ask a supplementary question? Will this convention go before the Standing Committee on External Relations?

Hon. Mr. Croll: No.

Hon. Mr. Grosart: I suggest that it should, because although this question is not a terribly important one, it is of interest in view of the legal decision some years ago in respect of the "ratification" of ILO agreements.

Hon. Mr. Croll: It was not intended to send it to the committee, and I understand that when it is before the other place it will not be considered by any committee. It is intended that it be dealt with in the house.

Hon. Mr. Lambert: Can the honourable senator tell me if any consideration has been given to having the legislatures of the provinces formally approve this convention by way of legislation rather than by sending letters to the federal authority?

Hon. Mr. Croll: The opinion of the experts was that the provincial governments could give that approval, and that was the procedure followed by the Government. There seemed to be no hesitation on the part of the various governments which, in effect, said, "Here is our act. Look at it. We have it on our statute books"; or they said, "We are going to pass similar legislation very shortly."

Hon. Mr. Lambert: This point was raised previously in relation to other matters where approval of the provinces was given in the form of a letter from the attorney general or another member of the government of a province to the federal authority. I have always felt that this approval would be more representative if it was accompanied by formal legislation passed by the respective provinces.

Hon. Mr. Croll: Perhaps the names of those who signed these letters are familiar to honourable senators. A gentleman named Manning signed a letter from the Province of Alberta. A gentleman whose name is Bennett signed the letter from British Columbia. Manitoba's letter is signed by a certain Duff Roblin, and New Brunswick's by Louis J. Robichaud. The letter from the Province of Newfoundland is signed J. R. Smallwood, and the one from the Province of Nova Scotia is signed Robert L. Stanfield. Ontario's is signed John P. Robarts; Prince Edward Island's is by Premier Shaw; and Saskatchewan's—this was before the election, and I must say it is a long letter, well put together—is by Mr. Lloyd.

Hon. Mr. Grosart: Would the honourable senator read one of those letters so that we may see whether in effect approval is given to the convention, or whether it is a mere statement that the province is in general abiding by the principles of the convention?

Hon. Mr. Croll: I am sorry, I overlooked the letter from Quebec. It is in French, and is signed by Mr. Lesage.

Hon. Mr. Grosart: Perhaps the honourable senator would read that letter in French.

Hon. Mr. Croll: He approved.

Hon. Mr. Haig: Would the honourable senator read the Prime Minister's letter?

Hon. Mr. Croll: I did give honourable senators the pertinent parts of the Prime Minister's letter.

Hon. Mr. Grosart: In order to keep it non-political, would the honourable senator read the letter from Newfoundland?

Hon. Mr. Croll: Yes.

> —I wish to assure you of Newfoundland's strong support of the position you propose to take and announce.

Hon. Mr. O'Leary (Carleton): Do they promise legislative action to give effect to their approval? Have they said they will pass laws?

Hon. Mr. Croll: Six of them have already passed laws, and the others say they observe these laws. I have here a letter written by the federal Minister of Labour to the Minister of Labour of Alberta, in which, in discussing this matter, he says:

> You and your Premier will I think, be pleased to learn that we have now received confirmation from each of the provinces that they are pursuing policies to promote equality of opportunity and treatment in respect of employment and occupation.

Hon. Mr. O'Leary (Carleton): Pursuing policies, surely, is something different from having laws to enforce these rights.

Hon. Mr. Croll: The honourable senator will appreciate that we cannot tell the provinces how to conduct their business. They say they agree with the principles and that they will carry them out, or are pursuing policies to that effect. Six provinces have passed laws. The others are considering the matter and will, in due time, I presume, pass laws. They thoroughly agree with the convention. What more is there to say?

Hon. Mr. Crerar: I would like to ask Senator Croll two questions. First, are the terms of the convention of general application, or are they limited to admonitions to governing authorities, wherever they may be and whoever they are? Second, are there any sanctions proposed for violation of the terms of the convention?

Hon. Mr. Croll: I do not think there are any sanctions. I think they are of general application.

Hon. Mr. Aseltine: Would it not be advisable to have the matter discussed in committee?

Hon. Mr. Crerar: Are there any sanctions proposed for violations?

Hon. Mr. Croll: There are no sanctions as such.

Hon. Mr. Crerar: Then it is simply a pious hope that it may do some good. Is that correct?

Hon. Mr. Croll: It is far more than a pious hope. I have said that six provinces have laws upon the statute books which they are enforcing, and I have given you an example of one that came to my attention the other day; and two other provinces are considering laws and are likely to deal with them in the near future. What more?

Hon. Mr. Crerar: If these discriminations continue, as they probably will, what can be done about it? What is proposed to be done about it?

Hon. Mr. Croll: There are sanctions in the law, in the Fair Employment Practices Act. There are no sanctions in the ILO convention, but the laws that are passed by the provinces have sanctions in them.

Hon. Mr. Crerar: Does my honourable friend expect that these discriminations, which we all deplore, will cease when this convention is passed?

Hon. Mr. Croll: Well, they ceased in Canada to some extent back in 1950. And if the law is passed, is not that an expression of opinion to the world generally?

Hon. Mr. Grosart: In view of the fact that there are answers to some of these very important questions that have been raised regarding the effect of approval or nonapproval by the provinces, and the question of sanctions, I wonder if the honourable Leader of the Government would consider sending this matter to the Standing Committee on External Relations so that we could have the answers that I know are available to these important questions.

Hon. Mr. Connolly (Ottawa West): Senator Hnatyshyn has moved the adjournment of the debate. When this debate is concluded we can certainly decide that point. If the Senate desires that this motion should be referred to the Committee on External Relations, that can be done, most assuredly.

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

PRIVATE BILL

SEICHO-NO-IE—THIRD READING

Hon. David A. Croll moved the third reading of Bill S-23, to incorporate Seicho-No-Ie.

Motion agreed to and bill read third time and passed.

JUDGES ACT

BILL TO AMEND—SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Roebuck for the second reading of Bill C-96, to amend the Judges Act and the Exchequer Court Act.

Hon. Arthur W. Roebuck: Honourable senators, it is not my expectation to take very long in closing the debate. I have already spoken once on this subject. However, there are some things I would like to say.

I am sure you will not expect me to answer all the points raised. The debate has been a lengthy one, but the bill under discussion is a very simple one. I am rather inclined to think that if some of those who drafted the bill had been listening to some of our debate, they would hardly have recognized the child of their own creation. However, there is an old saying, "Tall oaks from little acorns grow."

In discussing a short bill of this kind it serves a useful purpose sometimes to read the bill.

Many years ago I used to know the illustrator of Mark Twain's famous book *A Yankee at King Arthur's Court*. His name was Dan Beard. He once told me about the interview he had with Mark Twain—Mr. Clemens—when he was commissioned to illustrate the book.

After he had finished the details as to how much and so on, Mark Twain said to him, in that manner so familiar a generation ago: "You know, I am not going to tell you how to illustrate this book; when someone wants me to write a story and tells me he wants such-and-such a hero and that the heroine is to be so-and-so and do such-and-such, I tell him, 'you do not want a storywriter, what you need is a stenographer.' But there is one stipulation which I ought to insist on: before you illustrate this book of mine, I think you ought to read it."

It would be well to remember the admonition of Mark Twain: when we are discussing a bill, it is just as well sometimes to read it.

Honourable senators, do not take any offence when I say this, because it is not aimed at anyone in particular. It is a good idea, in discussing a bill of this kind, to remember that a lively imagination is not a

qualification for the interpretation of statutes. If you stick absolutely to the text of the measure that is under discussion, usually it is a short discussion and an intelligent one; but if you wander abroad, all sorts of ghosts may be raised, and "the Gobble-uns'll git you ef you don't watch out."

Honourable senators, let me read this bill. This is not the first time I have done it, but let me go over it again, so as to keep the discussion on the rails. The first clause says that six puisne judges are to be provided for, each at $21,000. Clause 2 says:

> Subsection (1) of section 4 of the Exchequer Court Act is repealed and the following substituted therefor:
>
> 4. (1) The Exchequer Court shall consist of the President and six Puisne Judges, who shall be appointed by the Governor in Council by letters patent under the Great Seal.

Now we have made a place for another judge in the Exchequer Court and, as the intimation has been given us that our Commissioner shall be appointed to that vacancy, a further section is necessary. It is this:

> 3. The Exchequer Court Act is further amended by adding thereto, immediately after section 6 thereof, the following section:
>
> 6A. A judge of the Court designated by the Speaker of the Senate for the purpose of this section after consultation with the President of the Court, if he is granted leave of absence for such purpose by the Governor in Council from his duties as a judge of the Court, has and may exercise and perform all of the powers, duties and functions of the officer of the Senate referred to in section 3 of the Dissolution and Annulment of Marriages Act.

Now I call attention to the fact that the person who will be designated is on leave of absence from his duty as a judge. He is no longer acting as a judge. I call attention to the absolutely plain words of the act. His duties are to perform "all of the powers, duties and functions of the officer of the Senate referred to in section 3 of the Dissolution and Annulment of Marriages Act." In the plain wording of the act itself, he is not to act as a judge; he is to act as our official, appointed by the Senate under the Dissolution and Annulment of Marriages Act.

Out of that very simple enactment, I have noticed that others than myself have been able to imagine that the Commissioner's proceedings have become a court of law. How one can logically draw that conclusion is beyond me, but that seems to be in the air, and also that the act removes the Commissioner from his functions under the Dissolution and Annulment of Marriages Act and places him under the Exchequer Court Act.

Having, during the course of our debate, got that far away from the act itself—that far down the road to St. Ives—Senator Choquette was able to quote me against myself in what I said in the debate on Senator Aseltine's bill in 1956. That bill, plainly on the very face of it, was a transfer of jurisdiction from the Senate of Canada to the Exchequer Court; and I said that if we were to constitute a court to hear divorce cases I would not choose the Exchequer Court. I said that I would be much more in favour of the ordinary courts where the cause of the litigation arose, where the witnesses and the parties and the lawyers resided, and where the case could be much more conveniently heard.

Honourable senators, I am still of that opinion. I also said that I was not prepared to force a divorce court on any province that was opposed to it. I am still of that opinion. However, I do not see what relevancy that has to this bill before us.

Hon. Mr. Choquette: May I ask a question of the honourable senator? If you do not see the relevancy, I ask you this: If a judge is taken from the Exchequer Court, do you think that the fact that you have him sit as a commissioner will make him more competent now than you thought he was in 1956?

Hon. Mr. Roebuck: I think the situation is completely different from the transfer of our jurisdiction to the Exchequer Court; that taking a judge on leave and allowing him to act as our official in carrying out the legal responsibilities of our act, is a totally different thing. He might be the same man, but it is a different court. It is not a court at all, as far as we are concerned, except in general terminology; it is not a court of law such as is the Exchequer Court.

Since my friend would like to go into that situation, let me say that I have never thoroughly understood the reason the Province of Quebec is so determined against transferring this jurisdiction to a court. It has been explained to me that what is required is an individual act of Parliament, rather than a general law. I cannot see all the fine distinctions. However, I do see this, that the Province of Quebec does not desire these cases to be tried in a court, and does desire to leave them in our jurisdiction. I am ready to bow to that wish. That is what we are doing now. At this time, however, all that is not pertinent, because this act does not transfer any jurisdiction whatsoever to the Exchequer Court. I might ask, why read

something into an act that is not there? Why set up straw men, and then perhaps get the idea abroad that the "Gobble-uns'll git you ef you don't watch out?"

Equally irrelevant, I suggest, was the quotation by my friend Senator Pouliot from remarks I made on February 3, 1960. At that time I said that when the leaders of opinion in the Province of Quebec desire a divorce court, I was prepared to co-operate, but until then I did not propose to coerce the province by forcing upon it a court which it did not desire. Note, honourable senators, I said, "leaders of opinion" in the Province of Quebec. I did not say the government of the Province of Quebec.

Senator Grosart wanted my assurance that the federal Government had consulted the Government of Quebec, and that Government of Quebec had approved this Bill C-96. I can give no such assurance. This Parliament, honourable senators, is not subservient to the Government of Quebec. We represent the people of Quebec in nearly, if not exactly, the same way as does the government of Quebec itself. We represent those who have elected representatives to our Parliament, just as does the provincial Government of Quebec. We have our responsibilities to them directly, not through the Government of Quebec, but directly to the electors and the people of that province. When there is some real attempt to constitute a divorce court, I for one will be prepared to consult the leaders of opinion in the Province of Quebec and do my best to follow their wishes in this matter. I will not take dictation from the Government of Quebec.

Once again, honourable senators, all that is irrelevant to this act, because there is no transferring of jurisdiction.

It has been suggested, perhaps not in these words, that some evilly-disposed persons are scheming to deprive the Senate of jurisdiction in divorce, just as they also wish to take from us our jurisdiction in money bills, so that when the Senate has had all its teeth pulled, then the argument that the Senate be abolished will have more force. Well, the Senate has had enemies since its constitution in 1867, and I am not much interested at the moment in reading the minds of the schemers in that regard, because such suspicions, while they may be perfectly correct, are not relevant at this moment, in my judgment, for no powers are being taken away from the Senate by this bill. This bill is in pursuance of the powers given to the Senate, not in derogation of the powers the Senate already possesses.

The argument we have heard seems to me to be something like this: to permit a judge on leave from the Exchequer Court to function under the Dissolution and Annulment of Marriages Act is tantamount or will lead to a transfer of jurisdiction from the Senate to the jurisdiction of the Exchequer Court. That is where I think imagination comes in.

Let me point out that some years ago the Exchequer Court Act was amended to permit a judge on leave from that court to function under the Railway Act as Chief Commissioner of the Board of Transport Commissioners. So far as I know, nothing terrible has happened, and it has not resulted in the placing of the railroads of Canada under the jurisdiction of the Exchequer Court. I submit there is no more reason to suppose that a judge on leave from the Exchequer Court handling some of our business is going to take jurisdiction from us and give it to that court, than that the Exchequer Court would take jurisdiction over railways from the Board of Transport Commissioners. I see very little difference between the one and the other. The wording of these two acts in that regard is almost the same.

Senator Grosart questioned our right to overrule the Commissioner under the bill of last session. Honourable senators, there is not the slightest suggestion in that bill that the Senate is made a puppet of our own official. Indeed, the bill that came to us in the first instance had that feature sticking out like a sore thumb, and largely as a result of the leadership given us at the time by Senator Power we knocked that provision out of the bill and sent it back to the House of Commons, and they accepted our amendment. At the present moment there is not the slightest suggestion, either in the way we have been handling the cases to date or in the plain reading of the bill, or any implications that may be taken from the bill, that we are subject in our decisions with regard to divorce to the advice, report, dictates, or what-have-you, of our own official. I say to you: why raise doubts where none exist?

This is a very simple measure, honourable senators, and it is purely administrative in character. It is designed to carry out the Government's bargain with the Commissioner which, as I said previously, does not bind us, but it is a factor; it is a circumstance. If we wish to treat our Commissioner decently and properly it is surely a circumstance for us to observe.

This bill is, after all, a small matter and has none of the sinister implications that have been raised in the course of our debate. Should a bill come before this house at some future time to transfer the jurisdiction of the Senate in divorce to a court of law, there will be no doubt about where I stand on the subject. My position was made amply clear, not once but a number of times. The most prominent was in the debate on Senator Aseltine's bill in 1956.

As honourable senators know, this work of divorce came to us as the result of a compromise reached in 1867, when the majority, in their wisdom, tolerance and decency, recognized the rights of a minority. The majority were opposed to a divorce court, but were satisfied to allow the Parliament of Canada to exercise the jurisdiction in divorce of all parliaments under the British system, and thus they harmonized what would otherwise have been a very difficult situation. While the burden of this divorce work has grown greatly over the years, I submit the Senate has discharged its responsibility industriously, meticulously, judiciously and successfully. We accepted the responsibility; we carried it out for years; and I have always felt that in the service I personally rendered I was helping to carry on the understanding of Confederation, and in that way I was assisting to preserve the unity of our country.

Hon. Mr. Lambert: Hear, hear.

Hon. Mr. Roebuck: We accepted that responsibility in the past, we accept it now, and we are going to continue to perform our duties as far as we can. We accepted the change in the act of last session because the situation forced something upon us due to the utter incapacity of the other house to carry out its responsibilities. If we were to carry on the understanding of Confederation, it was necessary for us to let the Commons get out of the act, and we did so. In that way we are still carrying on the understandings of those days and are preserving Quebec's right to parliamentary divorce. Each divorce is an act of this section of Parliament in each individual case, and not a general act.

Now I am prepared to continue to discharge this obligation, and so are the other members of my committee. I do wish the other members of this house could see what is going on with regard to divorce. The cases are being heard by the Commissioner. His reports are presented to us and, wherever we think it necessary, a transcript of the evidence. These documents are read by the members of the committee. We meet in session, and in each case we have before us the motion by those who have read the details. If a particular point arises, we discuss it and in suitable cases finally come to the determination of advising this house to pass the measure. It is not a mere formality; it is a task properly, industriously and responsibly performed.

This bill is not important and there are no sinister implications. It is just an arrangement. Perhaps a better one might have been made, but this is the one that was made, whereby the services of a very capable lawyer were obtained for this job, on the understanding that he would have the same status, salary, and security of tenure of office as a judge. That is just administrative and nothing else. It does not touch any of the principles involved.

So, I ask my fellow senators to view it in that light. When the time comes to defend the principles which I have discussed, they know where I stand and I know where they stand, and I am pretty sure I know where the Senate will stand. We shall do our duty and we shall not override the religious principles, desires or rights of the people of any province.

Honourable senators, I ask you to pass this bill.

Hon. Mr. Horner: Honourable senators, when Senator Roebuck rose to speak this afternoon the Speaker did not announce that it would have the effect of closing the debate.

Hon. Mr. Roebuck: Yes; he did when I began my speech yesterday.

Hon. Mr. Horner: Then, might I ask a question?

Hon. Mr. Roebuck: Certainly; that does not prevent you from asking a question.

Hon. Mr. Horner: The Commissioner has sole authority. You will remember that in our committee meetings we sometimes remitted the costs of a divorce in a needy case. Now the Commissioner will have sole authority.

Hon. Mr. Roebuck: No, senator.

Hon. Mr. Horner: He will see the parties and have a chance to judge. I do not wish to serve in any capacity on the committee any longer.

Hon. Mr. Roebuck: The Commissioner sees the parties and makes his recommendation. It comes to us and we make the decision. I am not going to go into an argument as to whether we were not better off before the act was passed. That is not relevant to this bill. I quite agree with my friend from Blaine Lake that we were doing a good job, and we should have been left alone to do it as we had done it in the past. There is no disagreement among us on that.

Hon. Mr. Horner: I do not believe a divorce granted this way is legal anyway.

The Hon the Acting Speaker (Hon. A. L. Beaubien): It is moved by honourable Senator Roebuck, seconded by honourable Senator Kinley, that this bill be now read a

second time. Is it your pleasure, Honourable Senators, to adopt the motion.

Hon. Mr. Horner: On division.

Motion agreed to and bill read second time, on division.

The Hon. the Acting Speaker: Honourable Senators, when shall this bill be read the third time?

Hon. Mr. Roebuck moved that the bill will be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

DIVORCE

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of reports of the Standing Committee on Divorce Nos. 332 to 370, inclusive, which were presented on Tuesday, June 2.

On motion of Hon. Mr. Roebuck, Chairman of the Standing Committee on Divorce, reports adopted, on division.

RESOLUTIONS PRESENTED

Hon. Mr. Roebuck, Chairman of the Standing Committee on Divorce, presented the following resolutions:

Resolution 320, for the relief of Ruby Emma Clough Davies.

Resolution 321, for the relief of Mary Louise Hooper Buchanan.

Resolution 322, for the relief of Brigitta Hoess Knauth.

Resolution 323, for the relief of Anna Sophie Johanna Dora Winter Hoppe.

Resolution 324, for the relief of Eileen Patricia Sullivan Johnston.

Resolution 325, for the relief of Barbara Newlove Broadbent.

Resolution 326, for the relief of Giovanna (Joan) Salvatore Garley.

Resolution 327, for the relief of Paul Harrison.

Resolution 328, for the relief of Joan Geering Stockloser.

Resolution 329, for the relief of Claire Limoges Cyr.

Resolution 330, for the relief of Evelyn Shirley Borenstein Silverman.

Resolution 331, for the relief of Georgette Patricia Marie Drummond Haugwitz.

Resolution 332, for the relief of Marjorie Helen Stainer Poirier.

Resolution 333, for the relief of Micheline Gagnon Laporte.

Resolution 334, for the relief of Dorothy Marie Beale McElroy.

Resolution 335, for the relief of Ethel Lois Read Dixon.

Resolution 336, for the relief of Alfred George Wirth.

Resolution 337, for the relief of Kathleen Elizabeth Savage Bragger.

Resolution 338, for the relief of Joanne Louise Gibaut Joyce.

Resolution 339, for the relief of Doreen Gladys Ada Nicholson Perry.

Resolution 340, for the relief of Mary Eleanor Latimer McGibbon.

Resolution 341, for the relief of Louis Mathieu Delfosse.

Resolution 342, for the relief of Charlie Wing, otherwise known as Hong Fong Wing.

Resolution 343, for the relief of Jean Robert Boucher.

Resolution 344, for the relief of Gertrude Falkenstein Pajer.

Resolution 345, for the relief of Lise Bergeron Goulet.

Resolution 346, for the relief of Hubert Langlois.

Resolution 347, for the relief of Rene Beauregard.

Resolution 348, for the relief of Shirley Guss Moss.

Resolution 349, for the relief of Dorothy Orion Baldwin Foster.

Resolution 350, for the relief of Anita Pearl Knox Elliott.

Resolution 351, for the relief of William Frederick Tissington Tatlow.

The Hon. the Acting Speaker: Honourable senators, when shall these resolutions be taken into consideration?

Hon. Mr. Roebuck: Honourable senators, I move that these resolutions be considered on Monday next.

Motion agreed to.

PRIVATE BILLS

THE DOMINION OF CANADA GENERAL INSURANCE COMPANY—SECOND READING

Hon. T. D'Arcy Leonard moved the second reading of Bill S-30, respecting The Dominion of Canada General Insurance Company.

He said: Honourable senators, this is a bill which follows the precedent established and acted upon by both Houses of Parliament in a number of cases over the past several years whereby a company may use either an English version or a French version of its corporate

name. The enacting provisions in this bill are identical with those of similar bills in the past.

The Dominion of Canada General Insurance Company was incorporated in 1887. It is well known throughout Canada where it has done business since incorporation by act of Parliament. The name in French is Dominion of Canada, Compagnie d'Assurance Generale.

If the bill receives second reading I shall move that it be referred to the Standing Committee on Banking and Commerce.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Leonard, bill referred to the Standing Committee on Banking and Commerce.

THE CASUALTY COMPANY OF CANADA—SECOND READING

Hon. T. D'Arcy Leonard moved the second reading of Bill S-31, respecting The Casualty Company of Canada.

He said: Honourable senators, The Casualty Company of Canada is a subsidiary of The Dominion of Canada General Insurance Company, with which we have just dealt. This bill is intended to achieve the same purpose as the previous one. This company was incorporated by act of Parliament of Canada in 1911, and the French version of its name is La Casualty, Compagnie d'Assurance du Canada.

If this bill receives second reading I shall move that it also be referred to the Standing Committee on Banking and Commerce.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Leonard, bill referred to the Standing Committee on Banking and Commerce.

WORLD MORTGAGE CORPORATION—SECOND READING

Hon. T. D'Arcy Leonard moved the second reading of Bill S-32, to incorporate World Mortgage Corporation.

He said: Honourable senators, this is not a bill to change a name but is one to incorporate a mortgage company under the provisions of the Loan Companies Act. As you know, Schedule A of that act sets forth a model bill for the incorporation of new mortgage companies, and sections 1 to 6 inclusive of the bill before us correspond exactly with the provisions in the model bill. If you turn to page 2 of the bill you will notice that sections 7, 8 and 9 are additional to those contained in the model bill and provide special powers.

Section 7 provides an additional power which will permit this new mortgage company, when incorporated, to make an offer in accordance with the provisions of the bill to purchase or otherwise acquire or exchange its shares for all or any portion of the outstanding shares of the Eastern and Chartered Trust Company. This is notwithstanding the provisions of the Loan Companies Act, and is also subject to section 8 of this bill, which provides for a limitation on the amount of such investment.

The Eastern and Chartered Trust Company was formed last November by the amalgamation of two long-established and well-known trust companies in Canada. The Eastern Trust Company was incorporated in 1893, and had its head office in Halifax, and the Chartered Trust Company was incorporated in 1905 and had its head office in Toronto. As I have said, these two companies amalgamated under the Loan Companies Act last November, and the amalgamation was approved by order in council dated November 26, 1963.

It is proposed as a result of the power given in section 7 of this bill that World Mortgage Corporation, when it is incorporated and after it has made its offer, will acquire at least a controlling interest in the Eastern and Chartered Trust Company.

Hon. Mr. Horner: May I ask the honourable senator a question? Has the name of this company any significance? Does it intend to operate all over the world?

Hon. Mr. Leonard: Honourable senators, I hold no particular brief for the name, "World Mortgage Corporation." The best I can say is that this is something we shall want, no doubt, to discuss when the bill is before the committee.

I can observe that there is a Company with a similar name in the United States of, I think, recent incorporation. Its name may not be exactly World Mortgage Corporation but the word "World" is a significant part of its name. Those south of the border are not known for their modesty, and I suppose it can be said that we should not allow them to pre-empt the world in favour of a United States mortgage company.

Hon. Mr. Connolly (Ottawa West): It is like T.W.A.

Hon. Mr. Leonard: Yes, I think a number of illustrations could be found of titles that are spatial, and which connote doing business beyond the confines of one country. The name of the North American Life Company

takes in quite a bit of territory, and the Sun Life Insurance Company has gone beyond the confines of the world and among the planets.

While we can always decide whether or not the proposed name of this corporation is the most appropriate one, I would not be inclined offhand to say that there is anything very wrong with it, especially when it is the name of a company which may some day be doing business throughout the world.

Hon. Mr. Reid: May I ask the honourable sponsor of this bill what the figures 1729, in the eighth line on page two of the bill, mean?

Hon. Mr. Leonard: That is the number of the order in council. Orders in council are numbered, first, in accordance with the year in which they are passed, and then they are numbered from one on. This was the 1,729th order in council passed by the cabinet in 1963.

Not only will this company make the offer I have mentioned, but when incorporated it proposes to carry on the business of a mortgage company, and on the basis of its presently anticipated capitalization it expects to be able to raise and channel up to approximately $350 million of public savings into both conventional and National Housing Act mortgages. The company should also become an important facility in the secondary marketing of mortgages.

The initial subscribers to the capital of this mortgage company will include Wood Gundy, which is an investment company in Toronto; Burns Brothers and Denton, also an investment firm in Toronto; the Bank of Nova Scotia, and Harris and Partners Limited.

The association of this company with a trust company, as the result of the exchange of shares referred to, will promote the business interests of both the trust company and the loan company. The loan company proposes to make use of the services, facilities and experiences of the trust company in the making and servicing of mortgage loans. This will provide a much more economic basis of operations for the loan company, and will be a source of interesting service revenue to the trust company by virtue of its increased participation in the mortgage servicing business. The company meets the need for an expanding source of mortgage funds, and introduces an important competitive factor into the mortgage finance field. This will be a Canadian company managed by Canadian enterprise.

I should add, honourable senators, that there is a printer's error in line 16 on page 2 of the bill. Reference is made there to section 80 of the Loan Companies Act, but it should be to section 81 of that act. I suggest that that error can be corrected when the bill is before the committee.

I call the attention of honourable senators also to the fact that section 8 of the bill limits the amount the company can put into the shares of Eastern & Chartered Trust Company to the aggregate of the World Mortgage Corporation's unimpaired paid-up capital and reserve. The reason for that limitation is that World Mortgage Corporation should not borrow money for the purpose of investment in these shares, and that only to the extent of its own capital and reserve can it in turn acquire the shares of Eastern & Chartered Trust Company.

Hon. Mr. Isnor: What effect would that have on the price?

Hon. Mr. Leonard: I think that is a matter of negotiation between the two companies. I may say that there are one or two directors of Eastern & Chartered Trust Company present who can add to what I have said about the matter. The capital stock, general reserve and undivided profits of Eastern & Chartered Trust Company totalled $14,596,000 as at December 31, 1963, so one would assume that that is at least the price paid for the shares of that company, and it would mean that World Mortgage Corporation would require a capital and reserve of $14,596,000 in order to acquire all of those shares.

Section 9 of the bill is the normal model clause of bills of this kind except for the addition of the words "except as otherwise provided herein." Those words are added for the purpose of taking care of sections 7 and 8 which deal with the acquisition of the shares of Eastern & Chartered Trust Company.

The title of the company in French is La Corporation Mondiale d'Hypotheques.

If the bill receives second reading I shall move that it be referred to the Standing Committee on Banking and Commerce.

Hon. Mr. Lambert: Would the honourable sponsor of the bill care to indicate what place the Bank of Nova Scotia will have in this company? Is its position purely that of an investor?

Hon. Mr. Leonard: That is the type of information that can best be obtained from the applicants for the charter when they are before the committee. From general knowledge I think I can say that up until the amalgamation of the Chartered Trust Company and the Eastern Trust Company, the relationship between the Chartered Trust Company and the Bank of Nova Scotia was that type referred to in the report of the Royal Commission on Banking and Finance, in which it was said

that close links exist between all five of the important chartered banks and trust companies. There was, undoubtedly, a close link between the Bank of Nova Scotia and the Chartered Trust Company—

Hon. Mr. Lambert: Does that apply to the Eastern Trust Company as well?

Hon. Mr. Leonard: —involving a share ownership, along with others who were associated with the bank, which amounted to effective control of the Chartered Trust Company. I know nothing of the relationship of the Bank of Nova Scotia to the Eastern Trust Company, nor what the situation is now with respect to that equity ownership and control as the result of the amalgamation of the two companies.

One of the applicants for this incorporation is Mr. Boyles, who is a senior officer of the Bank of Nova Scotia. I am sure all information in that connection will be available in committee.

Hon. Mr. Isnor: I wonder if the honourable sponsor of this bill would be good enough to enlarge on the words "or any portion of the outstanding shares of Eastern & Chartered Trust Company" which appear in clause 7? I have in mind the number of authorized shares and the unissued shares. Would that include the unissued shares?

Hon. Mr. Leonard: Again, I do not think my information permits me to be definite in my answer, but I would assume that the offer World Mortgage Corporation would make would be for the issued shares, but clause 7 gives it power to acquire any shares that might be issued subsequently.

Hon. Mr. Isnor: My question hinges on the words "additional shares," and I wonder if they include the unissued shares.

Hon. Mr. Leonard: It seems to me it is quite clear from the wording that World Mortgage Corporation may acquire any portion of the outstanding shares, and then the clause continues:

> —and may purchase or otherwise acquire ... any additional shares of Eastern & Chartered Trust Company which may from time to time be issued, or all or any of the shares of a company formed by the amalgamation of Eastern & Chartered Trust Company with one or more other trust companies—

That seems to be a continuing provision.

Motion agreed to and bill read the second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Leonard, bill referred to the Standing Committee on Banking and Commerce.

MARRIAGE AND DIVORCE ACT

MOTION TO REFER BILL TO SUPREME COURT—ORDER STANDS

On the Order:

> Resuming debate on the motion of the Honourable Senator Pouliot, seconded by the Honourable Senator Stambaugh:
>
> That in the opinion of this House, the Government should immediately refer to the Supreme Court of Canada, for the opinion of that Court, the question of the constitutional validity of Bill S-16, intituled: "An Act to amend the Marriage and Divorce Act".—(Honourable Senator Dupuis).

Hon. John J. Connolly: Honourable senators, I ask that this Order stand until Wednesday next, June 10.

Order stands.

The Senate adjourned until Monday, June 8, at 8 p.m.

THE SENATE

Monday, June 8, 1964

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

Prayers.

PRIVATE BILL

CANADIAN CONFERENCE OF THE BRETHREN IN CHRIST CHURCH—COMMONS AMENDMENTS

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons returning Bill S-11, to incorporate Canadian Conference of the Brethren in Christ Church, and acquainting the Senate that they have passed this bill with the following amendments, to which they desire the concurrence of the Senate:

1. Page 2, Line 7. In subclause (a) add the word "Christian" before the word "faith".

2. Page 2, Line 11. In subclause (b) add the word "Christian" before the word "faith".

3. Page 2, Line 17. In subclause (c) add the word "Christian" before the word "faith".

4. Page 5, Line 23. Renumber clause 18 to 19, and insert the following new clause 18:

"Application.

18. The provisions of subsection (3) of section 147 of the Companies Act shall apply to the Corporation."

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

Hon. Norman P. Lambert: I move that these amendments be taken into consideration at the next sitting.

Motion agreed to.

DOCUMENTS TABLED

Hon. John J. Connolly tabled:

Report of the Superintendent of Insurance for Canada—Volume III, Annual Statements of Life Insurance Companies and Fraternal Benefit Societies, for the year ended December 31, 1962, pursuant to section 9 of the Department of Insurance Act, chapter 70, R.S.C., 1952. (English and French texts).

Report respecting the operation of the agreements with and payments made to the Provinces of Manitoba, Saskatchewan and Prince Edward Island under the Crop Insurance Act, for the fiscal year ended March 31, 1964, pursuant to section 10 of the said act, chapter 42, Statutes of Canada, 1959. (English and French texts).

CORPORATIONS AND LABOUR UNIONS RETURNS ACT

BILL TO AMEND—FIRST READING

Hon. John J. Connolly presented Bill S-35, to amend the Corporations and Labour Unions Returns Act.

Bill read first time.

Hon. Mr. Connolly (Ottawa West) moved that the bill be placed on the Orders of the Day for second reading on Wednesday next.

Motion agreed to.

ALLIED INVASION OF NORMANDY—TWENTIETH ANNIVERSARY

TRIBUTE TO LE RÉGIMENT DE LA CHAUDIÈRE

Hon. Cyrille Vaillancourt: Honourable senators, before the Orders of the Day are proceeded with, I wish to draw attention to a special occasion. Yesterday, I was present at a special Mass for the soldiers of le Régiment de la Chaudière.

(Translation):

Twenty years ago last Saturday, the Régiment de la Chaudière landed on the beaches of Normandy. It was the first French-Canadian regiment to land with the Allied forces on these beaches.

Yesterday, I attended a memorial mass celebrated in honour of those valiant soldiers killed in Normandy. During mass, the padre, Major Jobidon, delivered a most touching and very realistic address. I should like to quote a few excerpts from it. He began as follows:

> Their names will live forever!
>
> Those simple words are engraved on the granite base of the crosses of sacrifice, whose shadows spread over our Canadian cemeteries in Europe. They perpetuate the memory of our elders, your comrades in arms who have fallen on the various battlefields.

He was speaking to the soldiers of the Régiment de la Chaudière, that is why he said "your comrades in arms".

> The great stone cross is for each of them a memorial that will endure forever.
>
> We are gathered here this morning to pay tribute to that memory and to prove by our common prayer that the new guard does not forget the dead; that there

are generous hearts ready to take over and to maintain always high the name of the regiment; the value of those who prepare you to that noble mission is worthy of your confidence and your admiration.

We are also gathered here this morning, he added, to commemorate the greatest military feat of all times: the landing of the allied forces in Normandy on June 6, 1944 and, for the Régiment de la Chaudière, its landing at Bernières-sur-mer.

You are wondering perhaps why I am speaking of the Régiment de la Chaudière. I gave the reason at the outset; it is because that regiment landed in Normandy.

There is another reason, however. That regiment has had its headquarters in Lévis for close to 20 years. I am its honorary colonel and a father is always fond of speaking of his children.

Our thoughts accompany those who represent us at the ceremonies being held at present in France.

He then went on to give the history of the regiment commanded by Lieutenant Colonel Paul Mathieu, who is now deputy minister of national defence in Ottawa and who attended, on Saturday, the unveiling of a monument at Bernières-sur-mer to commemorate the landing of June 6, 1944. Lieutenant Colonel Mathieu was seconded by Major Lapointe, former federal minister who now represents the province of Quebec in London, the late Major l'Espérance, Major Sévigny, of the Quebec area, and Major Taschereau who was reported lost in action. I should not want to omit Father Huard, who was the regiment's padre at that time.

A soldier who took part in the assault told me of the excitement he felt when he and his comrades landed on the coast of Normandy. He told me: "That morning, we all attended mass and received communion. The padre gave us a last general absolution. Then, he added:

At 6.30 a.m., we boarded the landing barges and at 7.45 a.m. we set foot on French soil. The beach was mined and protected by the Atlantic wall. There were already some casualties because two boats had struck a floating mine.

A hail of bullets greeted the assailants, while enemy aircraft tried to check the advance of the regiment. However, nothing could stop this offensive. We kept moving forward in spite of this murderous gunfire.

All the men, added the padre, thought about their families, their wives, their brothers and sisters or their fiancées. And for a moment, some faltered and wondered: "Why are we here, while others are over there?" But immediately they mustered up their courage and reflected: "We are attacking in order to deliver the world from that dictatorship so that Canadians may live in peace and freedom."

That is why I want to emphasize that heroic action on the part of the young people of that time. We all have read books about the great heroes of the past. However, there is no need to go back so far in ancient history because just 20 years ago there were many young heroes, since modern warfare is much more terrible that in days gone by.

Another soldier said to me last Saturday: This is what we were telling ourselves—since the war was so terrible, it would be the last. We fought to establish peace. But 20 years later, can we say that peace prevails? Since then, another type of war is going on, the war of nerves, the cold war, the war of pride. It might be even more ravaging, because it attacks the minds and the hearts of all men and kills all brotherly love.

What must we do to have that peace?

And the padre went on: There is only one thing to do, revert to the great principles that Christ taught almost 2,000 years ago, when He said to men, "Love one another." It is the love of men for one another which will save the world.

Our soldiers valiantly gave their lives for their country. Please note that in all regiments which landed on the coast of Normandy on June 6, 20 years ago, the average death toll was 7 per cent, while for the Régiment de la Chaudiere it was 12 per cent.

But so that that action will not be useless and will serve as an example for our young people of today, they sacrificed their lives, their freedom, so that we may live in liberty and peace in our own home. Let that be an example for all our young people of today and tomorrow, so that they will be as brave, as valiant and as faithful as those of 20 years ago. And if we keep that ideal, the world of tomorrow will be as good as the world of yesterday.

(Text):

Hon. A. J. Brooks: Honourable senators, Senator Vaillancourt has very feelingly introduced a subject of great interest to us all, and we take pleasure in sharing with him his pride in the Chaudiere Regiment. Across this country from one shore to the other there are men who would wish to join with my

honourable friend in expressing pride in that and other regiments which took part in the great allied invasion.

The Chaudiere Regiment was known in my home town of Sussex, where they took their training before going overseas, as did many other regiments from other parts of Canada. I want to say to Senator Vaillancourt, who was honorary colonel of that regiment, that no regiment stationed in Sussex enjoyed the good feeling of the people more than did the Chaudiere Regiment. To recall one little incident, I was in a barbershop just after the regiment left, and the barber, speaking about it, said that it was one of the few regiments that had left Sussex with all its bills paid. He told me that when the men in camp did not get their pay, they would come in to him and have a haircut or a shave and charge it up. He said he did not lose one cent as far as the Chaudiere Regiment was concerned. This was not true of all regiments. I mention that just in passing.

My honourable friend has paid tribute to his regiment. We all pay tribute to all these very brave men from the many regiments who landed on the beaches of Normandy 20 years ago Saturday. In 1955 I had the privilege of visiting the war graves and war cemeteries in Europe with Colonel Harkness, representing the Veterans Affairs Committee of the House of Commons. We visited the cemeteries in and around Caen and Falaise, and many other places, and saw the names of these men by the hundreds.

As Senator Burchill well knows, the North Shore Regiment from the Province of New Brunswick landed at the same time, the same day, as the Chaudiere Regiment. Those brave men gave all they had.

Sometimes we speak about disunity in this country, but let me say that in the two world wars—although I had very little part in the Second World War—there was no disunity among the men at the front. They were all united for one purpose, the defence of freedom of the world, and of their own country in particular.

I have no more to say except once again to join with my honourable friend in his tribute to these very gallant young men who gave their lives for the world in general but particularly for European countries, France, Belgium and others, who were especially grateful to the men from other parts of the world who fought there not only to retain their own freedom but to regain it for those great countries by driving the enemy from their soil. This our armed forces helped to do, not only in the war of 1939-45 but also in the war of 1914-18. We cannot pay them tribute enough.

PRIVATE BILL

THE BELL TELEPHONE COMPANY OF CANADA —THIRD READING

Hon. Paul H. Bouffard moved the third reading of Bill S-27, respecting The Bell Telephone Company of Canada.

Motion agreed to and bill read third time and passed.

JUDGES ACT

BILL TO AMEND—THIRD READING

Hon. Arthur W. Roebuck moved the third reading of Bill C-96, to amend the Judges Act and the Exchequer Court Act.

Motion agreed to and bill read third time and passed.

CONVENTION ON DISCRIMINATION OF EMPLOYMENT AND OCCUPATION

MOTION FOR APPROVAL — DEBATE CONTINUED

The Senate resumed from Thursday, June 4, the adjourned debate on the motion of Hon. Mr. Croll:

> That it is expedient that the Houses of Parliament do approve of Convention No. 111 concerning discrimination in respect of employment and occupation, which was adopted by the International Labour Conference on the 25th of June, 1958, and that this house do approve the same.

Hon. John Hnatyshyn: Honourable senators, first I would like to congratulate honourable Senator Croll for the concise and thorough manner in which he explained Convention No. 111, a convention concerning discrimination in respect of employment and occupation, which was adopted by the International Labour Conference at its forty-second session, and which convention we in this house are asked to ratify.

I know it can be said that the mere ratification of the convention will not serve any useful purpose, but it expresses a principle which should be adopted, because in my opinion once this convention is ratified it will provide the means for more useful legislation that can be passed by the federal Parliament and the legislatures of the various provinces.

Although great progress has been made in the field of legislation with respect to human rights, Canada still has discrimination in the fields of employment, public accommodation and housing. I need not go into the Immigration Act, because all honourable senators are aware that it contains many discriminatory measures. It must be remembered however, that many steps in the right direction have

been taken by the federal and provincial governments, and, as I have said, although much remains to be done, real progress has been made.

In his speech Senator Croll said:

> The provinces have provided a sword, and they have given leadership to prevent discrimination in employment. Saskatchewan spelled it out first.

I agree with that statement, and I think that to some extent my province pioneered legislation in this respect.

I would like to refer honourable senators to the Saskatchewan Bill of Rights Act which was passed in 1947, section 8 of which provides:

> Every person and every class of persons shall enjoy the right to obtain and retain employment without discrimination with respect to the compensation, terms, conditions or privileges of employment because of the race, creed, religion, colour or ethnic or national origin of such person or class of persons.

That is quite exhaustive, but it exempts, of course, religious institutions and schools by which people of certain religions would certainly be hired. It exempts appointments by the federal Government and to the federal Civil Service, but, amongst other things, it provides for the right to engage in any occupation, the right to own and occupy property, the right to membership in professional and trade associations, and the right to education.

It also prohibits publications that are inflammatory. For instance, if the hate literature that we have been hearing about were distributed in Saskatchewan, prosecution would be a very easy matter, and there would be no difficulty in obtaining a conviction. The act provides for penalties, and also for leave to apply for an injunction before any Superior Court judge in respect of any action against the section I have mentioned.

There is another act in Saskatchewan known as the Fair Employment Act, which was passed in 1956. The purpose of this act is also to prevent discrimination in regard to employment by reason of race, religion, religious creed, colour or ethnic or national origin. I shall not go into all the various provisions of the act in detail because it is available in the statutes. It covers, however, advertising in which there is any suggestion of discrimination in regard to the position being advertised. It provides for the same exceptions as the other act in respect of religious schools and appointments by the federal Government and to the federal Civil Service.

Considerable progress has been made in other provinces. I shall not list all of them, but during the past two years such legislation has been passed by the Province of Quebec. I refer to the amendment of Quebec's Hotel Act in 1963, which provides that no owner of a hotel, restaurant or camping ground shall refuse to provide services to, or discriminate against, any person or class of persons because of the race, colour, nationality, ethnic origin or place of birth of such person or class of persons.

I draw attention of honourable senators to the Speech from the Throne at the opening of the present session of the Legislature of the Province of Quebec, which indicated that the Quebec Government intends to introduce fair employment practices legislation "to prohibit in general discrimination in matters of employment." As I have explained, similar legislation now exists in the Province of Saskatchewan.

Senator Croll dealt with various legislation that has been passed by the federal Government in this regard. In 1962 the federal Civil Service Act was amended to include an anti-discrimination clause, forbidding discrimination on the basis of race, colour, religion or national origin.

It was announced last December by the federal Government that the convention we are dealing with now would be ratified. If we ratify it now it will, in my opinion, be a step in the right direction.

Hon. John A. Robertson: Honourable senators, a few weeks ago as I listened to the debate in this chamber on tourist traffic I thought one could have more than a few words to say. However, having listened to the comments of many honourable members from across Canada, I concluded that there was very little left for me to say in that respect. It seems to me that if one were to multiply everything that was said by two, including the size of the fish caught, one would be speaking of my area in northwestern Ontario.

Turning to the matter before the Senate, it is after much thought in respect to this complicated problem that I rise to speak in favour of this motion for approval of Convention No. 111, which concerns discrimination in respect of employment and occupation.

I am positive that complete approval and ratification by both the federal and provincial governments will not erase the scar of discrimination from our society. However, it is the thin edge of a very long wedge and I certainly approve of it.

The fact that we have the Bill of Rights at the federal level, and that six of our ten provincial governments have enacted legislation along this line, indicates to me that much more can be done. The Prime Minister has received positive replies from all ten provinces indicating full concurrence, and this adds to greater hope.

In respect to the Province of Ontario, I sincerely believe that over the years this province has spearheaded legislation more or less coming under a convention of this nature, and I do not think there is any doubt that similar legislation will be enacted in all ten provinces.

Down through the years I have had many occasions to talk to delegates who have attended International Labour Conferences. They have always expressed their confidence in this great world movement. The approval and ratification of Convention No. 111 certainly will not solve this problem, but it will indeed be a good start towards helping to solve it.

Honourable senators, I suppose that those in this chamber who are members of the legal profession and of the business world realize better than any others this serious problem. In most cases it is nearly impossible to prove just what this motion in its entirety will tend to overcome when it is ratified and approved by all legislative bodies concerned. It is most certainly moving in the proper direction, to help solve the problem of discrimination in respect of employment and occupation.

Honourable senators, owing to the fact that the International Labour Conference will convene in Geneva on June 17, I would like to place my plea before you to approve Convention No. 111 in plenty of time for this date.

As I have sat here day after day listening to debate, I have thought what a wonderful nation and country we have in Canada, and what a great blessing it is that this chamber is endowed with men who have so much legal and business experience.

To tie in these thoughts with my thinking in respect of this convention, I wondered just how many workers would tumble down if you shook the family trees of the members of this chamber. I am sure there would be many.

The name of honourable Senator Roebuck was one with which I was most familiar before coming to this chamber. I had known him for many years in the labour movement, and I am sure that most honourable senators have thought as he has over the years.

Honourable senators, I wholeheartedly ask for your approval of this motion endorsing Convention No. 111.

On motion of Hon. Mr. Macdonald (Cape Breton), for Hon. Mr. Grosart, debate adjourned.

DIVORCE

RESOLUTIONS ADOPTED

The Senate proceeded to consideration of Resolutions, numbered 320 to 351, inclusive, which were presented on Thursday, June 4.

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved the adoption of the following resolutions:

Resolution 320, for the relief of Ruby Emma Clough Davies.

Resolution 321, for the relief of Mary Louise Hooper Buchanan.

Resolution 322, for the relief of Brigitta Hoess Knauth.

Resolution 323, for the relief of Anna Sophie Johanna Dora Winter Hoppe.

Resolution 324, for the relief of Eileen Patricia Sullivan Johnston.

Resolution 325, for the relief of Barbara Newlove Broadbent.

Resolution 326, for the relief of Giovanna (Joan) Salvatore Garley.

Resolution 327, for the relief of Paul Harrison.

Resolution 328, for the relief of Joan Geering Stockloser.

Resolution 329, for the relief of Claire Limoges Cyr.

Resolution 330, for the relief of Evelyn Shirley Borenstein Silverman.

Resolution 331, for the relief of Georgette Patricia Marie Drummond Haugwitz.

Resolution 332, for the relief of Marjorie Helen Stainer Poirier.

Resolution 333, for the relief of Micheline Gagnon Laporte.

Resolution 334, for the relief of Dorothy Marie Beale McElroy.

Resolution 335, for the relief of Ethel Lois Read Dixon.

Resolution 336, for the relief of Alfred George Wirth.

Resolution 337, for the relief of Kathleen Elizabeth Savage Bragger.

Resolution 338, for the relief of Joanne Louise Gibaut Joyce.

Resolution 339, for the relief of Doreen Gladys Ada Nicholson Perry.

Resolution 340, for the relief of Mary Eleanor Latimer McGibbon.

Resolution 341, for the relief of Louis Mathieu Delfosse.

Resolution 342, for the relief of Charlie Wing, otherwise known as Hong Fong Wing.

Resolution 343, for the relief of Jean Robert Boucher.

Resolution 344, for the relief of Gertrude Falkenstein Pajer.

Resolution 345, for the relief of Lise Bergeron Goulet.

Resolution 346, for the relief of Hubert Langlois.

Resolution 347, for the relief of Rene Beauregard.

Resolution 348, for the relief of Shirley Guss Moss.

Resolution 349, for the relief of Dorothy Orion Baldwin Foster.

Resolution 350, for the relief of Anita Pearl Knox Elliott.

Resolution 351, for the relief of William Frederick Tissington Tatlow.

Resolutions adopted, on division.

PRIVATE BILL

BANK OF BRITISH COLUMBIA—ORDER FOR RESUMING DEBATE STANDS

On the Order:

Resuming debate on the motion of the Honourable Senator Farris, seconded by the Honourable Senator Beaubien (Provencher), for second reading of Bill S-20, intituled: "An Act to incorporate Bank of British Columbia".—(Honourable Senator Farris).

Hon. J. W. de B. Farris: Honourable senators, I have been travelling by airplane all day, and would like to have this order stand until tomorrow.

Hon. Mr. Connolly (Ottawa West): Honourable senators, I think honourable Senator Farris would appreciate if this could be placed first on the Orders of the Day for tomorrow.

Order stands.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Tuesday, June 9, 1964

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

Prayers.

THE LATE LORD BEAVERBROOK

TRIBUTES

Hon. G. Percival Burchill: Honourable senators, New Brunswick is mourning the loss today of its great benefactor, in the death of Lord Beaverbrook.

I think it is not out of place that this Senate might pause for just a moment this afternoon in the transaction of its business to pay tribute to one who was described only last week, at his 85th birthday dinner in London, by another distinguished Canadian, Lord Thomson, as "the greatest living Canadian."

It has been suggested by the honourable Leader of the Government and by the Leader of the Opposition that I, on behalf of the Senate, should say a few words in tribute to this eminent man.

Lord Beaverbrook was born in Maple, Ontario, 85 years ago. He came to Newcastle, New Brunswick, as a child. His father, the Reverend William Aitken, was the pastor of the Presbyterian church in that town. He therefore spent his boyhood, his schooldays, his youth, and in fact all of his years as a young man, in the town of Newcastle. Those of my generation who are left will remember him quite well as a young man. We would often reminisce with him incidents which took place during those early years.

I take it that most honourable senators are fully aware of the wonderful career of Lord Beaverbrook—which I do not intend to enlarge upon now—of his success here in Canada, and then of his moving to Great Britain, where he became a member of the House of Commons and was knighted as Sir William Maxwell Aitken. You know of his phenomenal success as a newspaper proprietor, and, during World War II, of his magnificent achievement as Minister of Aircraft Production in the Government of Great Britain. As has often been said, the victory of the Battle of Britain was due in large measure to the achievement of Lord Beaverbrook in producing the aircraft that was needed in that combat.

Honourable senators, Lord Beaverbrook has been kind to the people of New Brunswick. It would take me a long time to enumerate—and I do not intend to do so this afternoon—all the wonderful gifts he bestowed on his native province.

The manse where he lived as a boy has been preserved, presented and endowed by him as a gift to the town of Newcastle, where today it is known as the "Old Manse Library." But that is only one of the many benefactions he conferred upon the people of New Brunswick.

He was made Chancellor of the University of New Brunswick, and from that time on he showered the university with gifts. The present gymnasium—which my classmate on the other side, Senator Brooks, is well aware of, as no doubt are many others—was his gift, as was the building which at present houses the Faculty of Law in Fredericton; and many other generous things has he done for that university.

Perhaps his most outstanding gift to the province was the establishment of Beaverbrook Scholarship. Over 40 years ago he instituted what are known as Beaverbrook Scholarships, making it possible for graduates of high schools in that province to attend university. From then on he established Overseas Scholarships by which graduates, not only of the University of New Brunswick but of others as well, could attend the University of London to pursue their studies and obtain higher degrees. Later on he made it possible for high school teachers of New Brunswick—chosen, of course, by a board—to study at the University of London. Up to date between 600 and 700 students have benefited by Lord Beaverbrook's generosity in providing scholarships. If I am not mistaken, a member of the present federal Cabinet is a Lord Beaverbrook scholar.

In addition to the scholarships, the magnificent art gallery which he built in Fredericton will remain a monument to his memory.

Then, among other things, he built ice rinks. He presented the City of Fredericton, the City of Saint John, the Town of Newcastle and the Town of Chatham with modern rinks, and the boys and girls and young people who use them—and, I can assure you, they are well used—bless Lord Beaverbrook's name.

Honourable senators, I have given you a short sketch of Lord Beaverbrook's career, and have indicated what his death means to the people of the Province of New Brunswick. I speak on behalf of them because I know that in every corner of New Brunswick there will be a sense of great loss and a feeling of mourning today at the news of his death. He was a renowned son of New Brunswick, an eminent Canadian, and a great international figure. Canadians all across this land pay tribute to his memory.

Hon. A. Neil McLean: Honourable senators, I should also like to say a word about the late Lord Beaverbrook, even though Senator Burchill has expressed a full tribute.

The late Lord Beaverbrook was a friend of mine for many years; he was a friend of New Brunswick, and he was a friend of the Free World. I think he has done more than any other Canadian in the exercise of charity and philanthropy. He helped many poor scholars to rise in the world. I was at a meeting of schoolteachers a short while ago, when the chairman asked all teachers present who had been helped by Lord Beaverbrook to stand, and, honourable senators, over three-quarters of those in attendance stood.

Lord Beaverbrook had a particular friendliness for all Canadians visiting England, and was happy to do anything he could for them. He was always Max Aitken to me, and would never let me call him anything else. When at times I would forget and address him by his title, he would say, "Stick to Max."

I have a letter from him dated Thursday last; it is signed by himself, because he always signed letters to friends in his own hand instead of having a secretary sign them. This letter does not sound like that of a sick man. Rather, it sounds to me like the owner of the *Daily Express*, which we all know is the greatest newspaper in the world, as far as circulation is concerned, and which has a tremendous influence. Every item of any importance appearing in the newspaper was looked over by him. When he was in France a helicopter would come daily with editorials and other items for his approval.

A few years ago I was in London with my brother and some other Canadians from Saint John, and we had the pleasure of visiting Lord Beaverbrook. He was so proud of his *Daily Express* that he insisted we should go down to see the wonderful machinery installed there. Afterwards he invited us all to dinner at his home.

The death of Lord Beaverbrook is a serious loss to Canada, to New Brunswick, and to the entire Free World because his influence was very great in every nation of the Free World.

I understand he has established foundations in both Canada and England which will carry on his charities. He was that kind of man; he wanted his work to go on when his days in this world came to an end. We have lost one of the greatest Canadians we have ever had, and I have lost a lifelong friend, which loss I feel very, very deeply.

DOCUMENT TABLED

Hon. John J. Connolly tabled:

Report relating to the Administration of the Farmers' Creditors Arrangement Act for the fiscal year ended March 31, 1964, pursuant to section 41(2) of the said act, chapter 111, R.S.C., 1952. (English and French texts).

CANADA SHIPPING ACT

BILL TO AMEND—REPORT OF COMMITTEE PRESENTED

Hon. A. K. Hugessen, Chairman of the Standing Committee on Transport and Communications, reported that the committee had considered Bill S-7, to amend the Canada Shipping Act, and had directed that the bill be reported with the following amendments—

Some Hon. Senators: Dispense.

Hon. Mr. Hugessen: Since these amendments are important I would move, if honourable senators concur, that we proceed with the consideration of this report tomorrow.

Motion agreed to.

For text of report see appendix, p. 694.

PRIVILEGES AND IMMUNITIES (UNITED NATIONS) ACT

BILL TO AMEND—AUTHORITY TO PRINT PROCEEDINGS

Hon. Gunnar S. Thorvaldson, Chairman of the Standing Committee on External Relations, presented the following report of the committee on Bill S-24, to amend the Privileges and Immunities (United Nations) Act.

Your committee recommend that authority be granted for the printing of 800 copies in English and 300 copies in French of their proceedings on the said bill.

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

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

Report adopted.

REPORT OF COMMITTEE ADOPTED

Hon. Mr. Thorvaldson, Chairman of the Standing Committee on External Relations, reported that the committee had considered Bill S-24, to amend the Privileges and Immunities (United Nations) Act, and had directed that the bill be reported without amendment.

Report adopted.

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

Hon. Mr. Gouin moved that the bill be placed on the Orders of the Day for the third reading at the next sitting.

Motion agreed to.

TRANSLATORS AND INTERPRETERS

INQUIRY ANSWERED

On the Notice of Inquiry of Honourable Mr. Pouliot:

1. During the last fifteen months, how many translators and interpreters have been employed in each department, agency or commission of the Government of Canada,
   (a) in Canada,
   (b) in other countries?

2. What is the total number of translators and interpreters who have been, during the said period,
   (a) employed and paid by the Government of Canada,
   (b) appointed by the Civil Service Commission after examination, and belong to the Translation Bureau,
   (c) appointed by Order-in-Council and do not belong to the Translation Bureau?

3. How many translators are employed for the translation of the correspondence of the departments, commissions and agencies of the Government of Canada?

4. How many books have been translated by the Translation Bureau during the same period,
   (a) from English into French, and
   (b) from French into English?

Hon. Mr. Connolly (Ottawa West): Answered privately.

TRANSLATIONS BUREAU

TERMINOLOGICAL BULLETINS TABLED

Hon. Jean-François Pouliot moved, pursuant to notice:

That copies of all the terminological bulletins issued in French and in English, and in both languages by the Terminology Service of the Translation Bureau during the years 1959, 1960, 1961, 1962 and 1963 be tabled in the Senate.

He said: Honourable senators, I am most thankful to the honourable Leader of the Government in this chamber (Hon. Mr. Connolly, Ottawa West) for his having helped in securing this vast amount of information. Be assured that I will not take advantage of your good disposition in reading it all to you. This is just part of the many cubic feet of information that I have been asking for. These bulletins are called terminological —it took me some time in order to be able to pronounce that word with sufficient speed— bulletins which have been published, or mimeographed, for the benefit of the Bureau of Translations. These are in addition to all the dictionaries they have, and they indicate what should be the translation of certain French expressions into English, and certain English expressions into French.

It would take the whole of the two months' recess, if we have it, to check these out for the benefit of the Standing Committee on Finance, but today, when in the company of a friend of mine, I glanced over this material and found something that you may enjoy. It will bring to your memory reminiscences of younger days by reminding you of the image of a celebrated actress of the time who was renowned for her curvaceous figure which was the inspiration of the streamlining art. I am referring to Mae West. You may imagine my surprise to find her name in one of these bulletins. This is "Comite d'Etude des Phrases Techniques Françaises," which is a committee studying technical French terms. Under the heading "May West" there are aviation terms, a definition of lifesaving equipment which could be inflated. There is a proposed translation, "lifesaving equipment" or summarily, "gilet".

There are pearls in the manure of Ennius— to use an expression of Virgil. I apologize for that reference to the classics.

Honourable senators, the only thing to do now is wrap this up and send it to our good friend the Chairman of the Finance Committee, with my compliments, to provide for him some moments of relaxation and enjoyment.

Difficulties may occur in defining some words; but there are many books for that. They are the well-known dictionaries in which there are enough words to make satisfactory translations.

Hon. T. D'Arcy Leonard: Honourable senators, I presume I should rise on this occasion to thank the honourable Senator Pouliot for his presentation to me today on behalf of the Finance Committee.

As he ventured to intrude into the classical field, perhaps I might be excused for doing likewise. Therefore, let me say: *"Timeo Danaos et dona ferentes."*

Motion agreed to.

COLUMBIA RIVER TREATY

MOTION FOR APPROVAL OF RATIFICATION— DEBATE ADJOURNED

Hon. A. K. Hugessen moved, pursuant to notice by **Hon. John J. Connolly:**

That it is expedient that the Houses of Parliament do approve the ratification of the treaty between Canada and the United

States of America relating to co-operative development of the water resources of the Columbia River Basin, signed at Washington on January 17, 1961, and the consequent coming into force of the Protocol thereto annexed to the exchange of notes signed at Washington on January 22, 1964, and that this House do approve the same.

Hon. A. K. Hugessen: Honourable senators, I must confess that I submit this resolution to you with considerable trepidation. It involves matters of extreme importance and of great complexity.

The Senate is entitled to as full and clear an explanation of what is involved as will enable it to form a reasoned judgment. I am afraid that, in order to do that, though I will do the best I can, it will be necessary to trespass upon your time for a good deal longer than I normally do when I speak to the house. A long explanation, I am afraid, is essential. In fact, I am rather disturbed as to whether my endurance or your patience will be first exhausted.

In this respect, we stand in a different position from the House of Commons. This is the first time the Columbia River Treaty comes to us. In March the House of Commons had a debate on it lasting several days. It had another debate lasting three days last week. In the interim, they had 50 sittings of their committee on External Relations, taking evidence with respect to this matter, resulting in almost 1,500 pages of printed evidence. We, however, not having had the benefit of any of these discussions, must consider this thing more or less *de novo*.

Honourable senators, may I start by reminding you that in the year 1909, in the days of Sir Wilfrid Laurier, Canada and the United States entered into a treaty known as the Boundary Waters Treaty, which is still in effect. That treaty was for the purpose of setting out the rights of the two countries in respect of rivers flowing from one to the other and in respect of boundary waters between them.

Under that treaty there was set up an International Joint Commission, with a certain amount of jurisdiction and with wide powers of inquiry. That International Joint Commission consisted, and still consists, of three members from each country—three from the United States with a United States chairman, and three from Canada with a Canadian chairman.

Over the years, that International Joint Commission has done a great deal of excellent work. I might remind honourable senators that for several years, until about two years ago, the Canadian chairman of the commission was General Andrew McNaughton.

Honourable senators, in the year 1944 the governments of both countries charged the International Joint Commission to study the Columbia River Basin and,

> to determine whether a greater use than is now being made of the waters of the Columbia River System would be possible and advantageous.

The International Joint Commission thereupon set up a body to conduct this investigation, known as the International Columbia River Engineering Board. That board conducted investigations for 15 years. It finally made a report in the year 1959 in which, among other things, it discussed three different means by which the Canadian Columbia might be developed.

Also, in December 1959, at the request of the two governments, the International Joint Commission made a special report on the principles which they felt should govern the calculation and the apportionment of the benefits which would result from the co-operative development of the river.

Armed with these two reports, the two governments began negotiations for a treaty in February 1960. These negotiations resulted in the Columbia River Treaty signed on January 17, 1961. That treaty was ratified by the Senate of the United States by resolution dated March 16, 1961, as required by the constitution of the United States. It has not yet been ratified by Canada. The reason for that is that some difficulties arose after the signing of the agreement with the Government of British Columbia, to which I shall refer later. But the negotiations continued, or rather were resumed, and they have resulted in two things: First of all, a protocol between the two countries, dated January 22, 1964, clarifying, and to some extent modifying, certain provisions of the treaty; and, secondly, an exchange of notes between the two governments, also dated January 22, 1964, relating to the sale of a part of Canada's downstream power benefits, of which I shall have more to say later. It is this treaty, as clarified and modified by this protocol and exchange of notes between the two governments, which you are asked to approve by the resolution before you. It is the result, I think it is fair to say, of 15 years of investigation and five years of negotiation.

In considering this matter, it is essential to bear in mind that the Canadian part of the Columbia River basin is situated entirely within the Province of British Columbia, and that what we are dealing with in these documents are natural resources belonging to the Province of British Columbia.

Obviously, the Province of British Columbia cannot make a treaty with a foreign

power, not being itself a sovereign state, so that the treaty is made between the Government of Canada and the Government of the United States. On the other hand, there is no means by which the federal Government can force the Government of British Columbia to develop its own resources in a way in which it does not want to. Furthermore, in any development of the resources of British Columbia, it is the British Columbia government itself or its agencies which will have to make that development. It is therefore perfectly clear that the British Columbia government has to be very closely tied in with the treaty, that it must agree to the things that the treaty provides, and, in fact, I think I am right in saying that the Government of British Columbia and its agency, the British Columbia Hydro and Power Authority and their technical advisers, have been parties to all the negotiations that have taken place since the year 1960. The result has been an agreement between the federal Government and the Government of British Columbia, dated July 8, 1963, with a supplementary agreement, dated January 13, 1964.

I can summarize these agreements very quickly for honourable senators. In the first place, the Government of British Columbia recognizes that the treaty and the protocol have been entered into, and declares that it agrees to them. It undertakes that it will carry out all the works and perform all the obligations which the treaty imposes upon Canada, in place of and to the exoneration of Canada. On the other hand, it is entitled to receive all the moneys which the United States is required to pay to Canada under the provisions of the treaty.

Hon. Mr. Farris: How much is that?

Hon. Mr. Hugessen: I will be going into that in considerable detail in the course of my remarks.

The treaty, the protocol, and the exchange of notes, on the one hand, and the agreement with the Government of British Columbia, on the other, are the foundation stones of this whole structure.

Honourable senators, in order to understand this treaty, I am afraid that I will have to enter into an exercise in geography. I shall be referring to a number of places, a number of rivers and lakes, and their relationship to one another. I think honourable senators will find it much easier to follow me in what I say if they have before them a map of the Columbia River Basin.

Hon. Mr. Roebuck: Hear, hear.

Hon. Mr. Hugessen: I have accordingly had such a map prepared by the Department of Northern Affairs and National Resources, which I gather is being distributed to honourable senators at the present time.

Let me make a few preliminary remarks about the Columbia River system as a whole. It is the fourth largest river system on the North American continent, being exceeded only by the St. Lawrence, the Mississippi and the Mackenzie. I think about a third of the whole basin, the northern part, is situated in Canada, in the Province of British Columbia. The Columbia River itself is 1,220 miles long from its source in the Rocky Mountains to its mouth in the Pacific Ocean. Of these 1,220 miles, 480 are in Canada and 740 in the United States. From the source of the Columbia River to its mouth it drops 2,650 feet, slightly more than half of which drop is situated within Canada.

I shall want to describe in a little more detail three rivers with which we are going to be concerned. These are the Columbia River itself, the Kootenay River and the Duncan River.

The Columbia River rises in southeastern British Columbia, to the west of the main ridge of the Rocky Mountains, at a place called Columbia Lake. Columbia Lake itself is not marked on the map, but it is at a place marked on the map, called Canal Flats. For the first 150 miles or more of its course, the Columbia flows in a northwesterly direction. Then it takes a wide sweep around through an angle to the west, through an angle of about 150 degrees, and turns south. At the point where it turns south, you will find Mica marked on the map. I shall be referring to Mica as we proceed. From there on for nearly 300 miles the Columbia proceeds in a generally southern direction to the United States border. About 90 miles below Mica it passes the town of Revelstoke which, as honourable senators know, is a divisional point on the Canadian Pacific Railway, and shortly thereafter it falls into the Arrow Lakes.

The Arrow Lakes are a rather interesting geographical formation, not unusual in that part of British Columbia. They lie in a trench in the mountains, and though they are more than 100 miles long they are nowhere more than two or three miles wide. There are two lakes, the Upper Arrow Lake and the Lower Arrow Lake, joined by a short stretch of the Columbia River in between. In fact, the whole Arrow Lakes system can be called more or less a widening out of the bed of the Columbia River, and in their natural state they store vast quantities of water. At the southern end of the Arrow Lakes, about 30 miles from the United States border, is a point marked Arrow Lakes on the map.

A mile or two below Arrow Lakes the Columbia is joined from the east by its principal Canadian tributary, the Kootenay,

opposite the town of Castlegar. The joined river then proceeds southward for 20 miles or so to the United States border, which it crosses near the Town of Trail. After crossing the border the Columbia River proceeds in a generally southerly and westerly direction, with wide sweeps and loops, being joined on the way by a number of important tributaries, until it finds its way to the sea at Astoria in the State of Oregon, where it enters the Pacific Ocean. In about the last 250 miles of its course, while it is flowing west, the Columbia River forms the boundary between the states of Oregon, on the south, and Washington, on the north.

Now I come to the Kootenay River. It rises in the Rocky Mountains in the same general locality as the Columbia River, but about 75 miles or so to the north-east of it, not far, I understand, from the Town of Banff. The Kootenay River flows down to the border, a distance of about 200 miles, in a southerly direction. It is rather interesting to note that while the Upper Kootenay is flowing south, the Columbia River leaving Columbia Lake, in apparently the next valley, or the next valley-but-one, is flowing north. It so happens that the Kootenay River runs very close to Columbia Lake at this place called Canal Flats—in fact, I am told it runs within a mile—and it would be very easy and comparatively inexpensive to build a canal at Canal Flats to divert the waters of the Upper Kootenay into Columbia Lake, so that thereafter they would run down the Columbia River instead of running down the Kootenay River.

After leaving Canal Flats the Kootenay runs south for more than 100 miles, being joined by a number of tributaries on the way, and crosses the international boundary into the northern part of the state of Montana where, after 50 miles or so, it reaches a point called Libby, marked on the map, to which I shall also have to refer as I continue.

After Libby the Kootenay River does what one might call an almost complete somersault. It turns around through the State of Montana and the northern part of the State of Idaho, through 180 degrees, starts flowing north, and enters Canada again from the northern part of the State of Idaho, flowing north this time, about 70 miles west of where it originally entered the States. At the place where it re-enters Canada there is an area called the Creston area which, I am advised, is one of the few places in that part of British Columbia where there is considerable and quite prosperous agriculture. The Kootenay River then falls into the southern end of Kootenay Lake at Kootenay Landing. The waters flow through that lake, the outlet of Kootenay Lake being at its western end, opposite the Town of Nelson. From there the river resumes its course for about 20 or 25 miles, or so, in a southwesterly direction, dropping quite rapidly as it goes, and joins the Columbia opposite the Town of Castlegar, at the place I mentioned some time ago.

It is perhaps interesting to note that at the point where the two rivers join, 60 per cent of the water is contributed by the Columbia and 40 per cent by the Kootenay, which is an indication of the importance of the Kootenay as a subsidiary of the Columbia.

Compared with these two great rivers I have just mentioned, the Duncan River is rather "small potatoes." It is a tributary of the Kootenay. It does not flow into the Kootenay directly, but flows into the northern end of Kootenay Lake, and altogether it is about 50 or 60 miles long. It flows south into the northern end of Kootenay Lake, roughly parallel with and to the east of the Arrow Lakes, and a few miles before it falls into the Kootenay Lake it runs past a place called Duncan Lake, where it is joined by some tributaries. Duncan Lake is also marked on the map.

To turn to another branch of the subject, honourable senators will appreciate that this treaty relates basically to the control of the flow of the rivers and to the production of hydroelectric power on the Columbia in Canada; and it is pertinent to inquire what is the present state of hydroelectric development, first of all, in Canada and, secondly, in the United States.

At the present time, in Canada on the Columbia River proper there is no hydroelectric development of any kind. The water flows as it has always flowed, down the river without let or hindrance of any kind. On the Duncan River there is no hydroelectric development of any kind. On the Kootenay there is no hydroelectric development all the way from its source to where it enters Kootenay Lake. In fact, the only hydroelectric development in the whole of the Canadian Columbia and its tributaries at the moment exists in the short stretch of 20 or 25 miles from the Town of Nelson to the junction with the Columbia River itself.

In that area there are five hydroelectric power plants, all owned by the West Kootenay Power Company. That company is a wholly-owned subsidiary of the Consolidated Mining and Smelting Company and, as honourable senators probably know, Consolidated Mining and Smelting Company is controlled by the Canadian Pacific Railway by a majority stock ownership, though there is a very wide public holding of the minority of the shares which are quoted actively on the

various stock exchanges. Consolidated Mining and Smelting is a vast mining and industrial complex which is the big factor and the big employer of labour in that area of the Kootenays. It produces copper, zinc, chemicals, fertilizers and all sorts of products, and it needs a great deal of power for its operations. That power is supplied from the five power stations to which I have already referred, and these plants also supply the surrounding area with their requirements of power for commercial, industrial and domestic purposes. As I say, that is the only power development in the Canadian Columbia so far.

When you come to the United States you find a completely different picture. The northern Pacific states, as they are called—the states of Washington and Oregon—have been undergoing a great period of development during the last 30 years. Their population has been increasing, industry has been establishing itself there in increasing quantities and amounts, principally, I think, during the course of the last war. As the result of these developments and the heavy and increasing demand for power which these developments have initiated, the Columbia River in the United States has been very highly developed for the purposes of hydroelectric power. As you will see by the map, there are no fewer than ten big hydroelectric developments on the Lower Columbia, one of which, the largest of all, is very well known to everybody, the Grand Coulee. I dare say some honourable senators have visited Grand Coulee. As I say, there are ten such power plants already in existence, and an eleventh is under construction. I am informed that up to date the United States has invested in these power plants almost $3 billion; and, as I say, in that area of the United States the demand for power is great and growing all the time.

Now, having dealt with the present power situation, I have to turn to an entirely new factor, but one that is very important in our consideration of this matter, and that is as to the physical characteristics of the Columbia River in Canada, and the same is true of its tributaries. It is a very "flashy" river, as the technical expression goes, which means that there is an enormous variation in its flow, as between different seasons of the year. In Canada, the Columbia receives its flow of water from the melting of the snow in the Rocky Mountains, and, as you would naturally expect, the result is that the period of high flow starts about the middle of May and carries on into August, with the peak sometime about the end of June or beginning of July. On the other hand, in the winter and early spring the flow is extremely low.

I am advised that at the boundary where the river flows from Canada into the United States it is not unusual in any one year for the high flow in the summer to be 50 times the amount of the low flow in the winter, which is a really remarkable variation when you come to think of it. By contrast, perhaps I should tell you that in the St. Lawrence, a few miles away at Cornwall, the variation between the high flow and the low flow is only in the ratio of about two to one.

This factor of the flashy nature of the Columbia River is of the greatest importance in relation to two other things; first of all, the production of hydroelectric power and, secondly, the danger of flooding. I am not a technician, but I want to try to explain what I think the situation is as regards the production of hydroelectric power in this connotation.

As honourable senators know, the efficiency of a power plant depends upon the flow of the river upon which it is built. Two kinds of power are normally produced by a power plant; first, primary or firm power, which is power which can be produced 24 hours a day, 365 days a year. This power is generally sold at quite a high price because of its value to heavy industry. The second kind of power is interruptable or secondary power, which can only be supplied at certain times of the day or periods of the year when the river is high.

Let us apply that state of affairs to the Columbia River in its unregulated state. You would find that the amount of primary or firm power that you could produce would be very small. It would be what can be produced by the lowest flow of the year, which is the only constant factor. On the other hand, you could produce a large amount of secondary or cheaper power because you would have a great deal of water coming down in the flood periods, but the result would be that the flow of water would be so heavy that you could not possibly use all your machines to produce the secondary power, even if you could sell it, and you would have to let much of the water flow over the dam without using it at all.

When you come to consider what would happen by regulating the river by dams built upstream so that the flow is contained and controlled, in spring and early summer, its waters being held back by the dams and only allowed to flow down in a steady even flow, then the position is very different in your power plant. You can immediately increase your firm or primary power very considerably, and you can also bring under control your secondary power which you can produce with the extra water that comes down at times of flood, which is not nearly

as considerable as it would have been at times when there was no control at all.

So that by the construction of control dams in the upper part of the river you produce a condition where the power plants in the lower part can produce more and better power than before. When you apply that factor to the Columbia River with these 10 or 11 plants in the United States, each one of which will receive this controlled flow as it comes, you will see how valuable the control of the river by Canada will be to those power plants in the United States.

Secondly, as to flooding danger, I do not know that I need go into that very extensively. If you have an unregulated river like the Columbia with 50 times the flow in summer that you have in winter, there is bound to be flooding. There have been times when the Columbia has run wild, and there have been extremely serious floods. There was one in 1894—I think that was the year—and another in 1948.

Hon. Mr. Farris: Was that in Canada?

Hon. Mr. Hugessen: Only partly. The flood started in Canada by the melting of the snows, but the effects were felt in the United States.

So honourable senators will see how valuable it will be to the United States from the point of view of power production and from the point of view of flood control to have the Columbia controlled as to its flow.

There are two questions which I think we should ask ourselves at this particular point. First of all, what does the United States expect to get out of this treaty? And, secondly, what does Canada, and more particularly British Columbia, expect to get out of this treaty?

Dealing with the first question, the requirements of the United States are pretty clear and patent. The United States wants two things: more power from its plants on the Columbia River, and more flood control, both of which it wants as soon as possible.

Dealing with the second question, what does British Columbia want from this treaty? Generally speaking, I think one might say that British Columbia needs an assured supply of cheap power for its future requirements. The position of British Columbia is this: the province is developing rapidly, the population is increasing and industry is thriving. There is an annual increase in its power requirements estimated at between seven and eight per cent per annum compounded.

The province has for the time being enough power for its requirements, but it has undertaken a large development, the Peace River development, in the northern part of the province, and also the construction of transmission lines from the Peace to the industrial area of the province close to Vancouver. It is expected that it will begin receiving power from the Peace River development by the year 1968, when its present power resources will all have been taken up. But after 1968 it is anticipated that the whole of the Peace River production of power will have been taken up between that year and 1975 or, at the latest, 1976. By that time British Columbia will need a new large source from which to obtain its requirements of power.

I hope to show as I go along that these two requirements, that of the United States and of British Columbia, mesh in and are brought together, and are both satisfied by the provisions of this treaty.

Honourable senators, after this lengthy but, I am afraid, necessary preamble, I turn to the provisions of the treaty itself. Basically, Canada is required to build three control dams. I will give a brief description of them and their location in ascending order of importance, which also happens to be the order in which they are to be completed.

The dam at Duncan Lake on the Duncan River is the smallest of them. It will be an earth-filled dam with a height of 120 feet and a crest length of 2,600 feet. Its reservoir length —that is the length of the body of water that will back up behind it—will be 28 miles. Fortunately, the 28 miles of land to be flooded is practically entirely uninhabited. The Duncan Lake dam will be built solely for the control of the flow of the river, and for flood prevention, and it will produce no power.

Hon. Mr. Horner: It will be a storage dam.

Hon. Mr. Hugessen: Yes, exactly. It is to be completed on April 1, 1968, and it is to cost $33 million.

The next and much more important dam is that at the outlet of the Arrow Lakes at the point marked "Arrow" on the map. This is to be an earth-filled dam, and its height is to be 190 feet. The length of its crest will be 2,850 feet, and the length of the reservoir behind it will be 145 miles, the whole length of the Arrow Lakes and on up to Revelstoke. This dam will raise the level of the Arrow Lakes by 40 feet, and it too is solely for control of the flow of the river and for flood prevention. It will produce no power. The date set for its completion is April 1, 1969, and its estimated cost is $129 million.

Unfortunately, when this dam is built it will flood a considerable area of land and displace quite a number of people. It will flood about 27,000 acres of occupied land and displace 2,000 people. I am told that the estimated cost of $129 million includes amounts considered to be ample to recompense the people who will be displaced, and

to resettle them in other more suitable locations.

I should perhaps remind the house at this point that the Barnhart dam above Cornwall, which was built in connection with the St. Lawrence Seaway, displaced 4,500 people and flooded a very much larger area of land.

The third, and by far the most important of the dams provided for by this treaty, is Mica. Mica will be built where the Columbia River flows through a narrow rocky gorge with high hills on either side. It will be of earth and rock fill construction. Its height will be 645 feet, and the length of its crest will be 2,500 feet. The reservoir behind it will extend 85 miles into the mountains, but I am able to tell the house that in those 85 miles to be flooded by the dam, according to present figures, only ten people live; so there will be no question of damage in that respect.

Hon. Mr. Burchill: What is the distance between those two dams?

Hon. Mr. Hugessen: Between Mica and High Arrow?

Hon. Mr. Burchill: Yes.

Hon. Mr. Hugessen: It is about 200 miles or perhaps a little less.

Hon. Mr. Thorvaldson: Will the flooding be created north of Mica?

Hon. Mr. Hugessen: Yes, north and east of Mica.

Hon. Mr. Connolly (Ottawa West): And south, too?

Hon. Mr. Hugessen: No, not south of the dam. Mica will flood north and east where the river bends around, as can be seen from the map.

Hon. Mr. Hollett: Does the area to be flooded extend to 85 square miles?

Hon. Mr. Hugessen: No; 85 miles is the length of the reservoir behind the dam.

It is interesting to note that Mica is to be completed on April 1, 1973, and its cost is estimated at $245 million. Mica is basically a power project. That is where the power will first be produced on the Canadian Columbia, and I should point out to you that the estimated cost of $245 million represents only the cost of construction of the dam. The cost of installing the power house and the ten turbines is expected to be another $100 million.

Hon. Mr. Horner: Do the figures you have given cover the cost of the land that will be flooded because of Mica?

Hon. Mr. Hugessen: There will be substantially no cost because—

Hon. Mr. Horner: There is timber there.

Hon. Mr. Hugessen: Well, that all belongs to the province. That is a matter of clearing by the province. There are no, or practically no, individual holdings of land in the area to be flooded.

Mica will produce really prodigious amounts of power. It will have an installed capacity of 1,800,000 kilowatts. I dislike using these technical terms because I am frank to say that I do not understand them too well. In fact, I doubt very much if I would recognize a kilowatt if I were to meet one walking down the street. However, I can give honourable senators a comparison to indicate to them the amount of power that Mica will be capable of producing. I think all honourable senators at one time or another have paid a visit to the Barnhart dam above Cornwall, to which I referred a few minutes ago. That is the dam, it will be recalled, which extends right across the St. Lawrence River and which has a large powerhouse in the middle. Half of the power produced there goes to the United States, and half of it comes to Canada. Mica will produce just about twice as much power as the powerhouse at the Barnhart dam. It is important to understand the relationship between High Arrow and Duncan, on the one hand, and Mica on the other, in connection with the objectives of the treaty. High Arrow and Duncan are to be built as soon as possible to satisfy the requirements of the United States for flow control and flood protection, and Mica, which will not be finished until 1973, is to provide for the future power requirements of British Columbia. As I have said, it is expected that the machines and the powerhouse will be installed at Mica by the year 1975, and not later than 1976.

I have heard the argument from opponents of the treaty that the High Arrow and Duncan dams will be of no benefit to Canada because they will produce no power. I disagree entirely with that argument for two reasons. I disagree first of all from the point of view of cash. The amount of money that we will receive from the United States in payment for the benefits that High Arrow and Duncan will produce will be almost twice as much as the capital cost of those projects. My second reason for disagreeing is that under the treaty the United States is entitled to call for certain control of flow for power production and the prevention of flooding. Except under the most unusual conditions, the dams at Arrow and Duncan will be able to meet the requirements of flow control and flood prevention. That will be done by manipulating the height of the Arrow Lakes up and down, as water is or is not required to flow down the river.

There is another factor in connection with this to which I should draw your attention. That is the fact that between Mica up the river and the Arrow dam down the river, the flow of the Columbia River increases by almost 100 per cent, owing to various tributaries and sources of water which flow into it in that mileage. That means that when the power is installed at Mica it will be able to operate solely in the interests of the maximum production of power, without regard to any requirements down the river for flood control or flow of the river.

High Arrow, therefore, is very important in the sense that, though it will not produce any power itself, it will enable the maximum production of power to be created at Mica. It will act as a sort of buffer or intermediary between the requirements of the United States and the production of power at Mica and will perform the function of a re-regulating reservoir.

There is another matter in connection with this area to which I should direct your attention. When Mica is machined and when the power from Mica is used up, there are two other sites below Mica, one at Downie Creek, and the other at Revelstoke Canyon, which can be economically developed for the production of power.

There is still a fourth development that is possible, almost down by the boundary, at a place called Murphy Creek, which is not marked on the map but is quite close to Trail.

You see what will happen under this when 1975 comes along and the turbines are put into Mica. The power requirements of British Columbia will be met for the next few years. When that is taken up, then Downie can be built, and when that is taken up Revelstoke can be built, and when that is taken up Murphy Creek can be built. The power of the Columbia River from these four plants, when completely developed, will be about 4 million kilowatts, which is roughly one and a half times the total power production of British Columbia at the present time.

Now I turn to the Kootenay River. Under the treaty, Canada makes no immediate development on the Kootenay River. Honourable senators will recollect that I mentioned Libby in the State of Montana. Under the treaty, the United States has the option to build a dam at Libby. It must exercise that option within five years of the ratification of the treaty. If it exercises the option, it must complete the construction within seven years. I am told that the exercise of this option by the United States to build at Libby is extremely likely, and in fact that they have made considerable progress in the preparation of the plans of development.

Hon. Mr. Haig: Is this a power project or for flood control?

Hon. Mr. Hugessen: I understand that it will be both. It is going to be an extremely expensive project. It will cost, according to the latest estimates I have seen, over $300 million, but Canada will not contribute in any way to that cost. The only contribution Canada will make under the treaty is this: if Libby is built, the dam will flood the waters back across the Canadian boundary for a distance of about 42 miles and will flood about 15,000 acres of land. The cost of that, which will be borne by Canada, is estimated at $12,500,000.

On the other hand, if Libby is built, with the control of flow and flooding control which that will bring about, Canada will benefit very greatly indeed in other ways. First of all, in the Creston district near Kootenay Landing, which I mentioned, which is valuable agricultural area, flooding will be prevented—and it has been fairly common, I think, in that area in the past.

The second and more important benefit from the building of Libby will accrue to those five power plants of the West Kootenay Power Company, to which I referred you some time ago. The regulation of the flow of the Kootenay River will greatly increase the capacity of those five plants and will, I understand, permit of the economic construction of a sixth. I am told that the estimate of the benefit which those plants will derive from Libby runs to the order of 200,000 kilowatts—and 200,000 kilowatts of power, by any standard, is worth a great deal more than the $12,500,000 which Canada will pay for the flooding.

There is a corollary to the Kootenay provisions in the treaty. If the United States builds Libby, of course it does not want any interference for some time to come with the river flow of the Kootenay which Libby is designed to control. So that, under the terms of the treaty, if Libby is built, Canada agrees that for the first 20 years we will make no diversion of the Kootenay River. After that, we can divert approximately 20 per cent of the flow of the Kootenay River; after 60 years, 60 per cent; after 80 years, 90 per cent. If the United States' option is not exercised and if Libby is not built, then we can make this 90 per cent diversion at any time.

I do not know how honourable senators feel, but I am not much interested in what will happen in 60 or 80 years from now; but I am interested to see what will happen in 20 years when Libby is built. At the end of 20 years, we will be able to divert 20 per cent of the waters of the Upper Kootenay

into the Columbia Lake by this cheap little canal I mentioned some time ago. It will be very cheap and easy to do that, and if we do it, then by this diversion at Canal Flats, this will increase the power potential at Mica by about 8 per cent, and at the plants lower down, if and when they are built, by a little less.

I have tried to describe to you the various physical works that are going to be done under this treaty, both by Canada and by the United States, assuming, as I think we are entitled to assume, that the United States will build Libby.

I would like you to get some sort of a visual picture of what this will all mean. I would ask you to imagine yourselves ten years from now standing beside the Columbia River at the point where it leaves Canada and enters into the United States, and that you are watching the river flow by. At that time 57 per cent of that flow will be controlled by Arrow and Mica, 5 per cent by Duncan Lake, and 16 per cent by Libby, which is really an 80 per cent control of the river. In fact, the Columbia will have been tamed.

Honourable senators, I have been taking up an enormous amount of time, but I cannot help that.

I turn now to the financial side of the treaty.

That is in two sections. As I told you, the United States will benefit immensely from these works, first, by way of flood control and, secondly, by way of the downstream power benefits. I will deal with flood control first.

I told you that the International Joint Commission established certain principles as the basis for the division between the two countries of the benefits that would be derived from the development. In connection with flood control, the International Joint Commission adopted the principle that the upstream country, in this case Canada, will be entitled to one half the estimated average annual value of the flood damage prevented by the storage. Elaborate calculations have been made by the engineers on both sides, with which I do not need to trouble you, but they have calculated the annual savings provided over the term of the treaty by each dam, and they have related those savings back to one lump payment payable when the dam comes into operation, and discounted by $3\frac{7}{8}$ per cent per annum. The resulting figures are these: When Duncan comes into operation on April 1, 1968, the United States will pay $11 million. When Arrow comes into operation on April 1, 1969, the United States will pay $52 million. When Mica comes into operation on April 1, 1973, the United States will pay $1.2 million. The small amount payable for Mica simply bears out what I said a few minutes ago, that the United States is very little dependent on Mica for flood control. That totals $64.5 million in United States funds, and roughly $70 million Canadian.

With regard to the downstream power benefits, I have already described to the house how these benefits arise, and I do not need to go into that again. The principle that the International Joint Commission adopted with respect to these benefits was this. They said that the upstream country, that is Canada, is entitled to receive back half the additional power that is produced in the lower country power plants by the control of the river flow. The treaty of January 17, 1961, followed this principle and provided that this power, this half power entitlement, should be returned to British Columbia at a point on the boundary near Oliver, British Columbia, and it contained provisions for standby and transmission charges. That did not suit the Province of British Columbia, for this reason. They had decided at that point to develop the Peace River power site, and expected to receive large amounts of power from the Peace River power site by about the year 1968. That is exactly the year, when Duncan and Arrow are completed, when they would be entitled to get the additional power from Lower Columbia, and they could not see a market for these two large new sources of power. Therefore, the original treaty arrangement has been modified by the protocol and the exchange of notes of January 22, 1964, in a way that now suits the convenience of all parties.

By the protocol and exchange of notes, the United States agrees that a single private purchaser, consisting of power producers in the Pacific northwest area, will buy under a deed of sale from the British Columbia Hydro and Power Authority the first 30 years of this additional supply of power to which Canada is entitled, and will pay for it, concurrently with the ratification of the treaty, in a one-lump sum, discounted at $4\frac{1}{2}$ per cent per annum. Here again, elaborate calculations have been made and agreed upon by engineers on both sides as to the amount of power to which British Columbia will be entitled in each of these 30 years, the value of that power, and the whole thing related back to the date of ratification of the treaty; the result being that Canada will receive in payment for this half additional power, when the treaty is ratified as of October 1 next, $254,400,000 United States dollars, which is roughly equal to $275 million Canadian.

Hon. Mr. Thorvaldson: You said that Canada will receive that money. Is it British Columbia which will receive that money?

Hon. Mr. Hugessen: Canada receives it and turns it over to British Columbia. The moneys will be received at certain times, which I have indicated. Moneys will be spent for the various projects at certain times which I have indicated, and we have got to establish some single final point for the evaluation of this whole financial picture. That point has been suggested as being April 1, 1973, when the last dam, Mica, has been completed; and it is estimated that when the moneys are received by Canada they can earn interest at 5 per cent per annum until they are used, and at the same time as from the dates of completion of the various projects, 5 per cent per annum has been added, all to bring the thing down to April 1, 1973.

The picture looks like this: The value of the total receipts from the United States on April 1, 1973, will be $501 million, Canadian dollars. The value of the total capital costs incurred on April 1, 1973, will be $448 million. That leaves a surplus of about $53 million in Canada's favour.

Hon. Mr. Brooks: Canadian dollars?

Hon. Mr. Hugessen: Converted into Canadian dollars, yes.

I have told honourable senators that the cost of Mica did not include the cost of machining, as it is called, which is estimated at $100 million. The net result of this will be that all the storage dams will be paid for in full, with moneys in hand at the time of their construction, and half the generators at Mica provided for.

Hon. Mr. McCutcheon: Provided the estimates are right.

Hon. Mr. Hugessen: Always providing the estimates are correct, and that is a question to be considered under any circumstances.

Honourable senators, in the course of my professional career I have had to do in a legal way with the financing of quite a number of hydroelectric construction projects, as I am sure other honourable senators have too, and I have never seen a proposition of this kind before—no interest during construction, no bond interest or sinking fund requirements, no capital indebtedness of any kind. On that basis the cost of the generation of power by Mica will be the extremely small figure of 1½ mills per kilowatt hour, which I am told is the lowest generating cost of any plant on the North American continent. This will have a marked effect upon power costs in the Province of British Columbia. I am told that at the present time British Columbia is a high-cost power province, and that the average cost of power in that province is of the order of five mills per kilowatt hour. Costs of power will inevitably go down in British Columbia as Mica produces power at this extremely cheap rate.

At this point, there are two things which I think I should draw to your attention in a clause in the agreement between Canada and British Columbia which deals with Mica and its power. They are both parts of clause 16:

> (1) British Columbia agrees that generators will be installed in the dam at Mica Creek as soon as economically feasible.
>
> (2) Subject to the requirements of British Columbia, British Columbia will make available to other provinces of Canada, through a national grid or otherwise, on a first call basis, electric power from the Columbia River and other power developments in the Province of British Columbia at prices not higher than those obtainable by British Columbia from time to time from the United States of America for any comparable British Columbia entity electric power exported thereto.

So British Columbia is willing to share its benefits of Mica with other provinces.

There are just one or two final observations on this subject of finance. I do not need to remind honourable senators of the substantial benefit that will accrue to our exchange fund from the receipt from time to time of these large amounts of United States dollars. Nor do I need to remind you of the enormous boost to the economy of British Columbia that will be created by the construction of these projects, the many thousands of men who will be employed, and the vast amounts that will be spent on materials, construction and so forth. But the benefits do not terminate there. As I told you, Canada is selling the first 30 years of power benefits to the United States now. When the 30 years are over there will still be some power benefits accruing to the province of British Columbia which the United States will have to pay for, and these have been estimated as being at least $5 million a year.

I have dealt with the physical undertakings and financial provisions of this treaty. It is a long and complicated document and contains many other provisions with which I will not trouble you. It provides that operations under the treaty are to be carried out by the process of continuous consultation between entities designated by the parties. The Canadian entity will be the British Columbia Hydro and Power Authority. It provides for the setting up of a permanent engineering board consisting of four members, two from the United States and two from Canada,

who will make periodic inspections and reports, and make special reports on the progress of the whole enterprise, and help resolve differences that may arise, as and when required. It provides for settlement of these by the International Joint Commission and, failing that, by arbitration.

The treaty is to last for 60 years from the date of ratification and thereafter until terminated by 10 years' notice by one or other of the parties. In other words, Canada or the United States can terminate the treaty at the end of 60 years, or at any time thereafter by giving 10 years' notice.

There is one further provision of the treaty to which I am afraid I will have to refer, because it has been the subject of a good deal of public controversy in the last few months. That is the diversion of waters of the Columbia River by Canada. We have been told that the provisions which this treaty contains with respect to the diversion of the Columbia River waters constitutes the surrender of Canadian sovereignty. I want to discuss this matter for a few minutes.

Under Article II of the Boundary Waters Treaty of 1909 there is a provision as to the rights of the parties to divert water, and it reads as follows:

> Each of the High Contracting Parties reserves to itself or to the several State Governments on the one side and the Dominion or Provincial Governments on the other as the case may be, subject to any treaty provisions now existing with respect thereto, the exclusive jurisdiction and control over the use and diversion, whether temporary or permanent, of all waters on its own side of the line which in their natural channels would flow across the boundary . . .

—And so on.

So that under the treaty of 1909 we have the complete right to divert the waters of the Columbia in any way we wish.

Now we have modified that right by the terms of the treaty. The treaty provisions with respect to diversion are contained in Article XIII, subsection (1) which reads as follows:

> Except as provided in this Article neither Canada nor the United States of America shall, without the consent of the other evidenced by an exchange of notes, divert for any use, other than a consumptive use, any water from its natural channel in a way that alters the flow of any water as it crosses the Canada-United States of America boundary within the Columbia River basin.

We cannot divert for any use other than a consumptive use; and "consumptive use" is defined in Article I of the treaty as follows:

> "consumptive use" means use of water for domestic, municipal, stock-water, irrigation, mining or industrial purposes but does not include use for the generation of hydroelectric power.

We have therefore agreed in this treaty not to divert the waters of the Columbia River for the purpose of the production of hydroelectric power. What is the practical effect of what we have done in this connection, and to what extent have we surrendered Canadian sovereignty?

For all practical purposes only two suggestions have ever been made, that I know of, for diverting the waters of the Columbia for the purpose of the generation of hydroelectric power. I want to say a few words about each of these in turn.

First of all, there is the diversion into the Fraser River system. We heard a good deal about that a few years ago, but it is now little heard of, and I do not think it is now regarded as a very practical proposition. It is perfectly feasible, from an engineering point of view. There was a study made in 1956 by the British Columbia Engineering Company for the Department of Northern Affairs, which examined that project. What you would have to do would be to divert that part of the Columbia water you were going to divert somewhere near the Town of Revelstoke. You would have to dig a tunnel westward under the mountains for about 40 miles from that point to a place where the water would flow by gravity into the Eagle River, thence into Shuswap Lake, thence into the Thompson River, past Kamloops, and thence into the Fraser River at Lytton, and then to the sea. The report went on to suggest that about 12 powerhouses could be built, with adjacent dams, across this stretch of these rivers, and you could produce considerable power thereby.

At first sight one would think a scheme of that kind would appeal to Canada, and particularly to the province of British Columbia, because it would be diverting Columbia River water—which would otherwise flow down and produce power in the United States —to the Fraser River where it would produce power in Canada. However, there are two reasons which militate against that. The first is the cost. According to this report, it would be very expensive power; it would be an expensive project. The engineers came up with a final figure, everything included, of, I think, slightly over 7 mills per kilowatt hour for power produced in this way, which would make it an expensive proposition

The second reason was even more important. Honourable senators know very well that in the Fraser and Thompson rivers British Columbia has a very important salmon industry. It is an industry employing several thousand men and brings several million dollars a year into the province. Now, I am not an expert on commercial salmon fishing, but we do have an expert in this house on that, who knows all there is to be known about that subject, in the person of Senator Reid.

Some Hon. Senators: Hear, hear.

Hon. Mr. Hugessen: Senator Reid tells me, and I quote his authority, that if you were to build a series of powerhouses and dams all the way down the Thompson and Fraser rivers you would inevitably and in short order destroy the salmon fishing industry in those rivers. In fact, that is exactly what happened on the Columbia River. Up until 30 years ago, when the Columbia River began to be developed for power, there was, I am told, quite a considerable salmon fishing industry in that river. That industry has now been completely wiped out. I am told that for some years past now there has been an almost irreconcilable conflict on the Fraser River between the proponents of salmon and the proponents of power. This time the proponents of salmon appear to have won.

Hon. Mr. Reid: We had a good case.

Hon. Mr. Hugessen: Perhaps honourable senators may remember that famous line in Fitzgerald's Rubáiyát of Omar Khayyám which reads:

> Ah, take the Cash, and let the Credit go...

In this case one might paraphrase it by saying:

> Ah, take the Fish, and let the Power go.

The second possibility of diversion from the Columbia River is diversion to the prairies. That has given rise to much controversy and publicity in the last few weeks—more, I think, than the subject intrinsically deserves. It is a comparatively new idea.

There was a report in 1962 by the Crippen-Wright Engineering Company to the Saskatchewan Power Corporation as to the various sources from which additional water could be obtained for the Saskatchewan River basin, and particularly for the arid southern sections of the Prairie provinces.

This was the subject a few months ago of correspondence between the then premier of Saskatchewan and Mr. Paul Martin in which it can be said that the premier put forward a claim for consideration on behalf of his province in regard to the water of the Columbia River. It is interesting to note that the premier did not approach the owners of the waters, the Province of British Columbia, but he approached the federal Government. It is also interesting to note that where you have a matter which relates to the arid parts of the Prairie provinces you would have thought that the premiers of Alberta and Manitoba would have joined with the premier of Saskatchewan in making representations. They, however, kept completely silent on the subject.

Basically, this claim did not relate to the use of the water for power generation, but for the purpose of consumption and irrigation on the Prairies. However, it is evident that costly diversion of water over the Rocky Mountains could not be justified for consumptive purposes alone, and a part of such a scheme would have to include the generation of power from such water as it flowed down the eastern side of the Rockies to compensate as far as possible for the loss of power from the Columbia itself.

That gave rise to a legal question which has been considerably canvassed in the last few weeks. As I told you, the treaty allows the diversion of water from the Columbia for consumptive purposes, but it does not permit use for the generation of hydroelectric power. Mr. Paul Martin has several times expressed the opinion that if you divert waters to the Prairies for the primary purpose of consumptive use it does not matter if it is used incidentally on the way to produce hydroelectric power, and I notice he was supported in his view very strongly by Mr. Davie Fulton when he gave evidence before the House of Commons committee. I am not going to enter into that. I am a little doubtful of the arguments of Mr. Paul Martin and Mr. Fulton, quite frankly, but for reasons which I shall give in a few minutes it seems that this is a purely theoretical speculation and has no practical application whatever.

The Crippen-Wright report clearly showed two things: First of all, that diversion of the Columbia waters to the Prairies would be extremely costly; and, secondly, that there are ample supplies of water from other sources which could, if necessary, be diverted through the Saskatchewan River system at very much lower expense. The Athabasca, the Peace and the upper Fraser would be much less expensive for that purpose. I have heard estimates that water from these alternative sources could be provided to Saskatchewan to meet its needs for the next hundred years.

Turning to the specific problem of diverting the water of the Columbia over the Rockies, let us see what would be involved. From an

engineering point of view it would be possible—anything is possible from an engineering point of view. You would have to take the water stored above the dam at Mica, and you would have to take a considerable quantity because it would not be worth while to do so unless you had a fairly substantial amount. Then you would have to push that water some 2,000 feet up over the mountains and across the Rockies in order to enable it to run down the other side. This in turn would also involve two things; First of all, the water so diverted would no longer be available to produce cheap power at Mica; and secondly, and far more important, to push that water up the mountain would need practically the whole of the power—not only power produced by Mica but the power produced by Downie and by Revelstoke and the other plant as well—the whole of the power production of the Columbia River valley would be needed for that purpose. It needs an immense amount of power to push a river vertically nearly half a mile uphill.

It is true, of course, that we could recover a part of that power when the river is running down the eastern side of the Rockies by building power plants and producing power there. But the whole proposition to my mind sounds like a project from *Alice in Wonderland*. What you would be doing would be using cheap power on the west side of the Rockies to produce dear power on the east side of the Rockies.

I was rather impressed by a statement made by one of the witnesses before the House of Commons committee, Mr. Seaton from the Montreal Engineering Company, which was one of the consulting engineering firms. This was his way of describing what you would be doing in this situation if you attempted an operation of that kind. I quote:

> The proposal to pump the Columbia River water up the west side of the Rocky Mountains to generate power on the east side could be likened to depositing one dollar in the bank in British Columbia in order to draw out fifty cents on the Prairies after paying a two dollar service charge.

I again remind you that these resources belong to the Province of British Columbia, and I ask my honourable friends what the province would say to any such proposition as that. British Columbia will have developed four million kilowatts of cheap electric energy for the use of its inhabitants and the inhabitants of other provinces, and for the propagation and increase of industry throughout the province. You go to British Columbia and say, "Please give up all that power and let us use it to carry a part of the Columbia River across the Rockies"—no government of British Columbia out of bedlam could possibly agree to any suggestion of that kind. That is why I say that I think this whole proposition is not worth serious consideration by honourable senators. It is completely unrealistic. I would go as far as to say it is a pipe dream thought up a year or two ago by the ex-premier of Saskatchewan and some of his political friends, having no relation to the cold, hard facts of life.

Now I just want to come back to the accusation made by the opponents of this treaty, that by agreeing not to divert the Columbia except for certain purposes we are surrendering Canadian sovereignty. Honourable senators, just what are we surrendering? First of all, we are surrendering the right for 60 years to divert Columbia River waters into the Fraser system to produce expensive power and ruin our salmon fishing industry. Secondly, we are giving up the right for 60 years to carry part of the Columbia River across the Rocky Mountains. If that is surrendering Canadian sovereignty, then all I can say is that the more Canadian sovereignty of that kind we surrender, the better it will be.

I have nearly finished. I could of course go on for a very long time because this is an immense subject, but I do want to refer finally to one fact of which I think we should also be conscious. We are told that the United States has "put one over on us" in this treaty. We are told that our negotiators were incompetent. We are told that the United States will make demands and requirements on us in connection with the operation of the treaty which will impair our sovereignty and do I don't know what other things to us.

I suggest to my honourable friends that we have to remember that this is a treaty between Canada and the United States. Canada and the United States do not deal with one another, as governments, as one would expect the Government of Greece to deal with the Government of Turkey, or the Government of Israel to deal with the Government of the United Arab Republics. We are friends, and have been friends for many years. We are engaged in many co-operative efforts together. I have no fear that the United States will attempt to put one over us in connection with this treaty, any more than I have a fear that we will try to put one over the United States. We are not accustomed to dealing with one another in that kind of way.

It is true that we bargain hard. There was some hard and intense bargaining in connection with this treaty, but once it is signed,

then both parties will carry out its terms in a reasonable way and so as not to hurt each other.

In looking at the various documents I was very much impressed by the preamble to the treaty itself, because it bears out the point I have been trying to make. It consists of four very short clauses which, with the permission of the house, I will read:

> The Governments of Canada and the United States of America:
>
> Recognizing that their peoples have, for many generations, lived together and co-operated with one another in many aspects of their national enterprises for the greater wealth and happiness of their respective nations, and
>
> Recognizing that the Columbia River basin, as a part of the territory of both countries, contains water resources that are capable of contributing greatly to the economic growth and strength and to the general welfare of the two nations, and
>
> Being desirous of achieving the development of those resources in a manner that will make the largest contribution to the economic progress of both countries and to the welfare of their peoples of which those resources are capable, and
>
> Recognizing that the greatest benefit to each country can be secured by co-operative measures for hydroelectric power generation and flood control, which will make possible other benefits as well,
>
> Have agreed as follows:—

Honourable senators, that is the spirit in which this treaty was negotiated, and I am as sure as I am of standing here this afternoon that that is the way in which the treaty will be carried out by the two parties to it.

Hon. Mr. Horner: The Alaska Panhandle should have been mentioned. That turned out to be not very good for Canada.

Hon. Mr. Hugessen: Honourable senators, I have come to the end of what I have to say. I apologize for taking up so much of your time, but I think you realize, having heard my explanation, that the whole undertaking is an extraordinarily complicated one, and that it was necessary for me to say all of the things I have said this afternoon.

I have just one more thing to add. When the honourable Leader of the Government in the Senate (Hon. Mr. Connolly, Ottawa West) asked me to undertake the task of explaining this treaty to this house, a little over two months ago, I was abysmally ignorant of the whole affair. I knew nothing about it beyond what I had read in occasional news reports. Such names as Mica, Arrow, Libby and Duncan, and many other places, were unknown to me. Since that time I have done my best to qualify myself for the task the honourable leader imposed upon me. I have read the treaty and the protocol and the conditions of sale several times. I have read the whole of the documents included in this green-covered paper issued by the Departments of External Affairs and Northern Affairs and National Resources in February, 1964, and headed, "The Columbia River Treaty and Protocol and Related Documents," which includes extracts from the various engineering reports given at various times by different engineering firms. I have read this blue-covered book issued by the same departments in April 1964, entitled, "The Columbia River Treaty and Protocol: A Presentation." I have read the debates in the House of Commons, and I have read the 1,500 pages of evidence given before the House of Commons committee on External Affairs. That task started off, I agree, by being rather tedious, but as time went on it became rather fascinating. This project is one that grips the imagination, and I am not at all sorry I undertook the task the honourable Leader of the Government asked me to undertake.

Honourable senators, no man is infallible. I make no claim to infallibility. All I can state, speaking as one fallible man to other fallible men, is my sincere and honest conclusion after examining the whole of this material. My view is that this is a good treaty—a treaty that is good for both Canada and the United States, and good, in particular, for the Province of British Columbia. It is a treaty which fully protects Canadian sovereignty, and is a really striking example of international co-operation. As such, I commend it, without qualification and without reservation, to the favourable consideration of this honourable house.

Hon. A. J. Brooks: Honourable senators, this afternoon we have listened to one of the finest explanations of a subject that we have heard in the Senate for a long time. Senator Hugessen has performed a very difficult task in, we all agree, a most proficient manner. He has said that he is not sorry that he made such a long study of this subject. I can assure him that the rest of us are not sorry either.

After listening to such an excellent explanation of this treaty this afternoon may I say to honourable senators that I personally would prefer to adjourn the debate, and make the few remarks I have to make about it at a later time. Accordingly, I move that the debate be adjourned.

Debate adjourned.

PRIVATE BILL

BANK OF BRITISH COLUMBIA—SECOND READING

The Senate resumed from Tuesday, June 2, the adjourned debate on the motion of Hon. Mr. Farris for the second reading of Bill S-20, to incorporate the Bank of British Columbia.

Hon. J. W. de B. Farris: Honourable senators, perhaps I might be allowed to make a remark or two in connection with the speech to which we have just listened. I agree with what the honourable leader on the other side said about the clear, informative and reliable speech we have just heard. It relieves my mind in another way, if I may say so, because I have read my honourable friend's speech in the debate on the motion for second reading of the bill to incorporate the Bank of British Columbia and, knowing his great ability, I was intensely disappointed that he did not make a better job of it. But, the explanation is now clear. He has devoted himself in such an able and remarkable way to this very vexed problem of the Columbia River Treaty that he never had time to do justice to the other subject.

I understand from the Whip on our side and from both leaders that it is the general intention of the Senate to refer this bill to the Standing Committee on Banking and Commerce. I am at this late hour, when some of my friends have gradually disappeared, now making this speech to close the debate, on the assumption that that will be so.

There are a few comments that I think should be made in my own interest in connection with my original speech and some of the comments that have been made since. There are also a few other things which are in need of explanation.

The first issue we have to consider here, and I am sure it will be discussed more fully in the Banking and Commerce Committee when the bill goes there, is this: Do we need a western bank at all? I think the decision here is almost unanimous; I think it is common ground that, whether we need it or not, we would be benefited in Canada by the existence of a bank of that type.

There are today a number of chartered banks in Canada, but of these banks not a single one has its head office or its president west of the City of Toronto. I stated that before, and I submit to honourable senators that there has been no substantial challenge of that fact.

The next question that arises is this: Granting the need of a western bank, is a bank in which shares are allowed to be purchased by a government on behalf of the province, a detriment to or a good thing for that bank? It was my submission before and I repeat it now that, granted a western bank is a good thing for Canada, and particularly for the western provinces, then if that bank is financed in part by the resources of the province, in my submission it strengthens and gives assurance to the effectiveness and success of that bank. It is only when you challenge the good faith of the premier of the province and his conduct of that bank that you can have any doubt about it.

After the speech we have just listened to about the co-operation between the United States, Canada and British Columbia, which for the present time means the Government of Mr. Bennett, and the necessity for the success of this treaty to be carried out in its almost untold millions—if that is a good thing for this country, in which I agree 100 per cent, it is equally a good thing to take chances with the same premier of British Columbia in one paltry bank.

There are reasons offered against this bank. It is said we do not want a bank politically controlled; in other words, we do not want a bank in which the people of a province, through their government, which is the only way they can act, are making an investment to ensure and guarantee the success of that bank.

To my mind there has been a tremendous overlooking of the fact that the shares in this bank are the same as shares bought individually by the people of British Columbia, because they are under the complete control, once the bank is established, of the Bank Act and the Bank of Canada.

Speaking of the Bank of Canada, I wonder if it ever occurred to honourable senators that that is the most outstanding political bank there is in Canada. It is a bank with wide powers. I ran over them last night, after the adjournment. The Bank of Canada can issue bank notes; it has tremendous control, and if you have somebody running that bank in keeping with the picture that has been painted by my honourable friend Senator White, it might get us into more trouble than even Mr. Bennett would be capable of doing, because the powers are far greater than any premier and his government can exercise in buying shares in a bank.

I repeat what I said in opening, that the shares purchased in this bank are shares that confer only the ordinary powers of an owner. It is just as if you and I and the rest of us had enough money and put it all in shares. It is just as if Laurentide, which claims it has enough money to finance a bank, put its money into this bank and controlled it—it would control it as an owner—and Laurentide or any other body would have just as much power to interfere with the well running of that bank as would the government of the Province of British Columbia.

I said in opening, and I repeat it now because I have heard no successful denial of it, that between a private company that can purchase enough shares, as Laurentide has boasted it can, and an equal amount of money put in by the government of a province, which is most likely to have the interest of the people in the province in which the investment is made?

In that statement I am making no attack on Laurentide whatever. I am simply stating that as an illustration of the fact, that I would sooner take chances with the government of a province in that connection than I would with the moneys of any big company, particularly so after the letter which came from Power Corporation of Canada Limited. I do not know what that letter means, but it certainly does not give me the same impression that I had before. And again, I am not saying that by way of attack, but only by way of comparison.

Honourable senators have done some surmising about what Mr. Bennett will do. My honourable friend Senator White has gone into the question of what happened in regard to the B.C. Electric.

All I have to say about that to my honourable friend and to the other senators is that those things happened some time ago. The judgment was given in the court against the government and adjustments were made accordingly, and then the provincial government election was run, and there was not a single Conservative elected in the Province of British Columbia, including the former Minister of Justice who resigned under Mr. Diefenbaker's Government and came to British Columbia to challenge the government on that issue.

Hon. Mr. Thorvaldson: What has that to do with this bill?

Hon. Mr. Farris: What has that to do with the bill? It has this to do with it, that the issue was an attack made by my honourable friend Senator White on Mr. Bennett.

Hon. Mr. Thorvaldson: He did not make an attack on Mr. Bennett.

Hon. Mr. Farris: All right. You can read it there. You say that and I say to the contrary. I say you can see it right in the record, and I do not think Senator White will challenge that.

Hon. Mr. White: Do you approve of the action of Premier Bennett and his government in taking over the B.C. Electric?

Hon. Mr. Farris: No I do not, but people of British Columbia, by a majority of 41 to 5, did approve.

Hon. Mr. White: You have one example of what he did and can expect another.

Hon. Mr. Farris: That may be so, but I dispute that that is proof.

I want to recall what I said in opening when I quoted from the case of the *Bank of Toronto vs Lamb,* decided by the Privy Council. This was a case, as you will recall, in which the Province of Quebec imposed taxes on banks, and Lord Hobhouse said:

> The next point raised is that this power of taxation has a power to destroy, and if it is allowed for a province to have that power, that may destroy the banks of the country.

Lord Hobhouse said, "There is no proof that any such thing will happen; there are only assumptions." And I say that all my friend has to suggest about Premier Bennett, or any government that is investing in shares in a bank, is that because he has done one thing that we may not approve of, therefore, we can assume he will do that again. The judgment of the Privy Council was to say in effect that "As far as the courts of this country are concerned, we refuse to act on any such assumption."

Hon. Mr. McCutcheon: Would the honourable senator agree that we do have a discretion as to whether the charter is granted?

Hon. Mr. Farris: We have a discretion but it is a discretion which has to be properly exercised within the limits of the Constitution. I will have a word or two to say about that.

My friend, the Whip on this side (Hon. Mr. Beaubien, Provencher) said to me, "Be sure you do not get into any controversy at this stage, because this bill is going to committee." I do not want to get into a controversy; I want to to be peaceful, and I want to see this bill go to committee. I point out to honourable senators that I have never discussed this question with Mr. Bennett. However, he has said to the press that he is willing to come to the committee and to state his case before it.

Hon. Mr. Beaubien (Bedford): Then we won't have a meeting—we will kill the bill on second reading.

Hon. Mr. Farris: I would think that if the bill did not receive second reading Mr. Bennett would be justified in saying they were afraid to give second reading. He would

say, "I was willing to go down there, and they didn't want to hear me." I would expect that those who did not want the bill would be the first to welcome him for that purpose. I hope he will come. I would be interested to see how he would perform there. I do not think I have ever heard him make a speech in my life. I think he should come, so that some of our senators, with all their ability, will be able to ask him questions, and then we will get the acid test. That is all I want to say about that.

Senator Cook made the statement that if the province put 25 per cent in, they can make it 90 per cent by changing the legislation, that is, assuming that the Legislature of British Columbia would be prepared to do that, and that if such a change were made they would be free of taxation. That can be looked after very easily in two or three different ways. In the first place, it can be looked after by the Legislature of the Province of British Columbia. In the second place, it can be looked after in the Bank Act. Once these banks are established, the full jurisdiction of the Parliament of Canada can deal with the matter, and they could deal with it mighty soon.

Honourable senators, some discussion about the Constitution came into this debate. My friend Senator Thorvaldson gave as his opinion—I do not recall that he gave any reasons to support it—but he gave as his the opinion, which I respect, that it would be unconstitutional to have a bank controlled in part or in whole by a legislature. I know of no authority to support that.

My honourable friend who sits just in front of me (Hon. Mr. Hugessen), and who delivered such a fine speech today, stated that if the province controls in that way it will be doing indirectly what it cannot do directly. Now, there is no doubt about the high authority of the Privy Council and the Supreme Court of Canada that a legislature, or as a matter of fact the Dominion itself, cannot do indirectly what it has not the constitutional power to do directly. However, I want to point out my considered opinion as a lawyer, that this is not a case of the province doing anything indirectly.

Section 92 of the British North America Act deals with the powers of the provinces, and paragraph 13 says that the province has exclusive jurisdiction over property and civil rights. The Bank Act itself has said that shares in a bank are personal property. Therefore, under the Bank Act, and under the British North America Act, the province has exclusive jurisdiction to deal with property, including shares in the bank; and of course that is subject, after the bank becomes incorporated, to the exclusive powers of the Bank Act itself. When the province is passing an act, as it passed Bill 15 in the legislature sometime in January or February, it is not dealing indirectly with any powers, but directly with its own express powers; and I say that it has just as much jurisdiction to buy shares as has the Laurentide Company, or as have any of us in our individual capacity to buy shares, and once they have bought them, they do not have any jurisdiction to go outside the limitations of ownership in the shares. That is all subject to the rights and powers of the Bank Act, under the British North America Act.

Honourable senators, I have prepared notes only to this extent this afternoon, because I have had the assurance from senators who have spoken in this debate, and from the leaders on both sides of the house, that this bill will go to the Banking and Commerce Committee. I think the bill should go to that committee, where members on both sides of the house will have an opportunity to learn more about it, and will have a good showdown on this question.

The Hon. the Speaker: It has been moved by the honourable Senator Farris, seconded by the honourable Senator Beaubien (Provencher) that this bill be now read a second time. Is it your pleasure, honourable senators, to adopt the motion?

Some Hon. Senators: On division.

Motion agreed to and bill read second time, on division.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Farris, bill referred to the Standing Committee on Banking and Commerce.

PRIVATE BILL

CANADIAN CONFERENCE OF THE BRETHREN IN CHRIST CHURCH—COMMONS AMENDMENTS CONCURRED IN

The Senate proceeded to consideration of the amendments made by the House of Commons to Bill S-11, to incorporate Canadian Conference of the Brethren in Christ Church.

Hon. Norman P. Lambert moved that the amendments be concurred in.

He said: Honourable senators, there are four amendments to this bill. I learned that the legal advisers who appeared before the committee in the other house were in agreement with the amendments suggested. I am of the opinion that concurrence in these amendments is not such as to require the house to go into committee to discuss the bill clause by clause.

Amendments concurred in.

NATIONAL HOUSING ACT, 1954

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-102, to amend the National Housing Act, 1954.

Bill read first time.

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

Motion agreed to.

NOTICE OF COMMITTEE MEETINGS

Hon. John J. Connolly: Honourable senators, before moving the adjournment of the Senate I should draw to the attention of members of the Standing Committee on Banking and Commerce that there will be a meeting of that committee tonight at 8 o'clock and another tomorrow morning at 9.30. The Senate is very busy.

The Senate adjourned until tomorrow at 3 p.m.

APPENDIX

(*See p. 675*)

CANADA SHIPPING ACT—REPORT OF COMMITTEE

The Standing Committee on Transport and Communications to whom was referred the Bill S-7, intituled: "An Act to amend the Canada Shipping Act", have in obedience to the order of reference of March 18, 1964, examined the said bill and now report the same with the following amendments:

1. Page 3, line 8: Strike out "twenty-five" and substitute therefor "one hundred".

2. Page 4: Strike out clause 5 and substitute therefor the following:

"5. The said Act is further amended by adding thereto, immediately after section 116 thereof, the following sections:

'116A. (1) The Governor in Council may make regulations respecting the certificates of competency and service to be held by masters and mates of fishing vessels, including the regulations prescribing,

(a) the grades and classes of certificates;

(b) the qualifications of applicants for certificates;

(c) the examination of applicants for certificates; and

(d) the fees to be paid for examinations and the issuance of certificates.

(2) Notwithstanding anything in this Part, regulations made pursuant to subsection (1) may provide for the issue of certificates to persons who are not British subjects.

'116B. (1) Every person who is a Canadian citizen and every person who is a landed immigrant within the meaning of the Immigration Act is, on application to the Minister, entitled to

(a) a certificate of service as a fishing master, or

(b) a certificate of service as a fishing mate, if within the five years preceding the date of his application and before the first day of December, 1965, he has served for one fishing season as fishing master or fishing mate, as the case may be, of a Canadian fishing vessel of over twenty-five tons gross tonnage and is able to provide evidence satisfactory to the Minister as to his experience and ability.

(2) A certificate issued to a landed immigrant pursuant to subsection (1) shall be valid for such period as the Minister may fix.

(3) In this section and section 116A, "fishing vessel" includes a vessel used in the transferring to shore of the catch of other vessels.' "

3. Page 16: Strike out line 23 and substitute therefor the following:

" '(c) the manager or operator of a ship and any agent of a ship made liable by law for damage caused by the ship.' "

4. Page 19: Strike out clause 35 and substitute therefor the following:

"35. Section 671 of the said Act is amended by adding thereto, immediately after subsection (2) thereof, the following subsection:

'(2a) Notwithstanding subsections (1) and (2),

(a) no goods shall be transported by water or by land and water, and

(b) no passengers shall be transported by water either directly or by way of a foreign port in any ship other than a Canadian ship from one place in Canada to another place in Canada both of which places are situated within the area comprising the Great Lakes, their connecting and tributary waters and the River St. Lawrence and its tributary waters as far seaward as a straight line drawn

(c) from Cap des Rosiers to West Point Anticosti Island, and

(d) from Anticosti Island to the north shore of the River St. Lawrence along the meridian of longitude sixty-three degrees west.' "

THE SENATE

Wednesday, June 10, 1964

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

Prayers.

DOCUMENTS TABLED

Hon. John J. Connolly tabled:

Supplementary Estimates (A) for the fiscal year ending March 31, 1965. (English and French texts).

Copy of Ordinances, chapters 1 to 17, made by the Council of the Yukon Territory, assented to at the 1964 First Session pursuant to section 20 of the Yukon Act, chapter 53, Statutes of Canada, 1952-53, together with a copy of Order in Council P.C. 1964-849, dated June 4, 1964, approving same. (English text).

PRIVATE BILLS

THE DOMINION OF CANADA GENERAL INSURANCE COMPANY—REPORT OF COMMITTEE ADOPTED

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill S-30, respecting The Dominion of Canada General Insurance Company, and had directed that the bill be reported with the following amendment:

Line 22: Strike out "contained" and substitute therefor "continued".

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

Hon. Mr. Hayden: With leave of the Senate, I move that the report be taken into consideration now.

Honourable senators, the amendment which was made in committee changing the word "contained" to "continued" was, I think, in order to correct a typographical error, but we had to deal with this by way of an amendment. In section 2 of the bill providing for the saving of existing rights, it went on to provide that these actions might be "prosecuted, contained, completed and enforced", whereas what was meant was, "prosecuted, continued, completed and enforced".

Report adopted.

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

Hon. Mr. Leonard moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

THE CASUALTY COMPANY OF CANADA—REPORT OF COMMITTEE ADOPTED

Hon. Mr. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill S-31, respecting The Casualty Company of Canada, and had directed that the bill be reported without amendment.

Report adopted.

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

Hon. Mr. Leonard moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

CROWN CORPORATIONS (PROVINCIAL TAXES AND FEES) BILL

REPORT OF COMMITTEE ADOPTED

Hon. Mr. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill C-95, respecting the payment of certain provincial taxes and fees by crown corporations, and had directed that the bill be reported without amendment.

Report adopted.

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

Hon. John J. Connolly moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

BANK ACT—QUEBEC SAVINGS BANKS ACT

BILL TO AMEND—REPORT OF COMMITTEE ADOPTED

Hon. Mr. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill C-98, to amend the Bank Act and the Quebec Savings Banks Act, and had directed that the bill be reported without amendment.

Report adopted.

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

Hon. John J. Connolly moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

PRIVATE BILLS

THE QUEBEC BOARD OF TRADE—AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Mr. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the following report of the committee on Bill S-28, respecting The Quebec Board of Trade:

> Your committee recommend that authority be granted for the printing of 800 copies in English and 300 copies in French of their proceedings on the said bill.

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

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

Report adopted.

REPORT OF COMMITTEE ADOPTED

Hon. Mr. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill S-28, respecting The Quebec Board of Trade, and had directed that the bill be reported with the following amendments:

1. Page 6: Delete clause 15.

2. Page 6, line 16: Strike out "16" and substitute therefor "15".

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

Hon. Mr. Hayden: With leave, I move that the report be adopted now.

Honourable senators, the first amendment is simply to strike out clause 15 of the bill. Clause 15 provided for the area of operations of The Quebec Board of Trade, which was covered already by clause 3. The committee felt that clause 15 was repetitive. The second amendment is as a consequence of the first. Because clause 15 is deleted, clause 16 becomes clause 15.

Report adopted.

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

Hon. Mr. Bouffard moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

WORLD MORTGAGE CORPORATION—AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Mr. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the following report of the committee on Bill S-32, to incorporate World Mortgage Corporation:

> Your committee recommend that authority be granted for the printing of 800 copies in English and 300 copies in French of their proceedings of the said bill.

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

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

Report adopted.

REPORT OF COMMITTEE ADOPTED

Hon. Paul H. Bouffard, Acting Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill S-32, to incorporate World Mortgage Corporation, and had directed that the bill be reported with the following amendments:

1. Page 2, line 16: Strike out "80" and substitute therefor "81".

2. Page 2, line 17: after "invested" add the following:

"Provided that nothing in this Act shall be deemed to permit the exchange of unissued shares of the Company for any unissued shares of Eastern & Chartered Trust Company or of any company formed by the amalgamation of Eastern & Chartered Trust Company with one or more other trust companies."

3. Page 2, line 18: Strike out "other than" and substitute therefor "including".

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

Hon. Mr. Bouffard: With leave, I move that the report be adopted now.

Honourable senators, the first amendment is necessary because the figure "80" in the bill is a misprint.

The second and third amendments were adopted by the committee in order to have the bill conform with the recommendations of Mr. K. R. MacGregor, the Superintendent of Insurance. The second amendment is to the effect that there shall be no share-for-share arrangement; that it would be shares for issued shares of the trust company. The third amendment is to ensure that no borrowed money will be used to acquire more shares of the trust company.

Report adopted.

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

Hon. Mr. Leonard moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

PENAL REFORM

UNANSWERED INQUIRIES

On Inquiries Nos. 1 and 2—Hon. Senator Croll:

Hon. David Walker: Honourable senators, when might we expect answers to the very important inquiries by honourable Senator Croll? They are lengthy, and are reprinted daily in the minutes, involving thousands of pages of printing over a period of three months. Is there any possibility of having them disposed of?

Hon. David A. Croll: I can give some information on that. The department officials have discussed the matter with me. They have not come up with the complete answers as I thought they ought to; they are working on it and hope to do it by the fifteenth of the month.

Hon. Gunnar S. Thorvaldson: Honourable senators, as I understand it, the honourable senator has had a return to his inquiries, but he was not satisfied with it. I wonder what right he has, to have a return made to him, and, not being satisfied with it, to demand another one. I think we all would like to see this completed and removed from the Order Paper.

Hon. Mr. Croll: I did not say I had a return. I said I discussed a return with them. I have not had any such thing as a return. They discussed it with me and they are making a return that will be, I hope, more explanatory and will give the house more facts than they intended to give.

Hon. Mr. Thorvaldson: Is not that exactly what I said, honourable senator? I said a return had been made to you, with which you were not satisfied and you asked for a new return. That seems to me to be an amazing procedure.

Hon. Mr. Croll: What is amazing about their not answering the questions that are there before them? That was the only reason I did not think they had made the kind of return that would give the answers to the questions. That is the only reason that I objected; it was not a complete return; it was not a proper return. They agreed with me and said they would go back and work on it.

Hon. Mr. Thorvaldson: What right had you to ask for a different return from the one you got?

Hon. Mr. Croll: I had a right to obtain complete answers to the questions.

BUSINESS OF THE SENATE

Hon. John J. Connolly: Honourable senators, before the Orders of the Day are called, may I ask permission of the Senate to call item No. 11—which deals with the bill in respect of the Ottawa Terminal Railway Company—as item No. 3 on the Order Paper, so that Senator Lambert will have an opportunity of presenting the explanation this afternoon.

Hon. Senators: Agreed.

COLUMBIA RIVER TREATY

DEBATE ON MOTION FOR APPROVAL OF RATIFICATION—CORRECTION OF STATEMENT

Hon. A. K. Hugessen: Honourable senators, before the Orders of the Day are called, on a question of personal privilege, I am afraid I must admit to the Senate that one of the statements that I made yesterday afternoon, in connection with the Columbia River Treaty, was erroneous though quite inadvertently so.

I was dealing with the power that can be produced by the Mica dam and comparing it with the power that is produced at the Barnhart dam above Cornwall, half of the power from which goes to the United States and half to Canada. At page 682 of *Hansard*, I said:

> Mica will produce just about twice as much power as the powerhouse at the Barnhart dam.

What I should have said was that Mica will produce just about twice as much power as Canada gets from the Barnhart dam. In other words, it will be about the same capacity as the Barnhart dam. Therefore, I was 50 per cent in error.

Perhaps I might be permitted to observe that when a politician makes a statement for the first time that is only 50 per cent in error, that is not too bad.

Some Hon. Senators: Hear, hear.

PRIVILEGES AND IMMUNITIES (UNITED NATIONS) ACT

BILL TO AMEND—THIRD READING

Hon. L. M. Gouin moved the third reading of Bill S-24, to amend the Privileges and Immunities (United Nations) Act.

Motion agreed to and bill read third time and passed.

PRESIDENT OF THE ROYAL SOCIETY OF MEDICINE

GUEST IN SPEAKER'S GALLERY

Hon. Joseph A. Sullivan: Honourable senators, with the leave of the Senate, I would like to make a few remarks at this time.

The Hon. the Speaker: It is agreed.

Hon. Mr. Sullivan: Honourable senators, seated in the Speaker's gallery is the most distinguished President of the Royal Society of Medicine, Mr. Terence Cawthorne, and his wife. I am sure all honourable senators join with me in extending to them a most hearty welcome, not only to Ottawa but to Canada.

We are to have the pleasure of listening to Mr. Cawthorne tomorrow at a luncheon being given by the Health Society at a joint committee meeting between the Senate and the House of Commons.

Thank you.

COLUMBIA RIVER TREATY

APPROVAL OF RATIFICATION

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Hugessen, pursuant to notice by Hon. Mr. Connolly (Ottawa West):

> That it is expedient that the Houses of Parliament do approve the ratification of the treaty between Canada and the United States of America relating to co-operative development of the water resources of the Columbia River Basin, signed at Washington on January 17, 1961, and the consequent coming into force of the Protocol thereto annexed to the exchange of notes signed at Washington on January 22, 1964, and that this House do approve the same.

Hon. A. J. Brooks: Honourable senators, I am sure we are all greatly pleased that this important resolution is now before the Senate. It deals with one of the most important matters that will come before Parliament this session.

I congratulated the honourable sponsor of this resolution (Hon. Mr. Hugessen) yesterday on his fine presentation, which certainly indicated considerable hard work and research on his part. I feel he presented a full picture of the work that is being done in connection with this treaty.

Since listening yesterday to the speech by the honourable sponsor of this resolution, and reading it this morning in *Hansard*, I have had to spend most of my time determining just what I would say. Indeed, I have spent most of my time eliminating much I had prepared, because the subject was so well covered by the honourable sponsor that what I had prepared would have been repetition on my part.

I was reminded of a slogan which appears every morning on the top of the first page of the Charlottetown *Guardian*, a very fine newspaper of the Maritime provinces. Quite modestly, the slogan says, "The *Guardian* covers the Island as the Dew." The thought occurred to me that Senator Hugessen covered this subject in much the same manner; and he has left little to be said.

Senator Hugessen gave us first a comprehensive history of the development of the Columbia River, not only in Canada but also in the United States, in which latter country, of course, there has been far greater development than in Canada. He also thoroughly described the geography of the Columbia River and supplied us with a map so that we would understand it better. He explained to us the legal situation as far as the two countries are concerned, and also as to the rights of the Province of British Columbia.

I am sure that all members of this house will agree that this is a vast subject. For the past 20 years it has received careful study both in Canada and the United States. One has only to examine papers, booklets, pamphlets and newspaper clippings to realize that fact. I am sure honourable senators will agree that the subject has been deserving of that attention, for the Columbia River can be considered as one of the great international rivers of the world. So far as power production is concerned, it is one of the greatest on the North American continent.

Honourable senators, it is not my intention, nor do I think it necessary, to become involved in a lengthy discussion of the treaty and the protocol, because the subject has been thoroughly discussed in the other place, in committees, and of course by engineers, and others, at different times. Secondly, there is general approval of the treaty and the protocol. I believe there is very little objection anywhere in Canada regarding this matter, and there is certainly very little in the United States. Both countries, I am sure, feel that the treaty and the protocol are fair to each of them, and that it is going to be of great benefit to both.

It has been said, and rightly so, that this is a matter which concerns principally British Columbia and western Canada. However, it is a matter which comes under the jurisdiction of Parliament, and in general is of concern to Canada as a whole.

Some may wonder why I, coming as I do from the Atlantic provinces, a long way from British Columbia, would be debating this resolution today. I make no apology for doing so, although I feel a bit nervous in speaking

before some of our senators from British Columbia, who are not only well informed about the Columbia River by reading about it, but also have a thorough knowledge of the river, being, as it were, on the ground.

I would point out, however, that I was a member of the Cabinet committee in 1957 and 1958, which heard evidence and studied the subject matter which led to the enacting and signing of the treaty we have before us now. That committee was under the chairmanship of the Honourable Alvin Hamilton, then Minister of Northern Affairs and National Resources. Serving on the committee were such men as the Honourable Davie Fulton, former Minister of Justice; the Honourable Howard Green; the Honourable George Pearkes, all ministers from British Columbia, and many others. General McNaughton, of course, attended many of the meetings and gave evidence. As honourable senators well know, General McNaughton was Chairman of the International Joint Commission, an outstanding engineer and a distinguished soldier. Many others attended, particularly from the Department of Northern Affairs and National Resources.

Negotiations undertaken at that time with the United States culminated in the signing of the treaty in Washington in January 1961. The treaty was signed by the then Prime Minister of Canada, the Right Honourable John Diefenbaker, and the then President of the United States, General Eisenhower. This treaty and subsequent protocol, indeed stand as testimony to the hard work, perseverance and dedication of the men I have mentioned, and many others who worked with them at that time and subsequently.

The list is long, and I would not care to undertake to mention all who took part and made worthwhile contributions. However, I think special mention could and should be made of men like Mr. Gordon Robertson, who was Deputy Minister of Northern Affairs and National Resources, and Mr. Gordon MacNab, a brilliant engineer connected with the Department of Northern Affairs. Both these men gave able assistance and made a commendable contribution.

May I point out at this time that the development of the Columbia River formed part of a program of national development embarked upon by the previous government after it was elected to office in 1957. Many projects were undertaken at that time in Canada which would not have been possible without that national development policy.

In that connection, I think of the South Saskatchewan dam, under construction at the present time and which will soon be completed, and which will mean so much to that province. I think of the federal aid which was given to the Beechwood Power project in the Province of New Brunswick, and which has meant so much to the economic welfare and development of industry there. I think of the Maritime Power Grid, which I hope some day will be part of an electric power grid for the whole of Canada. I also think of the Pine Point Railway—and I could go on and mention many more projects. This great program of national development made it possible for each province to get, to a large extent, the full potential of the natural resources of which it is the owner under the British North America Act, just as British Columbia is the owner in this instance and will receive valuable benefits from the development of the Columbia River.

Furthermore, recognizing the importance of hydroelectric power and its relationship to the policy of national development, the former government also set up the National Energy Board, as you will recall, which supervises and in certain cases regulates the export of hydroelectric power while at the same time ensuring that there will be adequate supplies to meet domestic demands. The development of these resources augers well for the future of Canada, for without power industrialization is not possible. This seems a rather hackneyed phrase, but nevertheless we all recognize that it is true.

Returning to the treaty under discussion, the Honourable Davie Fulton, who took a tremendous part in this work, and who was the chairman of our negotiating team, testifying before the External Affairs Committee of the other place on May 11, 1964, said:

> May I say at the outset that my view then—

That is, in 1961.

> —was and now is that the treaty represents both an extremely advantageous arrangement for Canada, and a distinguished and practical example of international co-operation in the development of a project to the mutual advantage of the countries concerned.

I might say that this was in reply to considerable criticism which was being received at that time.

It is well known that the members of the present Government, who were then in opposition, did object in great measure to this treaty and to the development. It is comforting to know now that the objections they raised at that time have now been reconsidered by them and that they give the same approval to the treaty that is before us today as did the former government.

The treaty which we are being asked to approve is, in the main, the same that was signed in Washington in January 1961. The

exchange of notes and the protocol of January 22, 1964, which now form part of the treaty, merely clarify some of the articles of the treaty itself. The difficulties and, I might say, the controversy arising out of these difficulties, arose after the treaty had been signed when the Province of British Columbia decided it would dispose of its downstream benefits in the United States and proceed with the development of the Peace River to satisfy its own immediate hydroelectric requirements. We were told something of this yesterday by Senator Hugessen. It has been said that the disposal of these benefits by British Columbia confers benefits on the United States which are over and above those to which they are entitled or which were intended under the treaty. Of course, there is the old argument that once hydroelectric power is exported its benefits are gone forever.

I have no intention, honourable senators, of entering into a discussion on these points. I think they have already been quite thoroughly answered in the other place.

However, this does not affect the treaty in the main, in that it makes possible the development of the Columbia with all its benefits. It will also make possible in the years to come other great hydroelectric power developments in the Province of British Columbia—this also was outlined for us yesterday—that would not be possible without this treaty. I am sure this is fully understood. I will not elaborate on the benefits to Canada from the development of the Columbia. These have already been referred to and fully explained by Senator Hugessen.

While there is not general agreement over the decision of the government of British Columbia, which disposes of what is at the present time surplus hydroelectric power, there is nevertheless general agreement on the treaty itself which creates this surplus power in that province.

I come now to the agreement. This was, of course, an international agreement, and as is the case in most international agreements there are only two parties to it, namely the two countries involved. But, as we all know, energy resources, as with all other natural resources, are the property of the provinces. Consequently, for all intents and purposes, the Province of British Columbia has been considered as a greatly interested party to the agreement. This also was very plainly outlined to us yesterday.

This agreement secures for British Columbia the right to divert the Kootenay River into the Columbia, as one of the main benefits involved, if this is ultimately desired in order to increase the output of power from the Canadian hydro plants on the Columbia. This right, in addition to the three dams that are to be constructed, will subsequently mean the generation of tremendous hydro power in British Columbia. As a matter of fact, the treaty confers on Canada, or more particularly on British Columbia, a tremendous net advantage. In other words, in spite of all the criticisms, and there have been many, British Columbia and Canada will benefit to a degree not possible without a treaty.

Honourable senators will note that, including other benefits, the development of hydroelectric power on the Columbia River will under the terms of the treaty mean great benefits to Canada. It provides that Canada, or more particularly British Columbia, is entitled to one-half of the power generated downstream as a result of Canadian storage dams. It took a long time to get the United States to recognize that Canada should be entitled to these downstream benefits. This was a great victory for our negotiating team.

The treaty further provides that this power is to be delivered free of charge to a point on the border for use in this country. We do not have to build any transmission or other lines in the United States: the power is delivered right to the door of Canada. The United States will pay substantial sums to the Province of British Columbia in return for downstream benefits and for flood control. These payments will have a total value of over $500 million by 1973, when the project is completed. Again, this was fully explained to us yesterday by Senator Hugessen.

I was also interested to hear that the total construction costs, including compensation, will amount to some $448 million by 1973. As a result of these payments three necessary dams we have mentioned will be built in British Columbia at no cost to the people of that province—Mica, Arrow and Duncan. Furthermore, it will pay half the capital cost of the generators for Canadian use at the Mica dam, the largest of the three; and, as has been explained, Mica is the dam which will produce the power, and it is the one concerning which I think the honourable Senator Hugessen corrected a statement he made in his speech to us yesterday. It is the most important dam of the three, and the other two, Arrow and Duncan, are mostly for storage purposes. It will mean the eventual production of 20 billion kilowatt hours of energy for Canada. I also hesitate to mention such large quantities of power, knowing so little about these figures myself. The magnitude of this can be realized from the fact that the total kilowatt hours represents one-fifth of the total for all Canada. It will mean the construction of the Libby reservoir by the United States in the State of Montana, and will make possible the

generation of more than 200,000 kilowatt years per annum of low cost energy in Canada for the development of the Kootenays. That is another downstream benefit.

The actual construction of the various dams will also mean a lot to the labour force in Canada—a peak labour force of about 3,000 men will be needed for a few years.

Canada will benefit in foreign exchange reserves as a result of payment by the United States of over $300 million in United States funds, of which $254 million will be paid in 1964. The benefits to the United States are considerable. It will secure substantial flood protection and a very large increase in power production at plants on the Columbia River downstream.

Honourable senators, as I said at the outset, the benefits are mutual. This treaty, which will mean so much to Canada, is the product of an enlightened and well-planned policy of national development, introduced and implemented, as I have mentioned before, by the previous government, and supplemented by the present government. It is just one of the many projects being undertaken in Canada as a result of this policy. Such projects as the Hamilton Falls in Labrador with a potential of six million horsepower, the Manicouagan development in Quebec, and the harnessing of the tides of Passamaquoddy in New Brunswick and the State of Maine, which I personally and sincerely hope will be proceeded with, and the development of hydro power at Baie d'Espoir in Newfoundland, will lead to what we hope will eventually materialize as a national power grid in order that the country as a whole may obtain maximum benefits from these developments.

At this stage I should like to say a few words in connection with flood control. I have mentioned this already, and my honourable colleague Senator Hugessen mentioned it extensively yesterday. This is one of the great benefits which will accrue to the United States. Under Article IV of the treaty Canada is responsible for providing this flood control for 60 years after the ratification date. The treaty provides that Canada shall operate storage in the Columbia River basin when called upon by any authority designated by the United States Government for that purpose, and Canada shall be obliged to provide the necessary flood controls for the duration of the flood period at the time the request is made. In return the United States Government undertakes to pay to Canada a total of $64,400,000. That amount is to be paid at the present time and not over a period of sixty years. I think if we estimate the interest on $64 million over a period of sixty years, the amount would be approximately $180 million.

In addition to flood control there is the matter of irrigation. In this respect the United States will also benefit from the control of the Columbia. However, Canada is not so fortunate. We had hoped that there would be more benefits, but physically and economically it is not possible.

I was interested in the brief presented to the committee by the Government of Saskatchewan in which they complained of lack of water from the Columbia River for this purpose. As honourable senators know, the South Saskatchewan basin is one of the few water-hungry areas of this country. Senators from the west will understand this better than we do in the east, particularly those of us from New Brunswick where we always have an abundance of water and at times too much. The South Saskatchewan dam, started by the previous government, and still under construction, will fulfill a substantial amount of the need from the point of view of irrigation on the Prairies. But it has been said that the demands on the South Saskatchewan River in the future will exceed the supply, and undoubtedly this is true. The government of this province maintains that the Columbia River represents the only direct source of additional water for the South Saskatchewan basin. I am not sure they will be so insistent upon this opinion because I think it has been proved that the situation is otherwise. At any rate, this view is not generally conceded. There are other rivers mentioned in northern British Columbia which it is felt can and will in time be used for this purpose. The two rivers mentioned in the evidence before the committee were the Peace River and the Athabasca River.

The question arises, can water from the Columbia River be diverted to satisfy Saskatchewan's needs? That was explained very thoroughly yesterday, and also by the witnesses appearing before the Commons committee, particularly in relation to the cost of pumping water up one side of the Rocky Mountains and down the other.

Hon. Mr. Horner: I think he might have been about 50 per cent out on that too.

Hon. Mr. Brooks: Who?

Hon. Mr. Horner: The speaker yesterday.

Hon. Mr. Brooks: We have pretty sound evidence. I find on reading the evidence before the committee that the witnesses then made the same statement. However, there are a lot of people like yourself who are not convinced. There still seems to be some doubt on this.

The Saskatchewan brief requested that ratification of the Columbia treaty be made subject to a further protocol which would provide for 6,000 cubic feet per second, or five billion acre-feet, to be diverted annually from the Columbia for the use of the Prairie region.

The treaty further states that water from the Columbia may be diverted during the life of the treaty for consumptive purposes, and it goes on to define "consumptive" as "water for irrigation and domestic requirements". A study by a Montreal engineering firm, which is part of the evidence, pointed out that it would be a costly operation to pump water from the Columbia over the Rockies: it would be cheaper to divert water from the Peace River and the Athabasca River. A consequence of diverting water from the Columbia over the Rockies, should this be brought about, would be the generation of hydroelectric power on the downward passage.

The Province of Saskatchewan maintains that the present terms of the treaty defining the word "consumptive" preclude this generation of power. I think their minds have been disabused on that score by what has already been said, but it can be stated that this would be merely an ancillary effect of the pumping of water from the Columbia over the Rockies for irrigation in Saskatchewan.

As I understand the situation, this whole question is hypothetical because, in the first instance, we are dealing with a water resource which is the exclusive property of British Columbia, and diversion would be a matter of negotiation between the two provinces. Secondly, we are dealing with a need or requirement that does not exist at the present time.

Honourable senators, it is generally understood that it is impossible to draft a treaty or agreement of any kind that will satisfy everyone, but I do feel that the present treaty is in the best interests of Canada and of the people of British Columbia. In this connection I would quote from the evidence of Mr. Fulton when he spoke to the committee. On page 1161 of the record he had this to say:

> Mind you, while we had been negotiating for a year during the formal treaty negotiations, this was under study since 1944 and other intensive studies were going on prior to our actual negotiations. I therefore felt, and I still feel, that we had exhausted the possibilities by way of analysis, study and so on, and that this treaty was—I am going to say this and I want to be allowed to go on—the best that Canada could get, and that this treaty represents a substantial net advantage to Canada.

To sum up very briefly, the treaty provides, (a) Canadian entitlement and participation in the downstream benefits—it was a great victory having the United States agree that there was entitlement in the first place; (b) in return for flood control, the United States pays $69.6 million towards the cost of the construction of the Mica, Arrow and Duncan dams in Canada; (c) United States and Canada agree on a 50-50 basis to share the downstream benefits, with the United States undertaking to deliver the power free of charge to a point designated at the border; (d) British Columbia will sell its share of the power to the United States for 405 mills; (e) the treaty is to last for 60 years; and (f) the treaty insures Canada's right to divert the Kootenay into the Columbia to increase the generation of power. There are other benefits on both sides, but I think those are the most important.

I am sure that these points have been thoroughly discussed and approved. May I say that we in the Opposition are definitely in favour of this treaty, particularly since it is the same as the treaty proposed by the former government of 1961. We are in absolute agreement with it, and I believe the people of Canada, and all people in general who are concerned with it, will give it their full approval.

Hon. Thomas Reid: Honourable senators, I want at the very outset to sincerely compliment honourable Senator Hugessen upon his splendid explanation of the Columbia River Treaty. In my opinion, his speech was a masterpiece, especially so when one considers that he lives two or three thousand miles from British Columbia.

In rising to take part in the debate on the motion for the ratification of the treaty between Canada and the United States regarding the Columbia River, I feel that, for the benefit of honourable senators who reside in other provinces, I should in my opening remarks make some mention of the Columbia River itself. Senator Hugessen yesterday gave certain information relative to the number of dams on the North American continent, and also the elevation of the Columbia River from its source to the sea and the land along its banks. It is not my purpose to repeat that information. However, with respect to the Columbia River it is not generally known, and is now well nigh forgotten, that back in 1846 a treaty was signed between Her Majesty Queen Victoria, and the United States of America, for the settlement of the Oregon boundary. One particular clause in that treaty preserved the rights of Canadian or British

subjects in Canada to free access to the sea through Oregon and Washington. I will take up but a minute in order to read you the clause giving that right to British or Canadian settlers on this side of the border. The act is dated 1846, and the clause reads as follows:

> From the point at which the 49th parallel of north latitude shall be found to intersect the great northern branch of the Columbia river, the navigation of the said branch shall be free and open to the Hudson's Bay Company, and to all British subjects trading with the same, to the point where the said branch meets the main stream of the Columbia, and thence down the said main stream to the ocean, with free access into and through the said river or rivers; it being understood, that all the usual portages along the line thus described, shall in like manner be free and open.

That treaty was signed many years ago, and no attention was paid to it, and here we are at this date with a treaty between the two countries respecting the Columbia River.

As I pointed out, that particular clause preserves the right of Canadian and British subjects to free access through Washington and Oregon right to the sea. Navigation on the Columbia River was to remain free and open to the Hudson's Bay Company and to all British subjects trading with the same. Yet, when dams were built on the Columbia in United States territory between the boundary line with Canada and the Pacific Ocean, no specific protest was made by Canada regarding our rights on the river. British Columbia did not mean much, or anything, in those very early days, and so the Columbia River in the United States was blocked by dams.

The Columbia River in the United States was a great salmon spawning river, as mentioned by Senator Hugessen, but with the building of the dams the salmon began to deteriorate, with the result that today there is left no more than ten per cent of the vast hordes of salmon which used the river in those days. It is true that Canadian and United States authorities have, since that date, spent many millions of dollars in hatcheries in an endeavour to restore the salmon, but all without success.

Honourable senators can quite understand, therefore, the great and successful fight we in British Coumbia put up to prevent a repetition of what happened on the Columbia should the building of dams on the Fraser River be proceeded with, although I am inclined to the view that General McNaughton used it as a kind of club, and I must say it seemed to work as a club for quite a while.

I am pleased, therefore, that the question of diverting the waters of the Columbia River to the Fraser River has been left out of the present treaty for at least 30 or 60 years. The salmon in the Fraser River are not to be sacrificed or destroyed.

It should be noted that Canada, or British Columbia, up until 1944 did not consider diverting the Columbia River into the Fraser, and apart from what no doubt would have happened in British Columbia, the diversion of the Columbia River into the Fraser River would have damaged not only the electric power of the State of Washington, but would also have caused a lowering of the water available for irrigation and domestic purposes in the Columbia.

It is worthwhile recalling that the problem of diverting water from either the United States or the Canadian side arose also in connection with the Great Lakes at a time when the United States authorities threatened to divert the water of the Great Lakes through the Chicago sanitation canal to the Mississippi and, finally, to the Gulf of Mexico. It appears from information received that the consequent lowering of the level of the lakes below Chicago navigation would have been seriously affected, to the detriment of Canadian shipping.

The Fraser River is fully protected under the treaty for 60 years. I believe that long before that time hydraulic dams may well be a thing of the past, and that nuclear power will have taken over. It will not be surprising if the dams to be built in the United States, and the one to be built in the Peace River area, are found to be the last dams built because of the coming into use of atomic power.

Having said that, I would like to deal with parts of the treaty itself. First of all, it should be noted that the Columbia River and the treaty have been before Parliament now for some ten years or more. I am of the opinion that the history of how it started should be placed on the record.

In 1954 the government of British Columbia signed an agreement with the Kaiser Aluminum Company of the United States to build a dam at the lower Arrow Lake. I hold in my hand a copy of that agreement. The Kaiser Aluminum Company at that time was at loggerheads with the Aluminum Company of America and, therefore, wanted cheaper power in order to be able to successfully compete with its rival. The proposed dam at the lower Arrow Lake would have done just that.

Kaiser, in 1954, placed a deposit of over $132,000 in the hands of Premier Bennett, but it was not until last year that that cheque was said to have been returned. Mr. Bennett's

excuse, when challenged on the matter, was that he was holding the cheque simply because Kaiser had not asked for it back. That, to me, seemed a somewhat lame or poor reason.

However, it was well that the Kaiser deal was quashed by a bill introduced by the late Right Honourable C. D. Howe in June 1955. I am surprised that in the debates in the House of Commons and in the debate here so far, the name of C. D. Howe has not been mentioned. He was the one who spiked the first deal that Bennett would have made, which would have ruined that entire section of country and river. Mr. Howe introduced a bill, which is still on the statute books, that had that effect.

Mr. Bennett, the Premier of the Province of British Columbia at that time, had not consulted any of the United States Government authorities, or even Ottawa. His only contact was with the Kaiser Aluminum Company of the United States. Honourable senators can read the entire story if they care to look up the records. As it turned out, the intervention of the late Mr. Howe has been a great help to the provincial government, especially when one considers the large sums of money British Columbia will receive under the present treaty as compared with what it would have received under the Kaiser deal. Canada therefore owes a great deal to the late C. D. Howe, for without his timely intervention the present treaty might never have been born.

If Premier Bennett had got his way with his private bill with the Kaiser Aluminum Company, the present treaty, as I said, would not have been possible. As the matter stands now, many millions of dollars are going to be placed in the control of Mr. Bennett and the provincial government, greater by far than the cheque he received from the Kaiser Company, a cheque which he personally held for some 9 years and kept us in British Columbia guessing why.

I should like to add a word or two now regarding the Columbia River itself. As was mentioned yesterday, the one big problem which the United States authorities are trying to meet and overcome is the fact that in winter, due to ice and freezing conditions in the upper reaches of the Columbia River in British Columbia, the flow of the river through and over the dams in the United States is extremely low and in some instances the turbines are idle and at a standstill.

On the other hand, when spring arrives in the mountains of British Columbia, another but entirely different problem faces the authorities in the State of Washington, namely, that of flooding. So one can readily understand how pleased and willing the United States authorities were to sign the present treaty with Canada, realizing that with the dams which we have agreed to build, they will on the one hand generate more electric energy and more power and, on the other hand, they will be able to cultivate thousands of acres of land more than they are able to at the present time due to the annual flooding of the lands in the early months of the year.

The building of the dams by Canada is really a bonanza for the United States. However, I believe Canada should be well recompensed for the extra water, which will be a godsend to those in California and down south. Let it be noted that the value of the extra water has been neglected.

It should be noted that the last flood from the Columbia River in the United States cost 34 lives and over $100 million in property damage. It should also be noted that the Columbia River Basin covers or drains six states in the United States, the total area of which is 259,000 square miles. It is not generally known that 40 per cent of the potential hydroelectric development in the entire United States is found in the vast Columbia River system. The Libby dam site contains nearly 50,000 acres of valuable farmland suffering from floods. This will be cured by Libby dam, and I doubt if Canada will gain anything from Libby.

Premier Bennett's scheme with Kaiser would have prevented the present treaty ever being carried out. This is why I am taking the time to bring to the attention of Parliament and of the people, that a great deal was done by the late C. D. Howe when he fought the provincial government's sell-out to the Kaiser and made the present treaty possible. We have the late Mr. Howe to thank for stopping an extremely bad deal and for putting on the statute books of Canada in 1955, Bill No. 3, entitled "An Act respecting the Construction, Operation and Maintenance of International River Improvements."

It is not generally realized that the provinces of Quebec and British Columbia are practically the only two in Canada with any large amount of hydroelectric power.

I notice that when the Honourable Paul Martin, Secretary of State for External Affairs, appeared before the Commons committee, he informed the members of that committee that no changes or amendments could be made in the treaty by the committee. That means there is little to be gained by members of the Senate considering this treaty in committee. However, I feel its importance warrants its going to committee, even though the Minister of External Affairs says no change of any kind can be made. It is therefore either a case of adopting the

entire treaty as presented to Parliament, or rejecting it. As I say, there may be some good reason for sending the bill to a committee for further information and examination, although I realize no changes whatever can be made in the treaty itself. The Senate has to accept it without any changes as it is presented to us by the Government. Nevertheless, I would like to see General McNaughton appear before that committee. That is a private view.

I personally would like to hear more about what actual changes, if any, have been made in the treaty since the Liberal Government came back into office. I say this because many criticisms and protests were made by members of the Liberal party when the treaty was in the hands of the Diefenbaker administration. As I say, the last government, under the Right Honourable Mr. Diefenbaker, placed the treaty before President Eisenhower and it was signed and accepted by President Eisenhower but opposed by members of the present administration. I am anxious to know what has happened since.

There is one further matter with which I should like to deal before closing my remarks, and one which so far as I know has been soft pedalled, if not overlooked. It is the value of Columbia River water itself to the State of Washington and other states south. In certain districts, particularly in California with its teeming millions, lack of adequate water is one of the serious problems confronting the authorities. Water from the Columbia River 12 months of the year after the dams are built will be the greatest boon to the citizens of the United States, and will be worth many millions of dollars entirely apart from the increased electric power. It is my opinion that the United States have by far the best part of the treaty, and that the water is more valuable to the Americans than even the electric power.

It is interesting to note that the estimated cost of some of the dams, even before being started, is already being altered upward. As an example, in 1956 it was estimated that the High Arrow Dam would cost $72 million. The latest figures now quoted by provincial authorities is $124 million, an increase of $52 million on one dam only—and no one knows how high the others will go when they get to the point of building them. The total estimated cost for the three dams—High Arrow, Duncan and Mica—is at present, before construction commences, some $400 million or more.

There is one final matter I want to touch on before closing my address. At the present time, the Government of British Columbia is developing the Peace River project, a project in the north of the province, some 600 miles from the City of Vancouver. The Honourable Mr. Bennett has intimated that the power developed there may go south to Vancouver. I mention this to point out that in my opinion it may well be a long, long time, if ever, before the people of British Columbia have the cheap power that the premier of the province so glibly speaks about. I mention this particularly to point out that all the statements the premier makes about cheaper power are to my mind just political double talk and to keep down criticisms. We had the same kind of story when he took over the B.C. Electric, with many promises of cheaper power, and so far we have had no reduction in our electric light bills. So why did he take over the B.C. Electric?

It is interesting to note that the cheapest power for Canadian homes throughout Canada is in Ottawa, Toronto and Winnipeg. According to the latest report issued by the Dominion Bureau of Statistics—which I brought with me today and which any member can get—covering electricity bills for domestic, commercial and small power service, shows that for 100 kilowatts per month the cost in Toronto is $2.60; in Winnipeg it is $2.22; and right here in Ottawa it is $2.03. But what a difference when you look at the costs throughout Canada, particularly in Vancouver, where the cost is $4.46 for 100 kilowatts, more than double that of the three leading cities. And then you hear a lot of big talk about cheaper electricity. They have seen nothing like it in British Columbia yet.

It is my belief that the premier of the Province of British Columbia will have the Peace River power delivered and sold in and around Vancouver and in the Fraser Valley and will, in all likelihood, sell the cheaper power from the Columbia to the United States, while at the same time developing the Peace River project some 600 miles away from Vancouver and the Fraser Valley. Premier Bennett has already intimated that the power developed in the Peace River will go south. As a matter of fact, it is difficult to know where else it could go.

We in British Columbia expected, when the provincial government took over the B.C. Electric, that there would be wonderful reductions in our electricity bills, but this so far has not materialized; today we in Vancouver and the lower Fraser Valley are paying over twice the amount residents are paying in cities like Ottawa, Toronto and Winnipeg. The cheap power talk by Mr. Bennett is just so much political eyewash.

I would like to press for the attendance of the honourable Minister for External Affairs before a committee, as well as such other witnesses who may desire to make repre-

sentations. In my opinion, the Senate should have the same opportunity to hear the honourable Minister for External Affairs and witnesses like General McNaughton who may desire to come before us, and it should be on equal footing with the House of Commons.

Before closing, I should like to address three questions to the senator sponsoring the motion for ratification. I noted in the American copy of the proceedings in Washington, regarding this very treaty, there was an item there which showed that the treaty was to be placed before the United Nations. My curiosity was aroused, because I cannot find any such statement in all the material I have read on the Canadian side. I am curious as to why this agreement would have to be registered with the United Nations—a document drawn up between Washington and the Parliament of Canada.

Secondly, what changes were made by the present Government in the treaty now before us, not the treaty signed by the Right Honourable Mr. Diefenbaker and President Eisenhower? There must have been some objections, and I would like to know how the treaty stands now and what the objections were.

Thirdly, after 30 years or so, is there provision anywhere in the treaty to prevent the Columbia River from being diverted into the Fraser?

Honourable senators, thank you for your attention.

Hon. Arthur M. Pearson: Honourable senators, I want to congratulate the mover of this resolution (Hon. Mr. Hugessen) for the tremendous amount of work he has done on this matter, and also to compliment him on his lucid explanation of so difficult a subject. Indeed, I have never heard a better explanation than the one which Senator Hugessen gave us yesterday.

When one has analyzed all that Senator Hugessen said, however, apparently the development of power is the dominant feature taken into consideration by this treaty. In fact, power appears to have been the central thought from the beginning, in relation to the provinces, the United States, and apparently, the Dominion of Canada.

Honourable senators, being a farmer from Saskatchewan, a water conservationist and a land use man, I feel there is another factor to be taken into consideration. Although the development of the Columbia River for power is of great advantage to both countries, I am not quite sure that Canada itself, by the control of the water in the Columbia River, will receive as much benefit as will British Columbia and the northwestern United States.

The problem of the scarcity of water now looms very large in the United States. In an article appearing in the *Christian Science Monitor* of February 26, 1964, Robert C. Cowen states that the Senate of the United States made a statement that the nation uses 355 billion gallons of water a day, but by the turn of the century they will need, at the present rate of consumption, some 600 billion gallons of water a day, yet at the present rate of development they will only achieve a supply of 515 billions.

The foregoing statement means that within the next 40 years the United States is going to be short of its needed supply of water, and I would judge that water from the Columbia River will be of greater value to the United States for domestic and industrial use than for power development and irrigation.

Again referring to the *Christian Science Monitor,* I would like to quote from an excerpt by Kemmis Hendrick, Chief of the Western Bureau of that publication. He makes this statement: "Who owns the water controls the future,"—quoting those words from a subheading of a long paper written by Harold W. Kennedy, county counsel of the County of Los Angeles. Mr. Kennedy's paper was background for a bill sponsored in the current session of the United States Congress by Senator Thomas H. Kuchel, Republican of California; Frank E. Moss, Democrat of Utah; and Len. B. Jordan, Republican of Idaho. That bill is scheduled for hearings in Washington by the Senate Subcommittee on Irrigation, of which Senator Moss is chairman.

Mr. Kennedy suggests that their bill, Bill S-1275, amounts to "probably the single most important question that confronts California and its future."

The main features of the bill are as follows:

1. The withdrawal of reservation of public lands shall not affect any water right required under State Law.
2. In the West consumption of water must take priority of navigation.
3. When the United States acquires a water right under State Law, the State should comply with State Procedures, for the U.S. should pay for the water rights which it acquires.

I am putting these statements on record to indicate that water has now become a major problem in the United States.

In the article by Robert Cowen, to which I have referred, he sets out the cycle of the origin of water in the United States, the initial source being from the ocean. This rises in the form of vapour from the ocean and falls as rain or snow over the land. The winds bring some 1,430 cubic miles of this water to the United States in the average

rain or snowfall of 30 inches. This is the main domestic supply unevenly delivered, and Mr. Cowen says that some day it will have to be augmented by desalination plants or even by importing water from Canada.

Of these 1,430 cubic miles of water, roughly some 1,000 cubic miles of water are returned directly to the atmosphere by evaporation from the lakes and rivers and transpiration from the crops and forests. Also some of the water finds its way down through the permeable layer of soil to the water table. In the southwest United States they are pumping a great deal of this ground water out on to the land for irrigation purposes, but it is believed that this supply will disappear in the not too distant future.

Dr. Raymond L. Nace, of the Water Resources Division of the United States Geographical Survey, estimates that ground water stored to a depth of half a mile under the United States is equal to 150 years' accumulation at the present recharge rate. He further estimates that in the arid southwest, the yearly recharge rate is only two-tenths of an inch, and in such areas it is not uncommon to pump two feet or more of water per year. If the entire ground water were pumped at this rate of two feet per year, it would be equivalent to 120 years' recharge and 10 years' pumping would remove a 1,200-year accumulation of water.

This statement is valid in principle, but it is highly improbable that all the ground water would be pumped. It does indicate, however, there is a possibility that irrigation of agricultural land, which depends on ground water, may in the not-too-distant future come to an end. This will mean that other water will have to be found, or those agricultural areas which are now being irrigated will have to be abandoned.

For the reason that the Americans are now making a determined study of their water resources and their possible shortage, I question the value of this Columbia River treaty in allowing in perpetuity the waters of the Columbia to be carried to the United States, merely to get back a few thousand kilowatts in electric power.

Honourable senators, I say "in perpetuity" because while the treaty says that at the end of 60 years we have the right of reviewing the Columbia River Treaty, and that one may have the right to take water from it, once it is established that it is useful water to the United States, it will be extremely difficult for Canada to get back that diversion of water. Therefore, I question the value of the treaty in allowing in perpetuity the waters of the Columbia to be carried to the United States, merely to get back a few thousand kilowatts in electric power, particularly as a noted engineer of the Saskatchewan Power Corporation has turned attention to the fact that one of our own provinces, the Province of Saskatchewan, will develop industrially and agriculturally, and will need a great deal more water than is in sight at the present time. All three cities of Saskatoon, Regina and Moose Jaw take their water from the South Saskatchewan River, and those three cities are growing rapidly and will need an abundance of water for domestic use.

Hon. Mr. Reid: Would the honourable senator allow a question? How far away are you from the Peace River? It has been suggested that Saskatchewan can get all the water it needs from the Peace River.

Hon. Mr. Pearson: I would say that the Peace River is something like 750 or more miles from the Saskatchewan River.

Hon. Mr. Horner: And I think it would be impossible.

Hon. Mr. Pearson: This Saskatchewan engineer suggested that one of the ready sources would be to bring this water from the Columbia, either through or over the mountains and down through the Bow River in Alberta to the Saskatchewan River and on to the great plains of our provinces. I may say here that the honourable Senator Hugessen, in a facetious manner, said it sounds like *Alice in Wonderland,* trying to get this water across the mountains.

I asked a question of an engineer just before I came into the chamber, but I did not get an answer, and not being an engineer myself I do not know what the answer is. I asked if it would be possible to syphon water across the mountains. He said he did not know and would have to find out. Being a farmer, I have done a lot of syphoning of water. I realize it would take a large amount of pipe to do it, but I do not think it is out of the realm of reality, unless physics steps in and interferes with it.

Hon. Mr. Roebuck: May I say that 32 feet is the academic extent to which water can be raised by syphoning.

Hon. Mr. Pearson: Anyway, this is a question I would like to ask when this matter is referred to committee.

I think that before this treaty is finally passed by our Parliament very serious thought should be given to a further study of water resources, and especially its implication in the context of our agricultural needs. The supply of water is becoming quite a problem throughout Canada. I think most honourable senators received this yellow pamphlet in the mail, which is a circular put out by the Montreal Port Council. It reads in part:

> The Montreal Port Council cordially invites you to attend a seminar on the vital topic of water management and the water crisis, particularly as it results in low water levels in the St. Lawrence River at Montreal.

Ontario is having the same problem regarding its harbours on the Great Lakes, and water is certainly one of the big items we should consider in Canada.

Hon. Austin C. Taylor: Honourable senators, it is not my purpose to delay the discussion of this resolution now before us, nor to hold it up. However, there are a few aspects of it I should like to discuss briefly. Before doing so I should like to associate myself with the remarks of the previous speakers in relation to the explanation given yesterday by the honourable Senator Hugessen, which in my opinion was a masterful performance and a Herculean task. As a matter of fact, as far as I am concerned, while I have read much about the possibilities of this development, I think I am clearer in my mind now than I have ever been in relation to its full aspect.

Some Hon. Senators: Hear, hear.

Hon. Mr. Taylor (Westmorland): There are certain aspects of a technical nature I am not qualified to discuss, but there is one aspect I am concerned about, and that is the High Arrow dam development. Most of you realize that during my lifetime I have been associated in one way or another with the men and women of the soil. For some 20-odd years I worked entirely with the farmers of my own province. During that period of time I had occasion now and then to visit various parts of Canada and to view the agricultural outlook and the possibilities of Canada as a whole.

I think those of you who know Canada well will agree with me that we have in this country large areas of land that are not suitable for agriculture. It is also recognized that due to our climatic conditions, and particularly to our severe winters, the costs of production of many of our commodities produced on Canadian farms make it a pretty expensive operation.

I have said on many occasions, and more particularly before the Land Use Committee, that in my view the time is rapidly aproaching when we in Canada will need every square foot of good land we have. I have more than once expressed deep regrets at the developments that are taking place in Canada. I am thinking particularly of the Niagara Peninsula and some of the areas of British Columbia, particularly in the Fraser Valley outside Vancouver, where we have the best land under heaven and it is not being used for agriculture. We must recognize that the time has come when we must give consideration to saving for future generations the good agricultural land of Canada.

Hon. Mr. Connolly (Halifax North): What type of agriculture?

Hon. Mr. Taylor (Westmorland): General agriculture. I am speaking of dairy farming, vegetable and fruit production, and those sorts of things.

As I understand it, due to some inadvertence on the part of a reporter one or two years ago, I was named in the press as the chairman of the Land Use Committee, and for the next few months I was flooded with correspondence and documents from the people of the Arrow Lakes valley. According to the statement made yesterday—I have read it over, and it corresponds with the statements made by those people—this valley, which is 150 miles long and extends from Castlegar to Revelstoke, is an area the greater part of which comprises some of the best land under heaven. There are very few areas in Canada which can produce soft fruits satisfactorily and economically—peaches, plums, cherries, and so forth. Without any particular attention to it or trying to get a maximum yield they have produced in this area large yields, as high as $2,800 per acre from apples, $2,500 per acre from cherries, and have reached as high a yield as 25 crates from a cherry tree. There are various other commodities produced in that area with high rates of production. Speaking of apples, and particularly Macs and Delicious, the crop yield has averaged 92 per cent extra fancy in Delicious and 86 per cent extra fancy in Macs. That will give you some idea of the production potential of this area.

It was stated yesterday by the sponsor of the resolution that there are about 27,000 acres in this valley which will be flooded. The 27,000 acres, as I understand it, is land under production at the present time; but there is a potential in that area of about 40,000 to 50,000 acres of good land that, when this project goes through, will be wiped out for all time to come. As I understand it, and I believe this is on good authority, all the good agricultural land in British Columbia comprises only about 3 per cent of the total land surface of the area. Most of the good land is in the five valleys of the province. This is one of them. The Okanagan is another much like it, and you know something of what is happening there.

When the High Arrow dam is built, as is intended, and I think it is the second project to be developed, that whole valley will be flooded and around 3,000 people will have

to move. Not only that, but the industry that is now there will be wiped out. The potential of the tourist attractions in that area is unlimited, and no one can estimate the value of the potential tourist business in that area for, say, the next hundred years. This will be gone for all time.

If I understood correctly yesterday, the cost of the High Arrow dam will be in the vicinity of $129 million, of which the United States will pay something like $52 million.

Hon. Mr. Hugessen: That is only for the flooding. You have to add the increase in power.

Hon. Mr. Taylor (Westmorland): But there is no power development at High Arrow.

Hon. Mr. Hugessen: It is the power that is developed in the United States as a result of it that you have to take into account.

Hon. Mr. Taylor (Westmorland): That is not in Canada, though.

Hon. Mr. Hugessen: No, but we receive payment for it.

Hon. Mr. Taylor (Westmorland): But the fact remains, as I see it, that the High Arrow dam is making provision for flood control in the United States, and for water for irrigation, and as a consequence the farm people of that area will compete with the Canadian farmers who will not be able to compete favourably.

When the International Joint Commission finally gave its reports, the Canadian section recommended ten projects, but the High Arrow was not one of them. Possibly the Canadian Government at that time approved of that recommendation, but it is due to the activities and insistence of the British Columbia government this whole scheme was wiped out. I have here the ten projects that were recommended by the Canadian section of the International Joint Commission.

Dorr	storage and diversion
Bull River-Luxor	storage
Luxor	power
Calamity Curve	power
Mica	storage and power
Downie	power
Revelstoke Canyon	power
Murphy Creek	storage and power
Duncan	storage
West Kootenay	additions to existing power plants.

Those are the things that concern me, but I realize that probably nothing can be done now. The treaty has been negotiated, but I felt it was my duty and responsibility to place before this body the views of the farm people of that area and that valley. Again I say that I regret very much that we in Canada have not reached the point where we recognize the need of preserving and conserving every square foot of good soil we have in Canada.

Last week I read in an Ottawa newspaper a statement from one of the agricultural officials from Regina, in which he said that within 25 years 11 million acres of improved pasture and four million acres for use of grain production will be needed to carry the additional six million head of beef cattle that Canada will need. That is some indication of what is happening.

While I am not opposing this treaty or the resolution, I am placing on record my views on this matter. To my way of thinking, we are giving away for all time to come one of the finest assets that Canada has.

Hon. Mr. Hugessen: Honourable senators—

The Hon. the Speaker: I would like to ask the honourable Senator Hugessen whether he now intends answering questions or closing the debate. If he speaks now it will have the effect of closing the debate.

Hon. Mr. Hugessen: I was going to make a short final speech.

The Hon. the Speaker: In that event you will be closing the debate. Is it agreed, honourable senators, that if honourable Senator Hugessen speaks now it will have the effect of closing the debate?

Some Hon. Senators: Agreed.

Hon. A. K. Hugessen: Honourable senators, I do not know that I am in a position to answer all the questions asked in this extremely interesting debate this afternoon. However, I think I can answer some of them.

Senator Reid asked two questions, the first of which was why the Canadian documents do not state that this treaty is to be registered with the United Nations. Well, I do not have a great deal of knowledge about that. I think the practice of nations which belong to the United Nations is to register their treaties with that organization, although the validity of such treaties is in no way affected whether they are registered or not. I would assume that if the United States registers the treaty it will not be necessary for Canada to do so, since that will be sufficient for the purposes of the United Nations.

The second question referred to the changes which have been made in the treaty since the former government left office. He referred to the fact, I think, that some of the members of the party now in office had criticized the

treaty while they were in the Opposition, and now approve of it. Well, I have had nothing to do with any criticism of the treaty when it was proposed under the previous government, but the protocol of last January and the exchange of notes, and the provisions for sale of Canada's power for the next 30 years, do make very considerable clarifications, and, indeed, changes in the treaty itself. For instance, the protocol clarifies quite considerably, and I hope I shall not be asked to go into great detail on this, the extent of Canada's obligations to provide flood control under certain circumstances and when so required by the United States. It also makes clear what the treaty did not make clear, that before calling upon Canada to control floods the United States has to use its own flood control organization.

The principal change made by the protocol and the exchange of notes was in relation to the question of payment. Under the treaty, as I explained yesterday afternoon, Canada was entitled to get back one-half of the additional power produced downstream as a result of the Canadian dams, and that power was to be sent back to Canada, as the Leader on the other side explained, physically by transmission line, and to be delivered at a place called Oliver in British Columbia. The arrangements with respect to that power were to be made after the treaty had been ratified. Well, the protocol and the exchange of notes alters that arrangement completely. It provides that for the first 30 years of Canada's entitlement to this extra power it shall not be delivered to Canada at all, but shall be paid for in cash by the United States, and at the time of and concurrently with the ratification of the treaty. That is the method by which Canada will receive this sum of $254 million in United States funds, as and when the treaty is ratified.

So the real basic change between the treaty as made by the government of which my honourable friend was a member, and as now amended and clarified by the protocol and exchange of notes, is that Canada will receive this large sum of money. The result of that has been, of course, that the Government of British Columbia is now satisfied to proceed.

Hon. Mr. Brooks: Might I ask in that connection, was it not brought about by the fact that British Columbia had decided that they would go ahead with the Peace River development, and in doing so they would not need this surplus power—at least that is what their government said—so they were willing to sell it for a lump sum? When the treaty was originally discussed it was expected that this power would come to British Columbia and would have been used there, and so there was no need for making any financial arrangements at that time.

Hon. Mr. Hugessen: I think that is a completely fair statement. I think the differences between the treaty of 1961 and the protocol of 1964 arose largely from the fact that just about the time the treaty was signed the Government of British Columbia decided to proceed immediately with the Peace River development.

Hon. Mr. Brooks: Then the situation had completely changed.

Hon. Mr. Hugessen: The situation had entirely changed then, because from their point of view once they decided to proceed with this development from which they would receive power by 1968—

Hon. Mr. Brooks: Entitlement was the big question, and that had not changed at all so far as the treaty was concerned.

Hon. Mr. Hugessen: No; the entitlement was either power or cash. Under the treaty it was power, and now it is cash.

Hon. Mr. Choquette: Yesterday you said in Canadian dollars and today you say in United States dollars.

Hon. Mr. Hugessen: I told the house what Canada would receive in United States dollars, and I converted them into Canadian dollars for comparison purposes. I do not think there is any disagreement on that.

Hon. Mr. Brooks: That is right.

Hon. Mr. Hugessen: I agree with the honourable Leader of the Opposition (Hon. Mr. Brooks), that the difficulty arose on account of the change of policy of the Government of British Columbia.

Senator Pearson made a very interesting speech. I agree with him, that the problem of water is going to be an exceedingly difficult one in the years to come, but I say that he must bear in mind that the treaty we are now asked to ratify does, in perfectly clear terms, permit Canada to divert water from the Columbia to the Prairies, or anywhere else, for consumptive purposes. The question is whether at the present time it is economically possible to do that in view of the enormous difficulties and great cost involved. There is also the question of whether the treaty would permit Canada to divert that water to the Prairies and, at the same time, to use it on the way for the production of hydroelectric power.

I can quite conceive that a time may come when the need of the Prairies for water

from any source becomes so desperate that we may even have to pump the water over to them simply for consumptive use, and if the treaty prevents us from using it in the meantime for hydroelectric power, then we shall have to accept that situation.

I do suggest, honourable senators, if we come to a critical stage of that kind, that this is, after all, a friendly treaty with a friendly country. If we find we have to go to the United States and say it is essential under critical conditions that we divert water to the Prairies, and that while doing that we would like their agreement to decrease the cost as much as possible by using the water on the way to produce power, then I do not think there would be any great difficulty in obtaining their agreement. As far as they are concerned, the result is the same. We divert the water anyway. We have the right to divert it for consumptive use, in any event. All that they would be doing would be agreeing to our using it to produce power while it is flowing down the eastern side of the Rockies, which would slightly decrease the cost of that water to us.

Hon. Mr. Farris: Did not the honourable senator say yesterday that there would be an alternative source of water?

Hon. Mr. Hugessen: Yes. According to the reports that have been presented to us there are these substantial alternative sources of water from the Athabasca and the Peace rivers, which would cost a great deal less than the cost of pumping the Columbia River water over the mountains, and which can be used for the purposes of the South Saskatchewan dam.

The question really is this: The opponents of the treaty suggest that we should refuse to ratify it now on the ground of the possible need of the Province of Saskatchewan for additional water—that is, water from the Columbia—25, 50 or 75 years hence. I do not think that that makes much sense in view of the enormous immediate benefits which the treaty will confer upon Canada and, in particular, the Province of British Columbia.

I was interested in what my honourable friend from New Brunswick (Hon. Mr. Taylor, Westmorland) said about agriculture in the High Arrow district, and the damage that would be caused by the dam there in flooding some of this land. My information—and it may be wrong—is that the land surrounding the Arrow Lakes it not as good as all that, from the point of view of agriculture. This blue-covered book, issued by the Department of External Affairs and the Department of Northern Affairs and National Resources last April, under the heading of "Agriculture", says this:

> With the exception of the Creston area in the West Kootenays agriculture is not of major economic importance in the Columbia River basin.

It may well be—and I do not dispute for a moment what my honourable friend says—that there will be some flooding of agricultural land in the area of the Arrow Lakes, but I would ask him to remember that the best agricultural land in the whole district is in the district of Creston, and that that is going to benefit considerably from the flood control that will be provided by Libby. My friend has to balance the one against the other.

Honourable senators, I do not know that I can say anything more, except, perhaps, to refer for a few minutes to what my honourable friend said about the value of the tourist industry in the Arrow Lakes district. Arrow dam will raise the level of the water of the Arrow Lakes by about 40 feet. That will flood a number of very nice beaches that now exist, as I am told, for the tourist industry. But, on the other hand, I am also told that in the course of a few years, when the new level of the lakes is established, other beaches on the higher level will be formed, and ultimately the tourist attraction and beauty of those lakes will be substantially the same as it is now. I cannot vouch for that. This is simply information I have gleaned from the great amount of evidence that was given before the House of Commons committee on this and kindred subjects in connection with the whole matter.

I am afraid that is all I can say in answer to the various questions that have been raised.

Resolution adopted.

OTTAWA TERMINAL RAILWAY BILL

MOTION FOR SECOND READING—DEBATE ADJOURNED

Hon. Norman P. Lambert moved the second reading of Bill S-33, to incorporate the Ottawa Terminal Railway Company.

He said: Honourable senators, Bill S-33, to incorporate the Ottawa Terminal Railway Company, represents the attainment of an objective in the development of the national capital area which has been discussed and recommended repeatedly during the past 50 years by official commissions and parliamentary committees.

To recount the periodic starts and recessions that have been recorded in connection with what finally is projected by this bill would occupy too much of the time of the Senate at this sitting, and, like so much history in this day and generation, would probably be regarded with polite, if not

bored, indifference. I would suggest, however, if honourable members of this chamber care to have a full picture of the background of this bill, that this volume before me on my desk, with its maps and illustrations, provides a romantic story of the growth and development of this capital area since the beginning of the century. It will well repay anyone for the time spent in its perusal. It was published in 1950, and is entitled "Plan for the National Capital—a General Report," and is by Jacques Greber. It is available in the Library of Parliament, and would also be available from the Queen's Printer or, upon application, from the National Capital Commission.

Official reports dealing with the whole question of a federal district and a capital city plan for Canada, involving relocation of railway lines and terminals, might briefly be enumerated for purposes of reference, notwithstanding the omission of so many copious details.

The first one is the Ottawa Improvement Commission in 1899, when the late Sir Wilfrid Laurier manifested, as an established citizen of Ottawa at that time, a great interest in the future development and beautification of the capital city.

The next document to which I refer is the Todd Report of 1903; and then the Holt Report of 1915, entitled "The Federal Plan Commission," which never received due consideration because of the intervention of the First World War.

The next one I might mention is the Cauchon Report of 1922.

Next, is the reorganization of the Ottawa Improvement Commission in 1927, and the beginning of the Federal District Commission established by Act of Parliament in that year and designed to include the hitherto excluded area of Hull.

Then came the Greber studies of 1937, 1938 and 1939, subsequently, after the end of the war in 1945, to be renewed and consolidated in the form of the Greber Plan which, during the past 20 years, has supplied the guiding lines of all the work that has been done by the National Capital Commission in this federal area.

Then there was the report of the joint parliamentary committee in 1944 which marked the enactment of a new Federal Commission Act in 1946 and which provided for national representation in the personnel of the commission from all the provinces of Canada.

Finally, there is the report of the second joint parliamentary committee, under the chairmanship of Senator Gershaw and the late Armand Dumas, M.P., in 1956, which report was tabled and approved in both houses, and provided for an accelerated program of development within the City of Ottawa and the adjacent National Capital area.

Common to all of these discussions and reports on which legislative action has been taken, has been the pressing problem of proper road and railway facilities to serve this expanding capital centre. Fundamental to the proposed solution of this problem, as stated as far back as 1915 in the Holt Report, was "control by a single authority of railway trackage and terminals." Later, Mr. Greber in his report on the future of the National Capital District said: "The remodelling of railway facilities has become the framework of the master plan."

Railway lines, combined with the Ottawa and Rideau Rivers and the Rideau Canal, have divided this city into nine separate parts, and the City of Hull into four distinct sections. While the railway lines made a considerable contribution to the early progress of this area, they have in the last half century hampered proper development, and actually large areas of land adjacent to their tracks have become depressed areas. Altogether, the retarded effect upon the movement of traffic as the result of earlier unplanned location of railway lines, has been a handicap to this Capital District for many years.

Definite periods of delay, of course, were marked by two world wars, with their priority demands in materials and finance, which made peremptory regulations by government unavoidable.

But now this Bill S-33 finally marks a far-reaching prospective change in the appearance and character of this National Capital centre. I think here that I should place on the record the official Memorandum of Understanding referred to in several sections of the bill and its attached schedule, and which was approved by the Government as the basis of the proposed legislation now before us. I quote:

> In order to further the objects and purposes of the National Capital Commission in the development and improvement of the National Capital Region as envisaged by the National Capital Act, Chap. 37 of the Statutes of 1958, it is necessary that there be incorporated a terminal railway company which will co-ordinate and consolidate railway facilities in the National Capital Region.
>
> The Commission has prepared a National Capital Commission Railway Relocation Plan contemplating the relocation of railways in the Ottawa area; the abandonment of railway tracks and structures of Canadian Pacific Railway Company and Canadian National Railway

Company; also the construction of a new railway station, railway yards, tracks and structures in the said area.

The Commission, the Canadian Pacific, the Canadian National concluded a Memorandum of Understanding on the 17th October, 1963, respecting the implementation of the Relocation Plan. This agreement also provides that there should be incorporated a terminal railway company to be known as "Ottawa Terminal Railway Company", with such share capital, power and objects as may be necessary to acquire railway lines and facilities of the Canadian National, the Canadian Pacific and the Commission, as referred to in the Memorandum.

The Canadian National and Canadian Pacific have agreed to participate equally in the incorporation of the Terminal Railway, each to be the owner of one-half of all shares of its capital stock as may be issued from time to time.

The Relocation Plan has been proceeding and is now at a stage where it is considered necessary by the Commission, the Canadian Pacific and the Canadian National that the Terminal Railway be incorporated and established. While all phases of the Relocation Plan are not expected to be complete until October 1, 1965, the Memorandum of Understanding specifies that all transfers of land and facilities between the parties and to the Terminal Railway shall "take place simultaneously on the second day of January, 1965". It is also necessary that this corporate body be available during the implementation period, as it is anticipated that certain phases of the Relocation Plan (such as maintenance of new facilities as they become available and the staffing of the new terminal company) will involve action by the Terminal Railway prior to October 1, 1965."

The Bill S-33 contains 19 sections giving the legal form to all the provisions contemplated in the foregoing memorandum and set out in section 9 and in the attached schedule.

The names of the original directors of the incorporation, included in section 2, are chosen from the chief officers of both railways and are well known to everyone.

The capital stock of the company is to be $30 million, and the head office is to be established in the City of Ottawa.

As stated in section 2 of Part I of the schedule, it is intended that the Canadian National Railway and the Canadian Pacific Railway each shall be the owner of one-half of all the shares of the capital stock of the Ottawa Terminal Railway Company.

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Section 14 provides that the Terminal Company may issue bonds, debentures or other securities to an amount not exceeding $20 million, to be secured by mortgage upon the whole or any part of the property, assets and revenues of the new Terminal Company.

The powers of the company are set forth in section 10, and the conveyancing of various buildings and properties to the Terminal Company by both the C.N.R. and the C.P.R., is provided for in sections 11, 12 and 13.

Section 17 provides that the construction of the railway and related facilities shall be completed on or before January 1, 1967.

The works and undertaking of the company are declared to be works for the general advantage of Canada, and the Railway Act applies to the company and its undertaking.

In section 34 of the schedule to the bill, it is stated that any differences "arising between the parties hereto" concerning any provision of this memorandum of understanding, shall be submitted to the Exchequer Court of Canada for determination.

Finally, in relation to the exact location of the new passenger station, which naturally is of much interest to honourable senators and others coming to Ottawa from Montreal and Toronto, it will be situated in a site about one half mile east from Hurdman's Bridge and two miles from Confederation Square. The new station will be connected to the different parts of the city by wide and direct boulevards. The main approach to Confederation Square and the Chateau Laurier will be formed by a double-drive expressway two miles long, following the Rideau Canal on the east side and paralleling the existing national capital district driveway on the western side of the canal, leading to Confederation Square and to Sussex Drive, where it will emerge at a lower level than at present, thus avoiding all crossing points. So actually there will be a trunk line directly from the station to the square, where most of the passengers who come here weekly or daily disembark.

If this bill receives second reading, and is then referred to the Senate's Standing Committee on Transport and Communications, officials of the National Capital Commission will be available, with a full equipment of maps and charts, to enlighten honourable senators in a comprehensive way about this long-planned and rather complicated engineering project.

It is possible also that representatives of both lines of railways will be present to contribute any light or views on this subject that might be necessary.

In the meantime, if I can supply further information to honourable senators, I shall

be glad to do so, or, to the best of my ability have it supplied at a later date.

Hon. M. Grattan O'Leary: Honourable senators, having spent the greater part of the afternoon reading, and being lost in admiration for the great speech delivered here yesterday by Senator Hugessen, I now address myself to this bill; and after trying to understand its extraordinary phraseology, I appreciate more than ever what a czar of Russia had in mind when he visited Paris many years ago, and, when asked how many lawyers there were in Russia, he said there were four, and that he was going back to have three of them shot.

Honourable senators, this bill is of considerable concern to the city in which I live, and to Carleton which I am supposed to represent in this house. So there are some things I would like to know about it, but not having had a chance to see the bill before today, I shall be grateful to the Senate if it will permit me now to adjourn this debate until a reasonable time tomorrow.

On motion of Hon. Mr. O'Leary (Carleton) debate adjourned.

BUSINESS OF THE SENATE

ORDERS STAND

On Orders Nos. 3, 4 and 5:

Hon. John J. Connolly: Honourable senators, I would ask that Orders Nos. 3, 4 and 5—for the second reading of Bill S-29; for the second reading of Bill S-16; and for resuming the debate on the reference of Bill S-16 to the Supreme Court—all stand until June 24.

Orders stand.

NATIONAL HOUSING ACT, 1954

BILL TO AMEND—MOTION FOR SECOND READING—DEBATE ADJOURNED

Hon. John J. Connolly moved the second reading of Bill C-102, to amend the National Housing Act, 1954.

He said: Honourable senators, I do not propose to detain the house long in respect of this bill, since I know that all honourable senators have an important engagement later. However, Senator Walker informed me that he would be speaking on this bill, and I thought perhaps it might be a convenience to him, and certainly to the house tomorrow, if I put my explanation on record this afternoon.

Before I come to the bill itself, I should like to say that the Central Mortgage and Housing Corporation has, as all honourable senators are aware, sustained a severe loss in the sudden death of its President, Mr. Stewart Bates. Mr. Bates was president of the corporation for some ten years, and was well known to all honourable senators through his appearances before our committees in respect of legislation such as we have before us today.

Stewart Bates was a Scot. He came first to Nova Scotia, where he became secretary of the Nova Scotia Economic Council. He was a professor at Dalhousie University. He was one of those officials who worked on the Rowell-Sirois Report. In his death, Canada has certainly lost a highly valuable and enthusiastic public servant—a man who did a great deal in a vital field at this particular stage of our history, namely, the field of housing.

Honourable senators, I want to say, also by way of preliminary remarks, that this legislation is not anything very new. Indeed, legislation such as we are to consider this afternoon has been progressively developed over the years, both provincially and federally. I think each year, and indeed each government, builds upon the experience of the years gone by for the needs of the present and with a view to the future.

I think that a good many of the proposals that are here will ring a familiar sound in the ears of, for example, Senator Walker, who for a good length of time was the minister in charge of this kind of operation. He gave splendid service over those years in respect of problems touching the National Housing Act, Central Mortgage and Housing, and that whole area of activity. We are very pleased indeed to have him here and to have the benefit of his advice upon these problems.

I do not propose to deal with this bill by referring specifically to the sections one by one. I thought I would deal first with the question of urban renewal, which is one of the important aspects of the matter before us. I would deal then with the question of public housing, which is also treated in the bill. I shall speak briefly about university housing, and say something about loan ratios, of two or three relatively minor things dealing with provisions in respect of default in the payment of mortgage interest, and with a small provision dealing with marketing machinery. Finally, I shall touch the question of sewage treatment projects. As I said earlier, these main areas of concern are familiar to all honourable senators. We have had legislation touching all these problems on other occasions, and this bill it is hoped will improve upon the experience that has been developed through the years.

On the question of urban renewal, I think it is appropriate to start by saying there are

various aspects of urban renewal with which the officials in Central Mortgage and Housing are concerned. The problem of clearance and redevelopment is a very important one, especially in the slum areas of our cities. They also have to consider the problems of the rehabilitation of areas which are capable of renewal without clearing. Finally, the question of the conservation and preservation of good existing areas is a provident kind of practice for the various levels of government to concern themselves with.

In the field of urban renewal the matter of planning is all important. There is a provision here for the making of suitable agreements, both with provinces and municipalities, for the planning of schemes for urban renewal and redevelopment under which, for the planning stage, the federal Government will pay 50 per cent of the cost. This is in section 23 of the bill. But in addition to the planning, of course, the matter of getting a scheme or project going is of great importance. Section 23B provides that the federal Government will pay 50 per cent of the cost of acquiring and clearing the land, of installing certain municipal services and other specified incidentals which are set out in the section. Then when it comes to the actual development itself, to the installation of the buildings and the other projects to be developed in the area to be renewed, the amendments provide that the federal Government will lend either to a province or to a municipality up to two-thirds of the cost to the municipality of carrying out certain portions of the scheme. I should tell honourable senators that under section 23E a fund of approximately $100 million has been earmarked for this purpose.

There is another provision which should be drawn to the attention of the Senate. For the first time there is provision for insured loans in respect of existing housing in urban renewal centres. There is also provision for direct loans from the Central Mortgage and Housing Corporation in these areas. So much for the general direction that has been given by these amendments to the problems of urban renewal.

On the question of public housing, under the amendments, Central Mortgage and Housing Corporation is authorized to make loans to provinces, to municipalities and to public housing agencies, as they are defined in section 35B, for the purpose of acquiring land for public housing, and up to 90 per cent of the cost of the acquisition and servicing of such land; and Central Mortgage and Housing is also authorized to make loans for the construction of public housing projects, again up to 90 per cent of the cost. This is under section 35D. This includes the acquisition of existing housing facilities.

In addition to that, again in the field of public housing, by section 35E, Central Mortgage and Housing is authorized to underwrite losses of low rental housing projects to the extent of 50 per cent of any loss incurred in any one year, for a period not exceeding 50 years. Of course this is subsidized low-rental housing. I am sure all honourable senators will want to have more information about this particular section. I should say that this is certainly a bill which should be referred to the Banking and Commerce Committee for study.

Hon. Mr. Reid: Would you mind explaining section 16? It says that the purpose of these amendments is to authorize direct loans to owners of housing accommodation in urban renewal areas which are unable to obtain loans from approved lenders. I would take it a man who could not get a loan from an approved lender would not be a good risk.

Hon. Mr. Connolly (Ottawa West): I think a better answer would be available in committee. There are approved lenders sometimes who do not have any funds. They themselves have certain budgets allocated to them. Sometimes it is difficult, in a given municipality, for instance, if there are only two or three approved lenders and they have allocated all their funds. In cases like that I would think under this section Central Mortgage and Housing would be able to make direct loans. However, I am sure there is a fuller explanation than that to be given to the question, and perhaps the honourable gentleman could raise it in committee.

On the question of university housing, under existing provisions Ceneral Mortgage and Housing Corporation is authorized to lend on dormitory type of housing accommodation for resident students. The proposal now in the amendments extends the lending authority to self-contained housing projects for married students and their families. These loans can be made to co-operative campus associations or other associations formed for this purpose, or to charitable corporations. Perhaps even the university corporation itself could qualify for this purpose. There is a fund available for such loans up to a maximum of $150 million. If this bill is passed it will be possible for loans to be made for a single family unit, for apartments, for dormitories and, indeed, for hostels for university students. So much for the university area.

Last year by Appropriation Act No. 3 of 1963 the mortgage ratio for owners, builders and co-operative associations in the field of insured loans was increased from 95 per cent of the first $12,000 to 95 per cent of the

first $13,000. This provision which was in the Appropriation Act now becomes a permanent part of the National Housing Act by the amendment proposed in clause 2. The amendment is, of course, beneficial. It takes into account the rising costs which develop from time to time in housing. It involves smaller down payments and therefore larger loans for borrowers.

In clause 3 there is a small amendment which deals with insured loans in which default has occurred. If a mortgagor falls into default with his interest, heretofore there was a subsidy for the interest payment to the insured lender for a period of six months. Under the amendment the proposal is that this period should be extended for another six months, making a total of 12 months.

In clause 4 there is a provision which helps a dealer in insured mortgages who may acquire a certain number of these mortgages for sale to investors, and who finds that for some reason or other, shortly after he had made his purchase, the market has fallen off. The provision here is one whereby Central Mortgage and Housing Corporation can, on the security of these mortgages, advance him certain moneys to carry him over for a short term period, and thus not force him to sell the mortgages he has bought, at a discount or at a loss.

Clause 13 deals with the general question of sewage treatment projects. At the present time Ceneral Mortgage and Housing Corporation is authorized to lend moneys up to a certain percentage of the cost of the project to municipalities. Under the amendment it is proposed that such loans can also be made to provinces which engage in projects of this kind. The clause also provides that Central Mortgage and Housing may forgive up to 25 per cent of a mortgage in respect of a sewage disposal project which shall be completed before March 31, 1967. It also provides that on those sewage disposal projects and sewage treatment projects which are not completed by that date, there can be a forgiveness of 25 per cent of the work completed by that date.

Finally, I should draw the attention of the Senate to the fact that under clause 6 of the bill, the fund available to the Central Mortgage and Housing Corporation for the provision of direct mortgages has been increased from $2 billion to $2½ billion.

I think, honourable senators, this covers the essentials of the bill, and if it is given second reading by the Senate, I shall move that it be referred to the Standing Committee on Banking and Commerce.

Hon. Mr. Walker: Honourable senators, there is a very important engagement coming up which I am sure we all wish to attend. May I therefore move the adjournment of the debate in the hope that the Leader might include this high in the list of items for second reading tomorrow.

Hon. Mr. Connolly (Ottawa West): I am always a little puzzled about how the list comes out. I think I know how it should appear, but it does not always appear that way. Perhaps the house would agree that this should be the first item on the Orders of the Day tomorrow after the bills entered for third readings.

Some Hon. Senators: Agreed.

On motion of Honourable Mr. Walker, debate adjourned.

PRIVATE BILL

NOVA SCOTIA SAVINGS & LOAN COMPANY—SECOND READING

Hon. Gordon B. Isnor moved the second reading of Bill S-34, to incorporate Nova Scotia Savings and Loan Company.

He said: Honourable senators, I realize the hour is late, and that we have certainly had a long day and considerable dealings with matters of finance. I shall be as brief as possible.

As you will note from the title, this bill is to incorporate the Nova Scotia Savings & Loan Company. It is in the usual form for incorporation of loan companies, subject to the provisions of the Loan Companies Act, except that section 8 of the bill provides that the company being incorporated may merge and amalgamate with the Nova Scotia Savings, Loan and Building Society. Sections 9 to 15 of the bill deal with the amalgamation procedure. The principal purpose of the proposed legislation is to enable this amalgamation to take place.

I do not propose to deal with the bill at any length. After it has been given second reading I shall move that it be sent to the Standing Committee on Banking and Commerce, before which committee the Superintendent of Insurance, Mr. K. R. MacGregor, who has already examined the bill, and others interested, as well as representatives of the company, will appear to answer any questions concerning the various provisions.

At this stage I think perhaps a little background information might be helpful. The Nova Scotia Savings, Loan and Building Society has been carrying on business in Nova Scotia for 114 years. It was established in 1850 under legislation, passed by the province in that year, which was very similar to the Building Societies Act then in force in England. This form of business organization is unique in that it is neither a company nor a partnership. Furthermore, it has no shares

of stock in the usual sense, and no fixed capital. This society is now the only one of its kind existing in Canada and has become out of date in the modern business field.

The members and directors of the society have, therefore, sought for some time past to reorganize the society so as to give it the freedom of operation enjoyed by companies under the federal Loan Companies Act, lending under security of first mortgages on real estate. Various methods of achieving this have been explored, such as reorganization of capital alone and the sale of assets of the society to a new company, but in each case obstacles have arisen which have required abandonment of such methods of reorganization.

The directors of the society, as a result of a study, now consider that the only feasible method of enabling the society to carry on its business efficiently and enjoy normal growth is by amalgamation with a company, as before stated, under the federal Loan Companies Act. Such amalgamation requires the legislation which is before you, and also legislation in the Province of Nova Scotia which, I might add, has already been obtained at a recent sitting of the legislature of that province.

I should also point out that section 14 was inserted in the bill after consultation with the Taxation Division of the Department of National Revenue.

The effect of this bill, as I have stated, will be to enable the society to carry on its business more efficiently, to expand in normal growth, to introduce certainly with respect to its income tax position, and to replace what has now become out of date in the business world with a company subject to the Loan Companies Act. In short, the form of business organization known as a building society has, in Canada, fallen into disuse and is no longer considered or dealt with in legislation applicable to loan companies. As a consequence, the society has been left an orphan in the world of business and financial organizations. It seeks by this legislation to enrol itself in the family corporations engaged in the business of lending money on the security of first mortgages on improved real estate.

This bill has been approved by the Law Clerk of the Senate, the Superintendent of Insurance, and the Taxation Division of the Department of National Revenue.

In closing I might add that the names of the incorporators mentioned in section 1 are all well-known Nova Scotians. They have been connected with the society for a long period of time. Walter Mitchell of the village of Chester is a well-known name in shipping on the Halifax waterfront. Walter deW. Barss, barrister-at-law, of the City of Dartmouth has been the solicitor of that city for the past sixteen years. Donald McInnes, barrister-at-law, of the City of Halifax, is well known to the legal profession, and was at one time President of the Canadian Bar Association. Eric McN. Grant, executive, is of the well-known firm of Grant, Oxley and Company, and more recently of the Bell and Grant Insurance Company. George C. Piercey, barrister-at-law, is of the old firm of Piercey Supplies Limited and also Piercey Investors Limited.

Honourable senators, if this bill receives second reading I shall move that it be referred to the Standing Committee on Banking and Commerce.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Isnor, bill referred to the Standing Committee on Banking and Commerce.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, June 11, 1964

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

Prayers.

CONSUMER CREDIT

JOINT COMMITTEE—CHANGE IN COMMONS MEMBERSHIP

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons to acquaint the Senate that the name of Mr. Irvine has been substituted for that of Mr. Coates on the list of members appointed to serve on the Joint Committee on Consumer Credit.

DOCUMENTS TABLED

Hon. John J. Connolly tabled:

Report with respect to Operations under the Coal Production Assistance Act for the fiscal year ended March 31, 1964, pursuant to section 9 of the said act, chapter 173, R.S.C., 1952, as amended. (English and French texts).

Copy of a letter dated June 4 and June 5, 1964, addressed by the Prime Minister of Canada to all provincial Premiers concerning the proposed Pension Plan. (English and French texts).

Exchange of letters, dated June 11, 1964, between Canada and Hungary concerning diplomatic and consular matters, and proposed negotiations towards the settlement of claims. (English and French texts).

ADJOURNMENT

Hon. John J. Connolly: Honourable senators, I move, with leave of the Senate, that when the Senate adjourns today it do stand adjourned until Tuesday next, June 16, at 3 o'clock in the afternoon.

Motion agreed to.

PRIVATE BILLS

THE DOMINION OF CANADA GENERAL INSURANCE COMPANY—THIRD READING

Hon. T. D'Arcy Leonard moved the third reading of Bill S-30, respecting The Dominion of Canada General Insurance Company.

Motion agreed to and bill read third time and passed.

THE CASUALTY COMPANY OF CANADA—THIRD READING

Hon. T. D'Arcy Leonard moved the third reading of Bill S-31, respecting The Casualty Company of Canada.

Motion agreed to and bill read third time and passed.

CROWN CORPORATIONS (PROVINCIAL TAXES AND FEES) BILL

THIRD READING

Hon. John J. Connolly moved the third reading of Bill C-95, respecting the payment of certain provincial taxes and fees by crown corporations.

Motion agreed to and bill read third time and passed.

BANK ACT—QUEBEC SAVINGS BANKS ACT

BILL TO AMEND—THIRD READING

Hon. John J. Connolly moved the third reading of Bill C-98, to amend the Bank Act and the Quebec Savings Banks Act.

Motion agreed to and bill read third time and passed.

PRIVATE BILLS

THE QUEBEC BOARD OF TRADE—THIRD READING

Hon. Paul H. Bouffard moved the third reading of Bill S-28, respecting The Quebec Board of Trade.

Motion agreed to and bill read third time and passed.

WORLD MORTGAGE CORPORATION—ORDER FOR THIRD READING STANDS

On the Order:

Third reading of Bill S-32, intituled: "An Act to incorporate World Mortgage Corporation".—(Honourable Senator Leonard).

Hon. Mr. Leonard: Honourable senators, I ask that third reading of this bill stand until Wednesday, June 17.

Order stands.

NATIONAL HOUSING ACT, 1954

BILL TO AMEND—SECOND READING—DEBATE CONTINUED

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Connolly (Ottawa West) for the second reading of Bill C-102, to amend the National Housing Act, 1954.

Hon. David Walker: Honourable senators, may I first thank and congratulate the honourable Leader of the Senate on the concise and

clear exposition of the purport of Bill C-102. It is an important bill which, when passed, will amend the National Housing Act.

May I say to the honourable Leader of the Government that we on this side of the house have a great affection and respect for our own Leader of the Opposition (Hon. Mr. Brooks), but at the same time we are not disinterested in the honourable Leader of the Government in the Senate. May I be pardoned a personal remark? Our former Prime Minister, when ministers were sworn into the cabinet, would take each one aside and say: "Now, with this high office you are entering into, I am going to watch to see whether you grow or just swell." I can safely add that we on this side of the house—and I am sure those on the Government side, too—are delighted to see that the honourable Leader of the Senate is growing with grace into the high office he occupies.

Hon. Mr. Connolly (Ottawa West): You do not think there is any swelling?

Hon. Mr. Walker: There is not much chance of it in this house. You would not, anyway.

Honourable senators, may I also join with the Leader of the Senate in expressing our grief and sorrow in the passing of a most distinguished public servant, Dr. Stewart Bates, President of Central Mortgage and Housing Corporation.

As the minister reporting to the House of Commons for C.M.H.C. for many years, I had a close and intimate relationship with Dr. Bates. Honourable senators, it is amazing where one finds these Scots. Everywhere in the world, in all sorts of countries, one finds dedicated Scotsmen. They adopt a country and they devote their lives to developing that country. So it was with Dr. Stewart Bates. He had not only a brilliant mind but a tremendous capacity for detail. At the same time, he had something which one must inherit, as it is hard to develop it otherwise, that is, a wonderful gift for administration.

To him is largely due the tremendous prestige which that corporation has at the present time, of which it can be truly said it is a jewel among the crown corporations. I therefore join with the honourable Leader of the Senate in his eloquent expression of sympathy.

May I also say that a suggestion was made in the other house recently that there should be a full-time minister for C.M.H.C. I think this would be a serious mistake. After all, the purpose of a minister in dealing with a crown corporation is to report to the House of Commons, and to direct that corporation in its policy so that its policy can be the same as that of the government of the day. To have a full-time minister, to have him interfere with and try to run the details of the department and to oversee its operations, would be to endanger a crown corporation with political interference, and eventually political patronage. To my mind, this would be a grave mistake. I think the government which planned the C.M.H.C. as a crown corporation had that in mind, when it was set up, that it should remain a semi-autonomous body, a quasi-commercial organization, with branches all over Canada. To have any political interference with such an important corporation could have disastrous results, because with billions of dollars loaned throughout the country, you can readily see that any relaxation of the rules could result at times in chaos.

May I make one more comment on housing? Looking at the record, there are too many loans under N.H.A. made by the Government, and not enough by approved lenders. It is a pity that the Government should be called upon to pay out as much money as it does each year by way of loans through Central Mortgage and Housing Corporation for N.H.A. mortgages. It is something that should be handled by approved lenders, by private enterprise. There are two ways to do that. First, to make the N.H.A. mortgages themselves attractive enough, and, secondly, to create a secondary market, which C.M.H.C. is trying to do by the auctioning of blocks of mortgages. More especially it is important to create new loan companies, new mortgage companies, which can take the burden off the Government. That is why I was pleased to see this honourable chamber pass second reading of Bill S-32, to incorporate World Mortgage Corporation, and to see it pass through the Banking and Commerce Committee yesterday. I understand that the bill will be up for third reading next Wednesday. That measure involves a capacity for $350 million in loans. Every loan made under the N.H.A., made through this corporation, is one loan less, for the Government of Canada to finance, and therefore it is highly important.

I agree with the Leader of the Senate (Hon. Mr. Connolly, Ottawa West), who stated that housing policy is a continuing thing. His admission that the present Government is carrying on in the tradition of the Diefenbaker government is something we are all proud of.

Hon. Mr. Connolly (Ottawa West): And other traditions.

Hon. Mr. Walker: Well, that is good; yes. We have many other good traditions as well, in which the present Government is following in our footsteps, but we will deal only with housing today. Perhaps we will mention others when the occasion arises.

Hon. Mr. Connolly (Ottawa West): Those were not the ones I was thinking of.

Hon. Mr. Walker: I have lost you there.

May I refer honourable senators to clause 13 on page 14 of Bill C-102. Perhaps you will recall the criticism I received, I think in 1960, when we moved an amendment to the National Housing Act to provide loans for sewage disposal plants. What did that have to do with housing? Yet, the pollution of our waters was a very serious problem across Canada; and who became more affected by it than the householder? In any event, we pushed that amendment through, and it has been remarkably successful, so successful that 582 municipalities have since that time applied for and received loans amounting to $127 million, to create in their own municipalities modern sewage disposal plants. So the pollution of water, which was a tremendous complaint four years ago, has certainly been, shall I say, checked very materially. I am glad to see the present Government is following in the footsteps of the Diefenbaker government, and is extending and refining what already had been done, by extending loans not only to municipalities but to the provinces as well. They have also extended the time for the completion of the projects so that the municipalities can take advantage of the "gift" or the "forgiveness" of 25 per cent of the loan if the undertaking is completed by a given date, which has now been extended to 1967. In my respectful submission, this is a step in the right direction.

Again, at page 13, clause 10 you have another endorsation of the work of the Diefenbaker government with respect to housing. I concur with my honourable friend that the Government of the day does not agree with everything we did, but in the field of housing the Diefenbaker government made a unique contribution which has raised Canada from a backward nation in the realm of housing to a nation second only to the United States as the nation with the best housed population in the world, and that is a great achievement.

In this connection we find another amendment which was criticized at the time, namely the grants to universities for the erection of accommodation for students. This principle has been accepted and has been extended.

Hon. Mr. Thorvaldson: Are you referring to dormitories?

Hon. Mr. Walker: Yes. Dormitories had been arranged for before, but the present Government has, I think quite properly, extended this to include not only dormitories but hostels as well, and also accommodation for wives of students as well as the students. This is a good thing. It also makes provision for charitable corporations. For instance, some of my wealthy friends on the Government side of the house who want to do something for their alma mater would do very well to form, with Senator Hugessen advising, a charitable corporation to provide housing accommodation for the students of their own alma mater.

Hon. Mr. Hugessen: Is it expected I should do that work for nothing?

Hon. Mr. Walker: Free—all this is charitable.

Hon. Mr. Leonard: Are there no charitable members on the other side?

Hon. Mr. Walker: Charitable, but most of us are still working people.

Hon. Mr. O'Leary (Carleton): Each of us is a "poor man Friday."

Hon. Mr. Connolly (Ottawa West): In any event, there are lots of wealthy ones.

Hon. Mr. Walker: Whoever is being mentioned can bow.

The extension of this is a good thing because more than one university president has expressed to me the belief that their universities could not have carried on with the expansion which has taken place had it not been for the N.H.A. stepping in and assisting in this very important field. I hope some people will take advantage of this provision, not only of the loans to universities but also to charitable corporations, and I hope that among us in the Senate we may be instrumental in setting up some corporations to assist the students in universities we have had the honour to attend.

Moving backwards to page 5 of the bill, clause 7, urban renewal—for years urban renewal appeared in the N.H.A. but no one paid any attention to it. A tremendous campaign was put on by the previous Government. I do not want to be considered political here; we are just tracing the history of urban renewal.

Hon. Mr. Roebuck: Did the National Housing Act originate with the recent Conservative government?

Hon. Mr. Connolly (Ottawa West): Where does history start?

Hon. Mr. Walker: It developed urban renewal. The great impetus took place under the Conservative government. You should not ask a question like that unless you know the answer—you are too good a lawyer for that, Senator Roebuck.

Hon. Mr. Roebuck: It was passed by a previous Liberal government.

Hon. Mr. Walker: Quite so, but it was little used. Well, I will modify that: it was

used somewhat. We encouraged municipalities across Canada to undertake an urban renewal study. Now we have a great many plans under way by which the blighted areas in those municipalities can be blotted out. The present Government fully appreciates the value of this, and they have gone even further than the last government, by not only putting in the bulldozers and acquiring and clearing the land, to which end we made grants and loans, but now it is proposed, and this is an excellent proposal—I note no one complains when I praise the Government on the other side—that not only is redevelopment to be carried on, but rehabilitation is to take place as well. In other words, they are taking blighted areas and not necessarily putting the bulldozer right through them, because that is expensive, but taking the good houses in that blighted area and rehabilitating and refurbishing them. There are other areas that are not blighted areas, but could become so. The proposal in this bill is to conserve the areas as they are at the present time by taking some of the homes that are run down and giving assistance to them. I will not go into the details of how this is to be done, but it too is an excellent idea.

I apologize for going backwards in reference to the clauses of this bill, but it best suits my presentation.

Page 4, clause 5: limited dividends. There again, in the field of limited dividends, a tremendous campaign was put on originally by us, not only to give employment but also to increase housing. It has been very successful, and I am pleased to note that this Government is extending limited dividend housing not only to self-contained apartments, but also to include dormitories and hostels, together with the buying up of housing which is already there and refurbishing and rehabilitating it. This is going to ease the problem of rentals by making them cheaper. It is very important that we help the people in the low-income bracket. That is always a problem of national housing, to help the people in the low-income bracket. This proposal in clause 5 will do so, and the people in the low-income bracket will be able to pay rent, and the apartments will carry themselves. I will not go into the details of limited dividends, except to say in a word they are cost and write-off of capital in 40 years, plus 5 per cent. All private entrepreneurs as well as municipalities and provinces can participate.

Even these limited dividend apartments provided almost at cost are too expensive for a certain segment of our population, and so I am pleased to learn that in clause 8, on page 9 of the bill, there are amendments under the subject of public housing. This is very important, because no matter what you do, no matter how low you get rents, self-sustaining rents, the rent is going to be too high for a certain element in our population. Therefore, the Government of the day is extending the subsidized housing to include not just self-contained accommodation but dormitory and hostel accommodation for the aged, the blind and the semi-helpless. This is a step in the right direction, and as well provision is being made to buy up other housing accommodation rather than building new. This should reduce the cost per unit of supplying subsidized housing, and it is of importance because we must properly house the people in the low-income bracket.

I am vitally interested in it, because I happen to have been the member for Rosedale, where the first subsidized housing development was undertaken in Regent Park South, and for 25 years we have tried to bring this about. Finally, it took place by the creation of the Regent Park South subsidized housing. There were all sorts of forebodings, but it has worked out well, and I have not yet found any sign of that class distinction about which we have heard so much. We have been told that people put in there with low incomes would feel self-conscious about it. On the contrary, I have found—and I should know this because I have had picnics there year after year for many years with as many as 4,000 children—that in the Regent Park South development there was and is a great community spirit, and that the police officers have found that this district, which was one of the worst in Toronto so far as crime was concerned, is now one of the best.

Hon. Mr. Connolly (Ottawa West): How long has this been running?

Hon. Mr. Walker: The Regent Park South development was planned about 12 years ago, and was completed in 1958.

Hon. Mr. Connolly (Ottawa West): And it is full all the time?

Hon. Mr. Walker: All the time. I think the waiting list, the last time I heard, stood at about 4,000.

The amendments to the bill which will make subsidized housing simpler will add to the facilities that we so badly need at the present time.

This bill is going to the Standing Committee on Banking and Commerce, so I do not need to examine its clauses, but I should like to say that N.H.A. activities will lead to better homes, which will mean better citizens, better law enforcement, better production and, eventually, a better Canada.

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

OTTAWA TERMINAL RAILWAY BILL

SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Lambert for the second reading of Bill S-33, to incorporate the Ottawa Terminal Railway Company.

Hon. M. Grattan O'Leary: Honourable senators, I think I should first apologize to the house for not going on with this discussion yesterday, but the truth was I had to be out of the city the day before and had not seen the bill until I came to the house yesterday afternoon.

My task now is rather an easy one because Senator Lambert, with his sense of history, gave a good historic background to the purposes of this bill and a very lucid explanation of its main provisions. I do not intend to deal with the part of the railways in this bill, except to say this: In my humble judgment I think this relocation of the railway terminals in this city is in fact a mistake so far as the railways are concerned. Nowadays railways are competing for traffic with buses and with air lines, and if one is going from Ottawa to Montreal one takes a train because it will be going to take him to the centre of the city. But this bill would take the railway terminal two miles from the centre of the city. Therefore, I cannot see the logic of this from the standpoint of the railways. However, I am going to leave it to the railways to take care of themselves, and I must say from reading the provisions of the bill and the agreement that has been made between the railways and the National Capital Commission, somebody connected with the railways drove what seems to me to be a very good bargain. They seem to have protected themselves in nearly all respects.

I am not going to try to follow this bill clause by clause, because it is complex in some respects; in fact, I am not capable of adding anything in the way of enlightenment to many of the clauses.

There are, however, two aspects of the bill with which I would like to deal briefly. I have an idea that not too many people in this city realize that when this relocation takes place the National Capital Commission, in other words, the City of Ottawa and the taxpayers of Canada, will be left with two problems, two burdens. First of all they will be left with the Union Station. What is going to happen to Union Station? My understanding is that the plan or the hope now is that the Union Station, this great building, will be demolished, and that in its place or in the land which the National Capital Commission will acquire because of this relocation, amounting to about 1,300,000 square feet from the Mackenzie King Bridge up to and including the station, will be used partly for parking space, but not wholly for this purpose.

It is hoped that this land will be turned over, in fact, to private enterprise; but first of all, that the Government of Canada will build there some sort of dignified office building. Just when this will happen, I do not know, because, as I mentioned a few days ago, it seems to me the Government has ample office space on its hands already.

It is also hoped that there will be successful invitations to private industry to establish shops, or office buildings, which would not be the responsibility of the commission or of the Government itself.

In addition, it is hoped, I understand—and with this I agree heartily—to demolish that dreadful building which was erected there before the war, as part of the post office. It is a building which made the place ugly, inhibited the whole surroundings, and added the problem of traffic control. I understand it is hoped to take this building down and have the area lighted at night, and not be an area of darkness.

But this area is not the only thing we become heir to. When this relocation is concluded, the National Capital Commission will become the owners of the Interprovincial Bridge. Now what are we going to do, or what is the National Capital Commission proposing to do, with the Interprovincial Bridge?

I remember years ago in a private conversation with Mr. Mackenzie King—and perhaps my friends opposite will not be too surprised if I tell them that occasionally I did have private conversations with Mr. Mackenzie King—I remember his saying to me that if that bridge had existed in Europe its very ugliness would be so offensive to the artistic sense of the people there they would have found some way of blowing it up. I do not disagree entirely with that. When you look at the lovely artistic design of bridges in Europe, and then look at this dreadful bridge, it is certainly to be hoped that the National Capital Commission will find some way of disposing of it entirely.

I believe there are actually three alternative plans in mind. The first is to repair the bridge and use it for a few years until the pressure of traffic is eased by the building of the new bridge lower down. The second is to take down its superstructure and convert it into a three-lane bridge. This would involve considerable work on the Hull side in the way of approaches and would, indeed, involve the purchase of some property over

there. It would also require a great deal of work to be done on the approaches on this side. Finally, there is a possibility that the bridge will be demolished altogether, and this, I must say, I would favour.

What I venture to think will happen is that a three-lane highway will be built on the bridge in order to ease traffic. I am told that the cost of taking down the superstructure and building a three-lane highway on the bridge, and to complete other repairs that are necessary, would cost $1,400,000, which does not seem to be out of the way.

I agree with Senator Lambert in doubting whether this bill can be usefully discussed without its going before the committee which can call the members of the National Capital Commission and officers of the railways to answer questions. There are scores and scores of questions one could ask about this agreement, and until the answers are obtained from authoritative sources there is not too much of a useful character that one can say.

One thing in this agreement between the railways and the National Capital Commission which surprises me is the fact that the National Capital Commission seems to make itself responsible for so much. The whole bill is shot through with phrases like "the National Railways will transfer to the Terminal Railway all its estate, title and interest", and so on, in return for which the Commission will pay all the charges assessed by the Pacific Railway against the National Railways. All the way through the Commission seems to be taking the responsibility.

Incidentally, the new station will not be built by the railways themselves. The design for it will be called by the National Capital Commission. It will be built and, of course, the railways will use the $30 million it will get for these debentures to pay the ultimate cost.

Just consider clause 22 on page 16:

> 22. The Commission will pay all costs and expenses incurred by the National Railways, Pacific Railway and Terminal Railway
>
> (a) in development and preparation of plans, specifications, deeds, surveys, descriptions, applications and agreements;
>
> ...
>
> (c) in carrying out any other work that the said Railway Companies may be required to do as a result of this Memorandum or that the Commission may lawfully require the said Railway Companies to perform in order to implement the Relocation Plan, where such work has been requested or approved by the Commission.
>
> 23. Where any new track or facility is constructed pursuant to this Memorandum, the Commission will, for the three-year period commencing on the date on which that track or facility is first opened to regular train operations or use, pay the National Railways, Pacific Railway or the Terminal Railway the maintenance costs incurred by those Companies by reason of any subsidence or settlement of that track or facility during that three-year period.

This goes on and on, and it seems to me that I can find little in the bill to show that the railway companies are taking too much risk or responsibility. I must say this, however, that the National Capital Commission must have had some difficulty in persuading the railways to enter into the agreement at all, and so the railways were in a position to bargain in a rather hard way.

A delightful phrase is used here which may be familiar to lawyers but which means nothing whatever to me. What does "save harmless" mean? I do not know what it means.

Hon. Mr. Connolly (Ottawa West): Would the honourable senator give the page number?

Hon. Mr. O'Leary (Carleton): It is used in this report. I do not know what it means, but I am sure other honourable senators do. I am only an honorary life member of the New York State Bar, so I do not know. It appears in clause 28 on page 17:

> The Commission covenants and agrees that it will at all times hereafter indemnify and save harmless the National Railways—

I believe that means that if the National Railways make any profit out of this arrangement they keep it, but if they have a loss, then the National Capital Commission is responsible for that loss. There is a great deal of that kind of jargon which I do not understand. But, in the main, there is no doubt a consensus of opinion in this city favouring this agreement.

Senator Lambert mentioned yesterday the historic reports concerning Ottawa. I remember the Cauchon Report and the Holt Report, and scores of others, all aimed in this direction. We all remember too, Sir Wilfrid Laurier's hope that some day Ottawa would be the Washington of the north. I am not at all sure that if Sir Wilfrid saw Washington right now he would cling to his hope. But, this has been the ideal, the ideal of building a greater Ottawa. I do believe that while we are all agreed on the ends, there is room for a great deal of questioning with regard to the means.

For that reason I support Senator Lambert's intention to move that this bill be sent to the Standing Committee on Transport and Communications, before which officials of the railways and the National Capital Commission can attend and explain, as far as they can, what all this is about.

Hon. David A. Croll: Honourable senators, I remember that when I came to Ottawa in 1945 one of the older members who was with me on the train remarked, "Now, David, take a look at that station. It is not going to be there very long. We will have something else instead." Well, I have been praying, but it has not done much good. The station is still there.

Responsibility has to be laid at the feet of someone, namely, the National Capital Commission. We are not concerned with the railways which are, as Senator O'Leary (Carleton) has said, disposed to bargain with one another for the best possible deal they can make. There have been many mistakes made in Ottawa, but the same is true of other places. There are many compensations here. Nature has been good to Ottawa. It is a beautiful city. It has a lovely hinterland, and we who do not live here are proud of our capital city.

I know that from time to time in the House of Commons and in this chamber the City of Ottawa is told about its potholes, how it does not clean the sidewalks, and how snow is left a little longer than normal on the streets. But, then, those who say these things have not been home for a long time, and they do not see the winter appearance of their own home towns.

I do not think we would be satisfied with being the Washington of the north. We want something better. We want something that is Canadian—like the flag. I am not sure of just what we want, but I am sure that money should not stand in the way. The people of Canada are prepared to spend any amount of money in creating something here that is Canadian, and something that they can be proud of. They are not concerned about the money, as long as it is spent wisely.

There is no room here for small thinking. This is the capital city of a people as fine as any that ever came down the pike of time. We want to be proud of our capital city because more and more people from other countries are visiting it.

All I say to those who are more concerned with this plan than I am—some of them are members of this chamber, and we are fortunate in having such representatives from the City of Ottawa—is this: Make it your business; make it your task. You have the support of the people of Canada. Our only disappointment is that you are not going fast enough in doing what we think ought to be done. It is in your hands entirely. The time is past when we can accept excuses. We expect this Commission to make real progress. I do not know what can be ready by 1967, but something can be ready by then. You ought to press all your efforts in that direction.

I repeat that this is a beautiful city. I came the other day by air, and drove in by the usual route along the waterfront. Strangers remarked on the beauty of city and the beauty of the driveway. I cannot think of any other place that can compare with it. There is no use in having an inferiority complex about it. If the bridge bothers you—and it bothers me—let the F.L.Q. take an exercise on it—and I would welcome it. It is one of the things which has to go at some time—let us get rid of it.

Hon. Mr. O'Leary (Carleton): The estimated cost of this when completed, to the National Capital Commission, is $25 million. There will be some assets in it, but not all will be active assets. This is the expenditure, and the N.C.C. has no money of its own.

Hon. Mr. Croll: Let me say to Senator O'Leary that I do not speak for the Province of Ontario or for the Dominion of Canada, but I think I speak as someone who knows the feeling of the people, when I say that $25 million is a very small sum to pay for the kind of thing that you can accomplish here. We spend about that amount on one icebreaker on the St. Lawrence. I think $18 million was the cost of the last one. We spend money on many other things, useful though they may be. That is not the basis on which this has to be approached at all.

We can afford whatever we think is necessary. What I am saying is, let the people decide here in Ottawa—they know better than we do—let them get busy and do something about it.

Speaking about providing money for various things, those who come from other parts of Canada are told you cannot get the money for doing these things. We are charged with not being forward looking enough in our plans. That is your responsibility, not ours. The rest of the country says, "Go ahead; do not hold back."

Hon. Mr. O'Leary (Carleton): It should not be thought that I am against the plan; I am not. I merely want to know what the plan is about.

Hon. F. W. Gershaw: Honourable senators, honourable Senator Lambert, who introduced this bill, has given a very clear description of it. For many years he has been interested in the Ottawa Federal District Commission,

now the National Capital Commission. I was also very interested in the thoughtful address given by Senator O'Leary, because I know he has an intimate knowledge of the subject.

My address will be extremely brief and I hope I will be given a little latitude in it. For many years different governments have been interested in building up in this location a capital which would be worthy of this great nation.

Ottawa has not always been the capital of Canada. Montreal was the capital at one time. By the Union Act which was passed away back in 1840, and declared in 1841, Canada got a fair measure of responsible government. It was then for the first time that the government, the executive committee, and the legislative assembly were given some real authority as regards the finances of the country.

Then the crucial test came. Lord Elgin, was the Governor General and a bill was passed, known as the Rebellion Losses Bill, to compensate the people of Lower Canada for their losses during the war and the rebellion. This was objected to very much. Lord Elgin himself was not in favour of it but he took the ground that as that money had been voted by the legislative assembly, it was his duty to sign the bill. Feelings ran so high at that time that his carriage was pelted with stones and rotten eggs, and his family was insulted. The mob broke into the Parliament Buildings and destroyed the lights and furniture and burned valuable material. The picture of Queen Victoria, which hangs outside the doors of this chamber was rescued at considerable risk.

As a result the capital moved periodically between Quebec, Montreal, Kingston and Toronto until 1858 when Queen Victoria chose Ottawa to be the permanent capital.

The name Ottawa is taken from an Indian word meaning "men of the forest." From time immemorial men of the forest have been coming down the Ottawa River, sometimes with painted faces and clad in the skins of animals, sometimes their boats filled with furs, sometimes with long poles in their arms. Logs were floated down the river then, as now. They traded their furs with other tribes or with the Hudson's Bay Company. That went on for many years.

In 1826, a village sprang up on this site, with the building of the Rideau Canal to Kingston, as a possible escape route at time of invasion. This village was named Bytown after Colonel By of the Royal Engineers, the officer in charge of the construction of the canal.

After Ottawa was named the capital, the Parliament Buildings and other government buildings were erected here. At first no taxes were imposed against them, but the City of Ottawa had to have revenue, so gradually more and more money was granted to it by the federal Government.

Since that time, as Senator Lambert has indicated, various architects and commissions have worked on a capital plan. Finally, the master plan was outlined by Jacques Greber in 1946. This really was the beginning of the greater Ottawa. It was a step forward in making this a beautiful city. Mr. Greber planned for uniformity of buildings, which he considered important, and for the provision of many parks and parkways. Ottawa itself has 22 miles of scenic highway, and the national capital area embraces about 900 acres of parkland, including the Gatineau Park with its many miles of auto routes, lookout points and parking facilities. It is truly a beautiful place.

Then there is the Queensway, that 10-mile stretch of super-highway with bridges, subways and cloverleafs, which is being built right across the nation's capital to relieve traffic conditions.

There is also the Green Belt, which we have heard so much about, that fringe of two to four miles in width which surrounds the city and which is designed to limit the population to about a half million people. The city is thus restricted to so many acres of land, so that utilities will not have to be extended indefinitely. Ottawa will be an economic unit and the size of the metropolitan area will be controlled so that the taxpayers of Canada will not be faced with grave financial problems to support the National Capital Commission's expenditures, which, after all, are paid for by the people of Canada generally.

The Greber Commission also dealt with the pollution of the river, and a good deal could be said about that. There is real danger there.

The final consideration is that of the railways. Ottawa is divided into about 17 districts, by railways and waterways. There are about 19 level crossings. Finally, after ten years of consideration and study, we have come to the point where the railways will be moved to the Walkley Road area. As has been explained, there will be good roads into the heart of the city, and there will be plenty of open space. Those who have made a study of the whole problem believe that the relocation of the railways will be in the interests of this capital city.

We have been discussing this problem for a long time, and the National Capital Commission—and before that the Federal District Commission—took much trouble in regard to it. They have had to deal with two provinces, Ontario and Quebec, as well as with the City of Ottawa, and municipalities where

opinions have been constantly changing. They have had to expropriate property and assess values; and, of course, they have had to spend considerable money.

Honourable senators, I would like to suggest that the National Capital Commission, rather than reporting to the cabinet, should report to the Parliament of Canada itself. Then its estimates would come up for discussion in Parliament in the same manner as other estimates, and Parliament and the public generally would know exactly what was being spent and what was not being spent.

As the previous speaker stated, the object of the master plan is not to create a Washington of the north, or to make a Rome of the new world, but rather to relate the design to the natural surroundings and to preserve unimpaired the charm and beauty of the Ottawa valley. We have a sacred obligation to defend our war memorials, to build monuments to the outstanding political leaders of the time, and to preserve the memory of great events and heroes of the past.

Our national capital of Ottawa is located on a beautiful site, with the rugged grandeur of the Laurentians, the confluence of three historic streams, and the memories of the great logging and lumbering days of yore.

Joseph Howe once said:

> A wise nation preserves its records, gathers up its muniments, repairs its great public structures, decorates the graves of its illustrious dead, and fosters patriotism and pride of country by perpetual references to the sacrifices and glories of the past.

Hon. T. A. Crerar: Honourable senators, I agree with the compliment paid to Senator Lambert for the manner in which he introduced this bill. He gave a lucid explanation, and I think we have the picture clearly in our minds and will be in a position, when the bill goes to committee, to inquire further into its merits, and particularly into the cost of the project.

I agree with the criticism of Senator O'Leary (Carleton) in two respects. First, with regard to the cost. We know nothing about what this venture is ultimately going to cost. We do know that whatever it does cost will, in the end, come from the taxpayers' pocket, by way of the National Capital Commission. My second point is this: To what extent is it desirable at the present time to move the railway station two miles at least from the centre of Ottawa? Its present location is most convenient for visitors to Ottawa.

Let me give an illustration. Supposing an individual comes to Ottawa on business from a place far distant in Canada. He gets off at the new station two miles away, and comes to his hotel, probably the Lord Elgin or the Chateau Laurier. Perhaps during his stay in Ottawa he will do business at the Bureau of Statistics at Tunney's Pasture, several miles from the centre of the city. Should he then wish to go to the Department of Public Works, he will have to travel another several miles.

I am not at all certain that we have not made a grave mistake in locating our public buildings over a radius of probably three or four miles from the centre of Ottawa.

Hon. Mr. Reid: Hear, hear.

Hon. Mr. Crerar: It is all right for freight and express terminals to be moved out; but people coming to Ottawa will find it most inconvenient to have a railway station located two or three miles from the centre of the city. The location of the Supreme Court of Canada and of many other buildings is in the centre, and that is where the main business will be done so far as visitors to Ottawa are concerned. I think there is much weight, therefore, to the point raised by Senator O'Leary in that respect.

Of course, I dislike to differ with my old friend Senator Croll—I regret he is not in the chamber at the moment. However, I cannot share the exuberance and the airy fashion with which he dismissed the question of the cost of all these changes. I think we have become extravagant in the matter of public buildings. In looking at the summary of the main estimates for 1964-65 I find that under the heading of "Construction or Acquisition" of buildings and works, including land, the total amount for that purpose this year, outside of defence and defence production, is over $224 million.

Hon. Mr. Reid: That is just the beginning.

Hon. Mr. Crerar: Even in these degenerate days, $224 million is a substantial sum of money.

Senator O'Leary stated that the cost to the National Capital Commission to carry out this change in location of the Union Station will be $25 million. Senator Croll dismisses that with a wave of the hand, as though $25 million were not an important consideration. I do not think that way. When we are considering expenditures in terms of hundreds of millions of dollars for buildings, let us give a thought once in a while to the people who are paying taxes to provide this money. Or are we continuously to plunge more deeply into debt? Our debt is growing in an alarming fashion. It will cost over $1 billion this year to service it.

It is interesting to note that we are doing this by borrowing money; a great deal of this

expenditure will be through borrowed money. No wonder the Bank of Canada over the past year increased the money supply nearly $1½ billion. No wonder the cost of living is on the increase. The increase has been 35 per cent since 1949, and we can safely count, I believe, on the cost of living advancing from 1½ per cent to 2 per cent a year. If you calculate what that does in ten years, you will see the effect it has on the pocketbooks of people, on the standard of living of people, and on the labour unrest it will create in this country.

Maybe I am old-fashioned, maybe I am out of date, but I cannot see anything but trouble ahead if we continue with the present rate of spending. Sooner or later it must come to an end; it cannot last forever. Therefore, I agree that when this bill goes to committee, officials of the National Capital Commission or someone in authority should be prepared to give us the complete information as to the cost.

One of the great difficulties today in public administration is that there is rarely an adequate estimate made of costs before projects are undertaken. What private business in this country, from Halifax to Vancouver, could live and prosper under a policy of that kind? We have recently had brought before us, and we will be considering them in a few days' time, supplementary estimates containing items that should have been in the main estimates, if the people who prepared the main estimates had known what they were doing.

Hon. Mr. McCutcheon: Hear, hear.

Hon. Mr. Crerar: If they had had any knowledge at all of what they were doing they would have put these supplementaries in the main estimates. I, for one, am getting a little bit tired of having our expenditures underestimated at the beginning in order to make an attractive showing, and then having to bolster them up with supplementaries. It is bad practice, and I have protested against it for years. As a matter of fact, I protested against it when I was a member of Mr. King's administration. I do not believe in it.

What does appal me is this airy attitude we have towards public spending, There is scarcely a city in Canada today, certainly not a province in Canada, that is not putting forward, through some board of trade or someone else, plans for a centennial celebration in the form of buildings or something else. There is not a jolly one of them that is not counting on getting a large share of the money from Ottawa to do it. I think it is about time to call a halt to that sort of thing. We do not honour the Fathers of Confederation, we do not honour our country, if we think we add to its glory by spending freely all over the place. That is not the thing that makes a nation; that is not the purpose for which the Fathers of Confederation put this country together—not for a moment. We ought to give some thought to the fact that the real virtue of a nation is found in the character of its laws and the spirit of its people, in the ambition they have to make good in their own lives and to see justice, honesty and faithful administration in public affairs carried from one end of Canada to the other. That is the kind of celebration I would like to see emphasized for our centenary in 1967.

Hon. Norman P. Lambert: Honourable senators—

The Hon. the Speaker: I must inform honourable senators that if the honourable Senator Lambert speaks now it will have the effect of closing the debate.

Hon. Mr. Lambert: Honourable senators, I have only a few words to say at this time in closing the debate. First of all, I would express warm appreciation of the suggestions that have been made by those who have taken part in the debate. I think that possibly the references from my friend and colleague Senator Crerar can be pretty adequately dealt with and explained in committee. I refrained from introducing the element of costs, or estimated costs, in connection with this particular work of establishing the railway terminals because of the indefiniteness of the equation that exists between the railways concerned and the National Capital Commission for the Government of Canada through the removal of crosstown tracks, and the appearance and revival of a great many areas that are adjacent to these tracks.

The list of what the Government will give and what the federal authorities will receive is a very extensive one. Just looking at the columns side by side, the equation between them is fairly evenly balanced. While it is not expressed in definite figures as yet, the areas that will be turned over to the federal authority as a result of the removal of so many of the crosstown tracks, bridges, and so on, will make a considerable difference from the national point of view, and the views of honourable senators regarding the cost of this enterprise.

So far as the existing station is concerned I believe it is popularly regarded as being at the centre of this city. I am informed by engineers connected with the National Capital Commission that the centre of the city is not where the present station is located, which is really now on the perimeter defined by the Ottawa River. The real centre approximates the site identified with the Hurdman's Bridge area, where the new terminal will be located.

My honourable friend Senator Crerar has referred to new public buildings that have been erected out in the Riverside Drive vicinity. The distance between the new terminal and the new Public Works headquarters and the other buildings located in that area will be very much less than that between the present station, the Chateau Laurier and those buildings. Changes have been made in the highways and the roadways that will connect the terminal with those parts of the city that will facilitate very readily any sort of business contacts that have to be made with those departments by people from out of town.

I mention this point just by way of illustration. All those details, I submit, will be quite satisfactorily dealt with in committee by the officials who have spent so much time in estimating costs and in planning the new outlines of the developments which are envisaged by this bill.

Taking the whole picture of the federal district into consideration, I think it involves many more things than just the establishment of these terminals. As has been said already, it represents, really, the strategical, central feature of the whole Federal District plan, and without it the rest of the work that is involved would be of very little purpose at all.

I would suggest that in connection with this particular bill, other features are bound to present themselves to us from time to time in connection with the plans that have been undertaken and have been approved. On the completion of the rearrangement of these transportation facilities, the practical working out of the plan of Jacques Greber and his associates will be revealed. We should see this whole picture in the light of a national endeavour and not purely a local one from the viewpoint of the city of Ottawa. Actually as the changes have taken place from year to year—and they would be surprising to anyone who took the trouble to drive about and see what actually has been accomplished in the last 15 years—they represent the fulfillment of a picture which was premeditated at these conferences and joint commissions for a long time. Just as in undertaking the building of a house, at the beginnings it may appear forbidding, but as it takes shape it becomes something of which to be proud.

Hon. Mr. Farris: Generally it becomes bigger too.

Hon. Mr. Lambert: Generally, it does. And the costs also mount up.

Nevertheless, I would like to emphasize particularly the whole national picture involved in this effort to make a great capital centre out of Ottawa. The matters we are discussing today, as I have said, form the vital mainspring of the whole plan. Possibly the conceptions of those who thought about this long before these bills came to us in connection with this area will some day be the subject of complete federal control. There are many people now, many more than 15 or 20 years ago, who believe that the whole capital area should be as it is in Washington, under a federal district commission.

An Hon. Senator: Hear, hear.

Hon. Mr. Lambert: In connection with that, I would like to repeat the words of the late Mackenzie King when he presented to Parliament in April 1944 the proposals that led to the revamping of a new Federal District Act. In part, he said:

> —some day the capital of Canada might become a federal district to be administered by a commission, in a manner similar to the capital at Washington. That district would extend far enough to include a very large area on the other side of the river as well as the Ottawa area. I would like to see the day when the Ottawa River, instead of flowing along the north border of the capital, will be flowing through the heart of the city, the greater Ottawa that is to be, and that we shall have a capital city which will extend as far into the province on the other side of the Ottawa River as it may extend in the province on this side.

Now that was the picture with which he presented the resolution I have referred to in April 1944, and which led to the re-engaging of Mr. Jacques Greber to complete the work that he had started before the war broke out. I do not think that great aspiration should be underestimated in connection with the future of this national centre.

Reference has been made to the amount of money that has been spent by the taxpayers of Canada on this great work. I do not think it is at all an exaggeration to say that since the beginning of this century considerably over $150 million has been spent in efforts to provide, improve and beautify this capital city of Canada. True, this is all a contribution from the taxpayers of Canada, and the question remains still—is it to be regarded as a worthwhile expenditure? Is it to be regarded as a necessary step towards achieving the national status which has so often been referred to in connection with the adoption of a new flag? It seems there is a great deal of substance to this great aspiration. By the promotion of the enterprise that this bill represents, a large measure of reality is given to the objective which the late Prime Minister

had in mind when the federal commission itself was made to represent every province in Canada.

Before 1946 this was a local Ottawa commission. At that time it was provided in the new act that representatives from every province would be appointed as members to that commission, and all the headway that had been made under the Greber plan since that time has been as a result of the decisions and deliberations of that board which represents all the people of Canada.

Hon. Mr. Crerar: I do not rise to comment on what Senator Lambert said, because to do so would be wholly improper, but I make the suggestion that it might be useful if the commission could have available for the committee the total expenditures by the commission in Ottawa and the surrounding area over the last 20 years, say, since 1945.

Hon. Mr. Lambert: From the beginning—that amount can be generally estimated now; it is on record, and I should say that the details to which Senator Crerar has referred will be available in committee.

Hon. Mr. Paterson: May I ask Senator Lambert what was the purpose in scattering these buildings from one end of Ottawa to the other? What was the definite purpose?

Hon. Mr. Lambert: I would rather have that purpose defined by the officials of the commission who had charge of the work.

Hon. Mr. Paterson: Was it not because of war danger?

Hon. Mr. Lambert: That was partly the reason—decentralization. It was suggested among other things that the National Defence headquarters in Cartier Square, which is still in those improvised temporary buildings, should be moved elsewhere. But nothing has been done about it. That is another development which will possibly take place in the near future. Anyway, the placing of these buildings on Riverside Drive, which is the main centre for them and for so many other departments, was part of a design for rearrangement of all these waterways and highways in connection with the suggestions made in 1946, and later in 1956. I think that full information in connection with these matters can be given when the committee meets.

Furthermore I should like to suggest that members of the committee should make a tour by bus or motorcar, which could easily be arranged, over these areas affected by this particular bill. It is not a long journey, but it would be a most illuminating one, and I think it would do very much to convince those who are sufficiently interested to go, that these are not impractical things, that they are really quite practical, and that their fruition will be a credit to the whole idea of a capital centre for Ottawa.

I remember in 1946, when the joint committee of both houses considered the resolution which the Prime Minister had presented at that time for the amendment of the Federal District Act, that Mr. Bronson, who was the chairman of the Federal District Commission, arranged to have the joint committee travel in two large motorbuses into the Gatineau area where that park now is presented to the public so effectively. I think that that object lesson, and the day spent on that excursion had more influence in accomplishing the later adoption of recommendations and policies than anything else. I suggest very strongly that we should take half a day, or a day, to be driven around to see the sites where improvements are taking place.

Hon. Mr. Reid: May I ask a question? Is it true that not very long ago a suggestion was made by the Commission that the Parliament Buildings be moved so as to keep in line with the new developments?

Hon. Mr. Lambert: I distinctly remember that Senator Reid was a member of the joint committee in 1944. I do not think there was very much discussion about moving the Parliament Buildings or the departmental buildings to other areas, but I think that suggestion arose as a result of the renewed participation of Mr. Jacques Greber, who came to Canada after that meeting to carry out his role as adviser to the Federal District Commission. Many adjustments in earlier plans have been made over the 20 years since that time.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Lambert, bill referred to the Standing Committee on Transport and Communications.

CORPORATIONS AND LABOUR UNIONS RETURNS ACT

BILL TO AMEND—SECOND READING

Hon. Daniel A. Lang moved the second reading of Bill S-35, to amend the Corporations and Labour Unions Returns Act.

He said: Honourable senators, I have the somewhat unenviable task this afternoon of endeavouring to direct your attention from the very engrossing subject that has been under debate to a somewhat technical and dull subject but, nonetheless, one of considerable importance.

Bill S-35 is to amend the Corporations and Labour Unions Returns Act, and I think I

can classify it as a piece of relieving legislation. It does not have the effect of providing relief from taxation, but in this day and age I think any amelioration of the burden placed upon citizens in the area of seemingly needless filing of returns is indeed relief in a very real sense. This bill is primarily designed for that purpose, and it will be welcomed by those persons responsible for the day-to-day operations of businesses across the country.

Honourable senators will recall that this act came into operation on January 1, 1963; it is, therefore, a relatively new piece of legislation. Under its provisions, corporations and labour unions are required to report annually to the Dominion Statistician with regard to certain subject matters.

It will facilitate an understanding of the bill if I point out that under the act the information required to be provided is divided into two distinct areas. On the one hand, there is information concerning the capital structure of a corporation or the organization of a union, and particulars of its directors or, in the case of a union, the officers; and, on the other hand, there is information of a financial nature. Basically, the information of a financial nature provided is the equivalent of that now required to be provided by corporations under the Income Tax Act.

The area of financial information is again divided into two segments, one being the information equivalent to that provided under the Income Tax Act, and the other being information dealing with particulars of shareholders of a corporation, the extent of their holdings, and their nationality or place of residence.

Under the act, certain corporations that come under specific types of legislation—the Radio Act is an example—and many small corporations whose gross sales in any year do not exceed $500,000, are exempted entirely from compliance. To date, with one year of reporting passed, approximately 29,000 corporations and approximately 200 unions have reported to the Dominion Statistician.

The purpose of this legislation was to provide the Government with statistical information on the operation of the economy generally, and the extent of foreign control in, and its effect on, our economy. Indeed, when the legislation was introduced it was described as being experimental, and it was always the intention to review its actual operations with a view to ascertaining what duplication of returns it produced, to eliminate that duplication wherever possible and to reduce where at all possible the burden placed on various corporations in connection with their association with the Government.

Honourable senators, this amending bill affects only corporations, and not trades unions. As I have said, the information required falls into two distinct categories. The first category pertains to the capital structure of the company, details of its directors and share ownership, and the requirement as to that information remains unchanged with one exception, namely, that the information as to shareholders can be provided as of any one date within three months preceding the corporation's fiscal year end, rather than, as heretofore, as of the date of the close of that corporation's fiscal year. This amendment meets the convenience and practice of corporations in keeping their shareholding records, and it enables them to comply with the act without having to prepare, as has been the case up to now, lists of shareholders as at the end of the fiscal year for the purposes of this act, and lists of shareholders for the corporation's own internal purposes a few months prior to that date.

On the other hand, as I have said, the act requires the filing of financial information equivalent to that required by the Income Tax Act and, in addition, information with regard to payments made to nonresidents, which information would not be supplied under the Income Tax Act. This information is not available to the public under the act as it now stands. It is classified information.

As honourable senators can see, there is an area of duplication here with regard to that first segment of the second classification of information, that is, the information with regard to the financial condition of the company, its income and expenses. This duplication can be removed by legislation and indeed it is the main intent of this bill to do so.

It provides, first, that the same form of certification will be acceptable under this act for financial returns as is required under the Income Tax Act. Secondly, that any corporation having filed its financial statements in compliance with the Income Tax Act, will have complied with the requirements with regard to the filing of financial statements under the act in question. Thirdly, that the other financial information required under the act, as to directors and share ownership, would now be submitted annually, through the Department of National Revenue, and submitted by the taxpayer to that department in conjunction with his corporate income tax returns.

Honourable senators will understand that at this point the information required by our act is not in the hands of the Dominion Statistician, except the information that is transmitted to him by the Department of National Revenue and dealing with those areas not concerned under the Income Tax

Act. Accordingly, the bill makes available to the Dominion Statistician the returns filed by the corporation under the Income Tax Act.

I underline, honourable senators, that this information is made available now, under the amending bill, to the Dominion Statistician only, and not to other governmental officials and "authorized persons" as had heretofore been the case under the original act. The bill, accordingly, removes access to corporate financial statements from the other government departments and authorized persons, as it has been found that this privilege accorded under the original bill has been virtually unused to date.

Honourable senators will also appreciate that because of this change the Dominion Statistician will have available to him, in addition to the financial information with regard to approximately 30,000 large and medium-size corporations, access to all the financial information required respecting all other corporations. This latter provision will allow the Dominion Statistician to take over from National Revenue the responsibility heretofore discharged by the Minister of National Revenue for the publication of the corporation portion of the annual statistical report.

It has been felt for some time that the facilities of the Dominion Bureau of Statistics could be utilized much more effectively than the facilities of the Department of National Revenue for the purpose of producing this report, and also that certain duplication in the tabulation of corporation returns can thus be avoided.

In conclusion, honourable senators, I would like to say that this amending legislation has been developed over a period of time by the Department of National Revenue and the Dominion Bureau of Statistics in consultation with other governmental departments.

The present burden of duplicate reporting under the Corporation and Labour Unions Returns Act and under the Income Tax Act has given rise to many complaints from businesses generally, and suggestions from them that the returns required under those two acts should be in some way consolidated. That of course is the main purpose behind this bill.

This proposed legislation should eliminate one of the burdens placed by Government machinery on small businesses and facilitate the processing of corporation financial statistics under the aegis of the Dominion Bureau of Statistics.

Honourable senators, if this bill receives second reading, I shall move that it be referred to the Standing Committee on Banking and Commerce.

Hon. Gunnar S. Thorvaldson: Honourable senators, my remarks on this bill will be very brief. I think that this side of the house will concur in most of what my honourable friend has said in regard to it, with perhaps one exception to which I will refer in a moment.

The original legislation which this bill amends was enacted, of course, by the previous Government; the bill was debated in this house in the month of April 1962, and in that same month it was passed and received royal assent.

As is well known, the original bill was intended to deal with a problem which has been with us for a long time relating to foreign investment in Canada, for the purpose of giving us more information in regard to its extent and the control that was exercised by foreign corporations and foreign capital on Canadian resources.

It also dealt at the same time with the question of labour unions and the relationships between Canadian unions and their American counterparts.

In so far as this bill presumes to reduce paper work and duplication of effort by companies in reporting the details of this operation, we are of course entirely in agreement with it.

I think most of us agree that corporations generally are required to spend far too much money and time, and waste of employees' time, in making returns to governments at all levels. Consequently, any simplification that can be made in that regard is all to the good.

The only question that some of us have in regard to this bill is as to clause 3, which repeals section 14(5). To my mind, section 14(5) was a very important part of the original act. Some of us indeed believe that it is the very heart of the act.

I observe that my honourable friend said in that regard that the privilege conferred, namely the privilege of communication, which was conferred by that section, had been virtually unused to date. Now, that may be so, and no doubt that problem will be considered fully in committee.

Apart from that, I have nothing to say in regard to this bill, because generally, in so far as it performs the purposes which we have been talking about, I am sure that most, if not all of us, are in favour of this amendment.

Hon. Mr. Roebuck: There is just one thing I had in mind. It has long been the custom, the principle, that income tax returns are secret. How far does this bill go in publicly revealing returns made to the Income Tax department?

Hon. Mr. Lang: In effect, honourable senators, there would be no greater or wider dissemination of information of this nature under this bill than under the original act. Under the original act information equivalent to that provided under the Income Tax Act was required to be filed by corporations. This in fact delimits the dissemination of this information, by precluding its transmission by the Dominion Statistician to any other government department, or official, or agent, as was heretofore his right under the original act. So in effect, secrecy is more closely guarded now than it was under the act as originally enacted.

Hon. M. Wallace McCutcheon: Honourable senators, I shall delay you for but a few minutes. Unfortunately, I saw this bill only a short time ago, but that is my own responsibility.

I listened with close interest to my friend Senator Lang, who, with his usual ability, made a good presentation of a poor case. He says we are going to eliminate duplication. Well, I do not know any business that cannot afford to make one extra copy of its financial statements and send them by mail to the Dominion Statistician, instead of forcing the statistician or his officer to go down to the Department of National Revenue and look for them. That is one of the changes that is proposed.

My friend said—and of course this is very popular—that we are going to take a burden off small business. The schedule to the act, which is chapter 26 of the Statute of 1962, has 17 relieving sections for corporations not called upon to comply with this act. Paragraph 16 of the schedule exempts any corporation for any reporting period in respect of which it can be established that the gross revenue of the corporation for that reporting period did not exceed $500,000, and that its assets did not exceed $250,000.

When we discuss a business enterprise, in this house or elsewhere, we do not think of a company, doing business to the extent of $500,000, as a small business. So I do not regard that as an argument in favour of the bill.

Honourable senators, I want to underline what my friend Senator Thorvaldson said. We have heard many speeches, both on the political and the nonpolitical platform, and some of us have read speeches delivered in another place, about the difficulty we are falling into in Canada through foreign control of business, through direct investment of capital in this country. Every honourable senator knows that I do not agree with such speeches. Subsection 5 of section 14 of the act was designed, among other things, to enable the Government to make a determination as to what was the real effect of such investment. In other words, it was to enable the Government to get the facts rather than to deal in these airy generalizations to which we have been subject for a long time.

Subsection 5 reads:

> Any official or authorized person may, for any purpose relating to the determination of policy in connection with the formulation of any law of Canada or the ascertainment of any matter necessarily incidental thereto, (a) communicate or allow to be communicated to any other such person any privileged information obtained under this Act, and (b) allow any other such person to inspect or have access to any statement or other writing containing any privileged information obtained under this Act.

That subsection is to be repealed. So that from here on, we are going to keep on dealing in averages—and there is nothing more misleading than averages. We are not going to get the facts. Then, of course, if they are going to repeal subsection 5, they should also repeal subsection 6. But that is a matter that we shall come to when the bill goes to committee.

Honourable senators, all I am saying is that the heart is being taken out of this act, that the very purposes for which it was devised are now being destroyed, and that if you really want to relieve business of the problem of making these returns, let us repeal the act.

The Acting Speaker (Hon. Mr. Gershaw): It has been moved by the honourable Senator Lang, seconded by the honourable Senator Reid, that this bill be now read the second time. Is it your pleasure, honourable senators, to adopt the motion?

Hon. Mr. McCutcheon: On division.

Motion agreed to and bill read second time, on division.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Lang, bill referred to the Standing Committee on Banking and Commerce.

The Senate adjourned until Tuesday, June 16, at 3 p.m.

THE SENATE

Tuesday, June 16, 1964

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

Prayers.

FARM CREDIT ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-100, to amend the Farm Credit Act.

Bill read first time.

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

Motion agreed to.

DOCUMENTS TABLED

Hon. Mr. Vaillancourt tabled:

Copy of Trade Agreement between Canada and the Hungarian People's Republic, signed at Ottawa, June 11, 1964, together with correspondence exchanged. (English and French texts).

Report of the Department of Trade and Commerce for the year ended December 31, 1963, pursuant to section 7 of the Department of Trade and Commerce Act, chapter 78, R.S.C., 1952. (English and French texts).

Report on the Industrial Relations and Disputes Investigation Act for the fiscal year ended March 31, 1964, pursuant to section 68 of the said act, chapter 152, R.S.C., 1952. (English text).

Report on the Vocational Rehabilitation of Disabled Persons Act for the fiscal year ended March 31, 1964, pursuant to section 12 of the said act, chapter 26, Statutes of Canada, 1960-61. (English text).

Statement of moneys received and disbursed in the Special Account (Replacement of Materiel), for the fiscal year ended March 31, 1964, pursuant to section 11(4) of the National Defence Act, chapter 184, R.S.C., 1952. (English text).

Statutory Orders and Regulations published in the *Canada Gazette*, Part II, of Wednesday, June 10, 1964, pursuant to section 7 of the Regulations Act, chapter 235, R.S.C., 1952. (English and French texts).

TOURIST TRAFFIC

AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Gordon B. Isnor, Chairman of the Standing Committee on Tourist Traffic, presented the following report of the committee:

> Your committee recommends that authority be granted for the printing of 800 copies in English and 300 copies in French of their proceedings.

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

Hon. Cyrille Vaillancourt: Honourable senators, if I may be permitted I would like to say a few words with respect to the tourist industry.

(*Translation*):

A few weeks ago several speeches were devoted to the organization of this Committee on Tourist Traffic, especially in anticipation of 1967. Each speaker praised in the most suitable manner the beauties of his own province. Some did so with living realism; others with exceptional eloquence and lyricism, as did, for instance, Senator Jodoin, from Montreal.

There is, however, an idea I should like to set forth as the basis of all that. It is that tourist travel, besides enabling one to see the beauties of each part of the country, allows people from the east to come in contact with those from the west, and people from central Canada to meet those from other parts of the country. There is nothing like it; the best way to understand one another is to engage in conversation.

I believe that in thus developing the tourist industry throughout Canada we will find one of the best ways to attain that unity, that understanding and that co-operation that all Canadians, in the Atlantic provinces, in the south, in the western provinces as well as in Quebec, are striving for; to understand one another, it is necessary to dialogue.

Moreover, when such talk is conducted in a place one loves and where it is good to live, where one tries to show to advantage the surrounding beauties, it seems to me it is easier to understand one another and to love one another more.

That is why the Committee on Tourist Traffic should be used to the utmost to spread everywhere in our country that spirit of unity and understanding.

(*Text*):

Hon. Mr. Isnor: I thank the honourable Deputy Leader of the Government in the Senate (Hon. Mr. Vaillancourt) for his words. I am sure the members of the committee will

be most grateful for the thought he has expressed.

Report adopted.

BANKING LEGISLATION

CORRECTION OF NEWSPAPER REPORT

Hon. Walter M. Aseltine: Honourable senators, before the Orders of the Day are called, I would like to refer to an article which appeared in the Toronto *Globe and Mail* on Monday, June 15, entitled "The Senate and the Banks," written by Mr. Bernard Dufresne. It says that the bill to establish the Bank of British Columbia has received second reading in the Senate and has been referred to the Committee on Banking and Commerce for further detailed study. Then it goes on to say this:

> The hearings held so far have dealt with detailed study of the bills to grant charters to the Bank of Western Canada, with headquarters in Winnipeg, and the Laurentide Bank of Canada, with headquarters in Vancouver.
>
> The Senate has approved granting the charters and the bills now are due to come before the Commons for its approval.

That is obviously an error on the part of the author of this article, because the bills referred to as having been passed by the Senate are still before the Standing Committee on Banking and Commerce.

I thought I should draw to the attention of the Senate and the public the fact that the statement made in his article is in error.

NATIONAL HOUSING ACT, 1954

SECOND READING

The Senate resumed from Thursday, June 11, the adjourned debate on the motion of Hon. Mr. Connolly (Ottawa West) for the second reading of Bill C-102, to amend the National Housing Act, 1954.

Hon. David A. Croll: Honourable senators, I rise to speak on this measure for several reasons: in order that honourable senators may follow with interest and appreciation the evolution of Canada's housing legislation; in order to emphasize the value of a healthy, progressive construction industry to the national economy; and in order to understand the urgent need of lower income families for decent living accommodation, and our desire to assist them. Moreover, I intend to indicate that this bill will give new life to cities in meeting the problems of today. Problems of urban renewal and subsidized public housing are the two on which we break new ground.

This is a major piece of social legislation, both in concept and in philosophy, which makes the very best use of social capital. This bill will open a new kind of life in many of our cities. In the past, we have associated urban renewal with tearing down and demolishing. This bill will mean building something new.

We have been building houses in Canada at the rate of 135,000 dwellings a year. The aim in our time is 200,000 a year, and that may take a decade. Under this bill there is a shift of emphasis. We have house building on the road. This measure contains a blueprint for tomorrow, with the emphasis on public housing and urban renewal.

Expressions such as "imaginative", "humanitarian", and "far reaching in scope and potential", rightly belong to the amendments to the National Housing Act now before us. Rarely does such important and vital legislation enjoy the wholehearted support of all political groups as do significant measures such as this, and it is fitting that it should be so.

These amendments are a testimonial to two men in particular, namely, the late Jack Garland, who has left an imprint of his humanity, intellect and understanding, on measures which will go far towards raising the living standards of thousands of Canadians; and Stewart Bates, whose devotion and dedication to public service, and more particularly to housing, has left an indelible impression. The present minister, the Honourable J. R. Nicholson, has carried on the forward-looking policies of his predecessor, and he himself has contributed a great deal. He was a very good student of housing in the C. D. Howe school of realism.

It is my hope that the vacancy in C.M.H.C. will not long remain open. The quality of leadership, which is so essential, and the drive that is so much required is, in my view, available in the department, which has always been strong administratively. The emphasis in that department has always been on teamwork. What the Government is looking for in the way of leadership is right under its nose.

In this bill the Government is breaking new ground in an all-out assault on a problem that has for far too long been a blight on this nation: the existence of slums, of deteriorating inner cores of urban centres, of a desperate lack of low-cost housing for the hundreds of thousands of our fellow Canadians whose living standard in this age of affluence is disgracefully inadequate. This legislation faces up to the grim fact that, nationally speaking, public housing in this country has failed, and failed dismally. We can take little comfort from the knowledge that Canada has the second-highest standard of housing in the world, second only to the United States, when we have to live with the knowledge that across the nation thousands upon thousands of Canadians live in

over-crowded, decaying hovels, many of them lacking basic essentials of proper sanitation. We can take no comfort at all from the equally disturbing knowledge that our senior citizens must live out their remaining years bereft of the dignity and security which is their right in a well-ordered society.

The Government has presented us with a blueprint for action, and a magnificent document it is. I am proud to be a member of a party which faces up so responsibly and sensitively to the crying need for housing reform in all its major aspects. In these days, when other and often lesser issues seems to be taking up a disproportionate amount of time and newspaper space, and with a considerable amount of emotional overtones, it is encouraging to see the Government move boldly and decisively to meet the pressing challenge of modern-day living.

Unless we act with boldness and understanding, the problem of public housing is going to continue to plague us for many years to come. If we continue to tolerate substandard housing for many of our citizens, if we continue to sit on our hands and take tentative and timid nibbles at the staggering and complex problem that it is, then we stand convicted of the charge of sheer irresponsibility, of indifference to the plight of the unfortunates who lack the means to break out of their physical environment. They cannot afford present-day housing costs; they have no savings. The only saving some make is on the estate tax, for they inherit only poverty.

Public housing in this country has failed because the various levels of Government have not co-operated to make it a success. We talk with great enthusiasm of record home building, of vast new subdivisions springing up; and it is right that we take pride in this accomplishment, much of which has been made possible by this act and by the Central Mortgage and Housing Corporation. Moreover, we are inclined to dwell on the economic impact of this construction boom in new housing units.

Today I bragged about the fact that we are building houses at the rate of 135,000 units each year, and we will continue to increase that and hope that before the decade is over we will be building 200,000 annually. But what of low rental housing? What of urban renewal? What about the needs of our senior citizens at one end of the scale, and those of our young people embarking on higher education and with no decent place to live, at the other end of the scale? In Toronto, for example, the metro council some years ago announced with considerable fanfare that it proposed to build a thousand low-rental units per year. That was in 1957. It is now 1964, and by the last count the council has erected a grand total of fewer than 600 units. What we need to do is shock the public conscience into realization that here in this young and wealthy land of ours we have been neglecting our greatest asset, our human beings.

The legislation before us today is excellent on all counts; but it is not worth the paper it is printed on unless it is implemented into reality. A blueprint is just a blueprint until it is made to live. That is the situation we are faced with today. If governments at the provincial and municipal levels fail to take advantage of the new act and display as little energy and persistence as they have in the past, then nothing is going to be accomplished. Good wishes and good intentions will not eliminate bad housing and save our communities from decay. They will not alleviate the plight of people whose only sin is their inability to make enough money to enable them to escape from the hovels in which they exist. If lack of funds is the excuse of the provinces and municipalities, then the federal Government in three entirely new sections has wiped out this excuse.

Section 35c is the first of the pacemakers. Along with its companion 35d it now makes it most difficult for the provincial or municipal authority to cry "poverty".

Section 35c permits C.M.H.C. to make loans up to 90 per cent of the acquiring and servicing of land for public housing projects, and the companion section authorizes loans to provinces, municipalities and public housing agencies for the construction, acquiring and operation of public housing projects.

The third new section, 35e, authorizes the corporation to make contributions towards the operating losses of subsidized public housing projects up to a maximum of 50 per cent. At the same time it widens the scope of assistance presently given to the construction of university housing projects by including co-operative associations and specified charitable organizations. In the same field, the clause increases from $100 million to $150 million the total amount of loans that may be made to assist in the construction of university housing projects.

The changes in the sections dealing with university housing projects come at a most opportune time, for new colleges and universities are going up, or are in their planning stages; the availability of federal aid will certainly have a beneficial effect. Laurentian University in Sudbury, Assumption College in Windsor, York University in Toronto, Trent University in Peterborough, Waterloo University in Waterloo, and Dalhousie University in Halifax—and there must be many others all over the country—have a great need for housing facilities. Now they

are available to them. The proposed new section to the act constitutes a tremendous stride forward in the field of housing reform.

The federal Government, in fact, is saying to all other levels of government, and to the people of Canada, "We are making it financially feasible for you to move full speed ahead with public housing and urban renewal projects; now it is up to you."

This bill carries a particular challenge to the Canadian people. It is a cruel illusion to pass laws which are a mere promise without taking the measures necessary to the fulfilment of that promise.

As long as I can remember, the labour movement of this country has been talking about the need to do away with our slums, the requirements and essentiality of subsidized public housing, the need for homes for the workers. Well, here it is. Here are the things they have been asking for. And I just point out that in addition to continuing their activities on housing and doing something about it, they might very well take a look at the antiquated building codes in this country, outmoded, hampering, hindering and hamstringing municipalities. I think it is time we modernized the building codes. Building methods and building materials have changed. Technological advances cannot be ignored. The time has come for labour unions to recognize them. That is one valuable contribution they can make to all aspects of housing.

There are other elements in the community which can give leadership—boards of trade and chambers of commerce which are interested in anchoring the business section, in preserving values, improving the business sections of cities and keeping business there. And why not?

Traffic problems are growing with great urgency. There is traffic chaos in most of our cities and there is decay and rot and blight which persists.

In the City of Toronto we are building a magnificent new City Hall, a thing of beauty and charm. But if you stood at the top and dropped a stone you would hit some terrible slums which exist extremely close to this magnificent building, in the heart of downtown Toronto.

Let me give an example of what our cities are facing. Eaton's and Simpsons have built a shopping centre at Highway 401 and Dufferin Street in Toronto—Yorkdale Shopping Centre. It is fully enclosed, air-conditioned and well appointed. They chose their tenants rather carefully. It is modern in every way. It stays open for most evenings, and it has acres and acres of parking space. I know a national chain that has stores all over this country, and they have been located in downtown Toronto for some 25 years. They are a very successful organization. They have rented a shop in the new shopping centre, which opened about six months ago, and last month they did more business in that outlet than they did in their main store in downtown Toronto. It was the same class of goods, and the same size of store, but there was parking space at the shopping centre, and it was open in the evening. Other stores were attracting people there. Going downtown to shop in one of the large cities is a chore at any time, and not lightly to be undertaken.

The business people who are concerned about this must realize that time is running out on them. Here is an opportunity to interest municipalities and provinces in urban renewal, because under this act they can do much. They can receive up to 50 per cent of the cost for off-street parking, underground parking, and traffic improvements, among other things. Unless they do something about it, they will find after a while that what has happened at this shopping centre, as I indicated to you, will happen at other centres, and the value of the downtown area will deteriorate.

This bill has something for a group of people who have always been in the forefront. I am thinking of the churches which have always talked against slums, and for the subsidization of public housing and homes for people. For a long time they carried the ball themselves, as they are the social conscience of the people. Here is an opportunity for them to reactivate themselves. I throw out the suggestion to them—and I am sure all members of the house share in it—that in the field of aging they can do something that they have wanted to do for a long time, namely, provide homes for the people who need them.

The amount of money involved here is not great. What the federal Government wants above everything else is the participation and interest of other groups. This is something that should attract the service clubs which need an outlet for their energies. The volunteer agencies are given an opportunity to carry on their work. All these organizations can concern themselves on behalf of both the aging people and the universities.

The builders in this country, who have been the financial beneficiaries of housing legislation and social capital, should now stop faulting the Government. The industry is healthy and efficient, and it is time it did some research to enable it to build better homes at lower prices. I was not particularly impressed when I read a press report

yesterday which said that the largest building organization in Canada enjoyed a 23 per cent increase in its profits.

In so far as the provincial and municipal governments are concerned, I do not think they ought to wait for the federal Government to ladle out these housing goodies to them. They have an obligation to participate at very little cost to themselves, and there ought to be pressure on the municipalities by the citizens' groups, and on the provincial governments by the municipalities, so that they may under joint arrangements do these things that can now be done without limitation under this act.

While the municipalities are thinking about these things, they should give consideration to the fact that when a man repairs or improves his home he ought not to have his assessment raised and his taxes increased. Perhaps we would have less decay in our cities if something were done to encourage repairs and improvements.

I said earlier that it was not enough to pass a law. Something has to be done about it. We have to make the people of Canada understand the concept of this bill. It is not enough to issue booklets or to publish statistics. It is not enough to put advertisements in the newspapers. The Department of Trade and Commerce sends its missionaries across the country to explain what it is doing. That has been found to be very successful, and it should be adopted with respect to this bill. We should have people from Central Mortgage and Housing Corporation going across the country explaining to the provinces, municipalities and all interested groups what is contained in this bill and what is available. This bill in itself will build no houses; only people can do that.

This is the crux of the bill. What is required now is a gigantic co-operative effort embracing all levels of government, and a slashing of red tape bureaucracy that in the past has hampered even the meagre accomplishments. And, of equal importance, as I have already said, is a program of public enlightenment leading to a sharp upturn in public awareness of the housing cancer that must be cut out of our lives. The Government is providing the tools. It is now up to those of authority closest to the people to make good use of them.

We must create a climate in this country that will be unhealthy for the apathy, indifference and gutlessness of civic leaders, who have found it easier to busy themselves with more politically profitable affairs than trying to provide decent housing for their citizens. We must come soon to the day when office holders must devote as much effort to the promotion of good housing as they do now to providing ever wider expressways, or risk the perils of an outraged public opinion.

It is my belief that the frontiers of social and economic expansion of Canada have yet to be discovered. We are not overbuilt in this country. We are capable of far greater achievements. This bill is a challenge and an opportunity not only to the people of Canada but to those who sit in authority to make sure that when we meet on other occasions much will have been accomplished under it.

Hon. Sydney J. Smith: Honourable senators, there appears to be little or no opposition to this bill. It is also noteworthy that the contributions to the debate so far have been from honourable senators who are learned in the law. Sometimes, as a layman, I wander along in the dark in endeavouring to follow some of my friends of the legal profession who are inclined to take for granted that we all understand as well as they do the legal history or background of some of these bills that come before us. To satisfy my own curiosity I took the trouble of checking into the legal background of this bill, and to my satisfaction I found out why there had been no opposition expressed so far.

This bill is to amend the National Housing Act of 1954, which itself stemmed from the Central Mortgage and Housing Corporation Act of 1945 which, in turn, was developed from the Dominion Housing Act of 1935 and the National Housing Act of 1938. My conclusion is that this bill, far from being new legislation, is in reality the latest of many steps that have kept our housing legislation streamlined and up to date over a period of three decades.

It is interesting to recall that during that time our Government has been entrusted to both of the major political parties for varying periods of time, and it is my hope that future parliaments will continue to keep our housing legislation in tune with changing conditions in a changing world. We have to look forward to the amendment of this sort of legislation from time to time. That has been done in the past, and a very good purpose has been served by it.

I am not going to prolong the debate beyond referring briefly to some of the amendments that have a particular interest to my province of British Columbia—an interest that is different from that of some of the other provinces.

Clause 7, on page 5 of the bill, repeals Part III of the present act, and replaces it with a new Part III which deals with the urban renewal program, which was so well covered by the last speaker. On investigation, we find that the Central Mortgage and Housing Corporation Act up to now contained some

obstacles to the carrying out of the desirable program which faces us. In the first place, the C.M.H.C. could participate in urban renewal programs only if the area had contained a substantial amount of housing before redevelopment or would contain a substantial amount of housing after redevelopment.

Secondly, I found that C.M.H.C. up to date could assist financially only for the purpose of acquiring and clearing the land. Very often a redevelopment project would require the replacement of services such as streets, sidewalks, sewers, watermains, etc. These are all expensive to replace, yet C.M.H.C. was not permitted to assist municipalities in replacing those services.

The third difficulty was that the previous legislation required almost complete clearance of the area for redevelopment. Canadian cities are young, and this is particularly true of the cities in my province. Vancouver, now the third largest city of Canada, with a population amounting to about 50 per cent of the total population of our province, was but a cluster of cabins in the virgin forest just 80 years ago—which is a short period in the lifetime of a major city. This means that the areas for redevelopment in new cities like Vancouver and all of our other cities must of necessity be on a selective basis. Certain buildings must be demolished in order to prevent the development of slum conditions. Other buildings can be retained.

The amending bill before us largely removes those restrictions. Specifically, the amendments would permit the corporation to assist not only in acquiring and clearing an area, but also in the provision of services. C.M.H.C. may also make loans to individuals and guarantee loans to individuals for the purpose of improving existing houses in urban renewal areas, if they are fit to be treated in that way, so as to prevent them from deteriorating to a slum condition. Therefore, the amending bill is of particular interest to newer urban centres where areas have not yet completely deteriorated to demolition standards but lend themselves to a selective renewal program. Municipalities will be able now to prevent areas becoming slum areas; and it is well to remember that "an ounce of prevention is worth a pound of cure."

Honourable senators, I said that the cities of British Columbia are young cities. We have another record which is closely related to housing, in that in British Columbia we have the largest percentage of total population in the age bracket 65 years and over, in comparison with any province of Canada.

British Columbia, with its mild and salubrious climate the year round, attracts people from all provinces of Canada, particularly to spend the twilight years of their lives there. Most of these senior citizens live on a very definite budget, which in many cases imposes the practice of strict frugality. That is why our record of a larger percentage of senior citizens than any other province is closely related to housing. It makes me happy to find in clause 8, on page 9 of this bill, as well as in other amendments contained in the bill, further consideration being given to assistance to individuals, municipalities and provinces, to help themselves. I like the self-help character of this bill.

(Translation):

Hon. Cyrille Vaillancourt: Honourable senators, I recall that, in 1954, when the original act was passed, many senators were sceptic and wondered whether the act would serve its intended purpose.

At that time, I had explained the nature of the experiment made in Quebec. For fifty years now, our caisses populaires have emphasized housing, because we realized that the more people had, if not in very good, at least fairly good accommodation, the higher was the morale of families, and juvenile delinquency was decreasing in those centres where heretofore youngsters were growing up in slums. Furthermore, housing had a good effect on the economy of such areas. So remembering the old French axiom that "when the building industry goes well, everything goes well", we, in the caisses populaires, told ourselves that, by promoting new housing, we were at the same time helping all the industries of the nation. The more labour is diversified, the more it spreads to the whole country. The point is not to establish only one industry in a given centre, because then only that industry is privileged in that centre; whereas, if the building industry spreads across the whole country, there is more employment, unemployment is reduced and, at the same time, all the other industries thrive, not only the building industry, but all industries connected therewith, such as furniture, plumbing, and so on.

As a matter of fact, in the province of Quebec, in the last six years, our small caisses populaires loaned on mortgages for building purposes over $600 million. The proposed amendments to the act, which we are studying today, go further. We will thus reach a field that we could not reach before, since there are people to whom we cannot lend money because we are always asking ourselves: Will we lose money? Or we ask ourselves what will happen, since we cannot allow ourselves to lose other people's money by lending it to people who cannot pay it back. However, such an organization which covers the whole of Canada is a stimulus to other people.

You cannot imagine what someone feels when he has always lived in a slum and gets out of it, acquires a little piece of land which is truly his and where he can build for his loved ones, his wife and children, a small home that belongs to them. It is surprising to see how good those people's morale can be. I know at home of a great number of cases where that spirit of greatness, of self-respect has developed—I do not say pride, because pride is the sin that destroys the world—I say self-respect and happiness which blossom when the head of a family who has lived in poverty, who has never lived on a piece of land that belonged to him, finally becomes the owner of such a property.

Its great advantage—I do not know if that plan was taken from the Caisses populaires—but we grant loans repayable on a weekly and monthly basis without saying: We loan you $1,000 and you will pay us back $1,000 at the end of the year, but rather you will pay back $25 a month; in a short time the borrower will have paid his loan back and he could not have paid it back in a lump sum but he will manage in doing so gradually. Thus, those people are encouraged to save. This legislation does not only make it possible for many to become property owners but it is, I would say, a source of prosperity everywhere because it creates work everywhere. However, in every legislation, the moral side has to be considered also. It is not enough to ask oneself if a piece of legislation will bring in dollars but also if it will be advantageous from a moral standpoint.

For one who has never owned anything, the fact that today he may live in a home of his own gives this man a sense of respect for other people's property and his children react the same way, because they want the ground where their home is built to be respected.

This legislation goes much farther than the economic principles it brings forward. There is another principle involved which is much more important and realistic, that is the moral aspect of the question.

We fear communism; let each Canadian citizen become the owner of his home, and communism will have practically no foothold in this country, because a person who owns something is anxious to keep it. Those amendments to the national housing act are along the same lines as the improvements which were made to the legislation from year to year. The previous government changed the 1954 act and the present government is improving it even further. As the senator for Kamloops, Hon. S. J. Smith, stated, this bill will make it possible to renovate urban districts which have not yet become slums. Under this improved legislation, it will be possible to remodel, renovate and even restore certain areas which have a historical value.

I have been here twenty years and, in my opinion, it is the best bill ever passed. Year after year this act has been improved, and I wish to pay tribute to both governments which have contributed to that improvement.

I wish to commend the former as well as the present government, because this is one of the most fruitful of our laws, a source of virtue for our families.

Hon. Jacques Flynn: Honourable senators, I wish to add only a few words because nobody is against the principle of this legislation. Senator Walker said the other day that better housing makes better citizens. Senator Vaillancourt just dealt with this theme and gave more precisions. This annual bill improves the National Housing Act of 1954. Every session, amendments are moved to this act. Hence I say that this bill is welcome.

The only reason urging me to rise today is that I want to give notice that when the bill is considered by the Banking and Commerce Committee, I shall ask for explanations from the officers of the Central Mortgage and Housing Corporation in respect to certain charges made in the newspaper *Le Devoir* of today. In an article entitled

A test for new federalism

we can read this—and I quote only a few excerpts:

> During a debate in the House of Commons last week on the National Housing Act, the hon. member for St. James, Mr. Maurice Rinfret, mentioned the injustice of Ottawa towards Quebec, as far as the help granted through this federal legislation for the building of low-price housing is concerned, help which is much more to the advantage of the other provinces than to ours.

A little further, the editor says that this legislation is—

> —a flagrant example of the fact that programs and legislation prepared by Ottawa are adapted to the needs of other provinces much more than to the needs of Quebec.

It is in fact a patent, an unquestionable case, which becomes a challenge or a test for co-operative federalism.

The only precise grievance contained in this article is that the legislation does not promote construction of low rent dwellings which include a sufficient number of rooms, of bedrooms, to meet the requirements of the Quebec family.

However, I recognize that, in some instances, federal acts are not always adapted to the particular requirements of Quebec. This may also happen in the case of some provinces where specific needs exist. But I feel that such charges are often made haphazardly, and I wish, in any event, as far as this act is concerned, to get to the bottom of it. I do hope the deputy leader of the government in this house, as well as the officers of the Central Mortgage and Housing Corporation, will be in a position, when the bill is examined by the Committee on Banking and Commerce, to offer full particulars in this respect and to inform us as to whether it would be really advisable to amend the act in order to meet the needs of the province of Quebec, or whether such charges are simply unfounded.

Hon. Mr. Vaillancourt: May I restate the question? It should not be forgotten that in Quebec there is a housing act.

Hon. Mr. Flynn: I know that.

Hon. Mr. Vaillancourt: I may also add that before 1960, very few people resorted to the federal act, since, according to the provincial legislation, the Quebec government paid 3 per cent of the interest. The same thing occurs in regard to the farm credit act. The province of Quebec is the only one having both a housing act and a farm credit act.

Hon. Mr. Flynn: This was the purpose of my intervention.

(Text):

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Vaillancourt, bill referred to the Standing Committee on Banking and Commerce.

CANADA SHIPPING ACT

BILL TO AMEND—ORDER STANDS

On the Order:

Consideration of the Report of the Standing Committee on Transport and Communications with respect to Bill S-7, intituled: "An Act to amend the Canada Shipping Act".

Hon. Mr. Vaillancourt: Honourable senators, I ask that this item on the Order Paper be postponed until later this day.

The Hon. the Speaker: The order stands until later this day.

CONVENTION ON DISCRIMINATION IN EMPLOYMENT AND OCCUPATION

MOTION FOR APPROVAL AGREED TO

The Senate resumed from Monday, June 8, the adjourned debate on the motion of Hon. Mr. Croll:

That it is expedient that the Houses of Parliament do approve of Convention No. 111 concerning discrimination in respect of employment and occupation, which was adopted by the International Labour Conference on the 25th of June, 1958, and that this house do approve the same.

Hon. Allister Grosart: Honourable senators, I welcome, as I am sure all honourable senators do, the opportunity to participate in the approval by Canada of this important international convention, the ultimate object of which is the outlawing of discrimination in respect of employment and occupation by legislative action throughout all the countries affiliated with the International Labour Conference, which meets tomorrow at Geneva.

In the intervening period that followed the introduction of the motion by Senator Croll, I suggested that this motion should go to the reactivated Committee on External Relations. I understand that the honourable Leader of the Government (Hon. Mr. Connolly, Ottawa West) is agreeable to that, if it meets with the wishes of honourable senators. I am still of the opinion that the matter should go to that committee, but I am informed that there is some degree of urgency. For that reason, I am not going to move that it be referred to that committee. However, it is difficult not to note in passing that this urgency which has come upon us within the last week concerns the subject matter of an international convention into which Canada entered on the 25th day of June, 1958; and one of the reasons I hoped that this motion would go to committee was that we would be given an explanation as to why it is that six years later and, as the honourable sponsor has said, after 43 other nations have approved it, we are told, on the eve of another international conference in Geneva, that this matter suddenly becomes urgent. One wonders at what point somebody in our External Affairs Department or

elsewhere suddenly woke up to the fact that after six years it was about time Canada approved this convention.

Another question I would like to have heard discussed in committee is the interesting point of the difference between the wording of this motion and the wording of the motion that was on the Order Paper with it for several days with reference to the Columbia River Treaty. The motion sponsored by Senator Croll asks for the approval of this convention. The motion presented by Senator Hugessen on the Columbia River Treaty asked for approval by the Houses of Parliament of the ratification of the Columbia River Treaty. In this subtle difference between the wording of those two motions are to be found some very interesting sidelights on the difference in the obligations imposed—to use Senator Hugessen's words—on the province of British Columbia under the Columbia River Treaty and the obligations which may or may not be assumed by provinces under Convention No. 111, which we are now discussing.

Senator Crerar raised this very point at page 659 of our *Hansard*, when he said:

> I would like to ask Senator Croll two questions. First, are the terms of the convention of general application, or are they limited to admonitions to governing authorities, wherever they may be and whoever they are? Second, are there any sanctions proposed for violation of the terms of the convention?

I will not attempt to answer those two questions, but I believe it would have been in the public interest to have had them answered in committee.

That, of course, raises the whole question of the real significance of the obligations we assume in these international involvements—whether they be treaties, conventions, procès-verbal, exchanges of letters or whatever they may be. One wonders what obligations we assume when we enter into one of these international agreements. What obligations does Canada really assume? What obligations fall on the provinces? What obligations, if any, fall on us as individuals? It would be useful to have an answer to such questions as why it is with respect to some international agreements we are asked, as we have been this session, to pass domestic legislation to implement a treaty and at other times we are not.

I am aware that there are answers to these questions, but it is a long time since I have heard them answered intelligently, in any formal way, in this country. I believe that, in the long run, these questions are very important to all of us who look towards that day when the rule of law will have international acceptance as a guide to the relations between nations, just as we believe it has in our domestic legislation.

One of the reasons this is so is that in Canada, as I understand our constitutional law and practice, an international treaty, no matter how solemnly entered into and no matter how voluntarily ratified, is not automatically enforceable in our courts against the Dominion of Canada or the provinces. In this we are in a very different position from the United States, where an international treaty becomes part of the law of the land under their constitution.

Senator Lambert raised another point which I think might well have been looked at in committee. This is the question of the obligations assumed by the provinces. Again at page 659 of our *Hansard*, he said:

> This point was raised previously in relation to other matters where approval of the provinces was given in the form of a letter from the attorney general or another member of the government of a province to the federal authority. I have always felt that this approval would be more representative if it was accompanied by formal legislation passed by the respective provinces.

With that, honourable senators, I find myself in complete agreement. It would be a splendid feather in our Canadian cap if we were able to say tomorrow at Geneva, "Here we present to you not only the formal approval of this convention by the Government of Canada; we also present the formal approval of each of our ten provinces." I think that would be of great significance, perhaps for three reasons.

In the first place, it would give international recognition to provincial rights under our constitution. Some will say this is of no importance. I think it is of some importance. Just as many years ago it was important for Canada to assert its international position vis-à-vis its membership in the Empire, as it then was, so I believe it is of some importance that these exclusive sovereign rights of the provinces be understood internationally. Secondly, if that were done it would greatly facilitate some of our international negotiations, because there is abroad a lack of understanding of some of these problems in respect to the division of jurisdiction under our federal constitution. Thirdly, if we were able to achieve this it would give notice to the world that we in Canada are going as far as is possible under our constitutional law and practice to implement fully these international obligations we undertake.

Perhaps the first step in that direction might well be a request to the provinces that they approve our own Bill of Rights, just as we are asked to approve this convention. The Bill of Rights is quoted in reports we have made to the International Labour Office as one of the indications we are carrying out our obligations under this convention.

If I may quote from a report of the committee of experts on the application of conventions and recommendations presented to the Forty-Seventh Session of the ILO in Geneva in 1963, it says in part:

> It would consequently appear that Convention No. 111—

That is the one we are dealing with.

> —establishing as it does a framework within which the States may take action by methods appropriate to national conditions and practice, does not give rise in the case of federal States to the legal difficulties as regards ratification which may arise in connection with other international labour Conventions.

So the suggestion is there and, I respectfully submit, the full power is there, for I know of nothing in international law or our own domestic law that would stand in the way of our provinces giving full, formal legislative and executive approval to a convention such as this. I believe that would break new ground in international law, because as far as I know this has not been done before. There is a noticeable reluctance on the part of some federal jurisdictions to go this far, but we in Canada have a record in this respect of which we can be proud.

I read in the New York *Times* last week an article which seemed to be something like a boast. It said that already the legislation to outlaw discrimination in respect of employment and occupation is in force in 25 states. I take it that the Washington bureau of the New York *Times* is rather proud of that.

In Canada we have positive legislation in at least six provinces, and all of the provinces have given an undertaking to the federal Government, as the sponsor of the motion told us, that they will put their house in order or have already done so in respect to the obligations of this convention.

I recognize, of course, that there are some qualifications that must be made. Some would say immediately that we are not required by this convention to go all the way, that the ancillary documents deliberately give us loopholes. I think the quotation I have given from the New York *Times* shows that while for other nations loopholes may be regarded as necessary, I do not think they are necessary for us. It is for that reason I say that we in Canada have an opportunity to break new ground in international law by asking the provinces to give formal approval to this convention.

Honourable senators, these are but a few of many points that might be discussed in committee. I have raised them at this time only to indicate that it involves a very wide area of inquiry and investigation which I would hope would become of concern to the reactivated External Relations Committee. I believe that the Senate of Canada can add considerably to its prestige, to its public service and to its usefulness if it will undertake careful study and continual surveillance of these more or less routine matters in our international affairs.

It is interesting that some years ago—1918, I believe it was—the question of reform of the House of Lords was current. A commission was appointed under Lord Bryce comprising 30 members, 15 from each house. After very thorough investigation of the problem, that commission recommended four areas in which the Upper House in the United Kingdom could justify its existence, and one of these areas which was greatly stressed was this field of international affairs. As was pointed out then, this is an area in which discussion and judgment should be carried on in a politically-impartial climate, and naturally an upper chamber lends itself better to the development of that climate than does the other chamber, for very obvious reasons.

I would hope, therefore, that when a motion such as this is before us again honourable senators will agree with me that there would be some value in referring it to our reactivated committee on External Relations.

Hon. Muriel McQ. Fergusson: Honourable senators, it was with delight I learned that after consultation by the federal Government with the provinces, and because of their concurrence in the principles of Convention No. 111 of the International Labour Organization, concerning discrimination in regard to employment and occupation, it will now be possible for Canada, after securing the approval of the Senate and the House of Commons, to ratify this convention.

This is a matter in which I have been greatly interested, and about which I would like to speak at some length, but today I shall limit my remarks to a very few words because I do not want to do anything that might prevent our Minister of Labour from announcing during the coming session of the ILO, to open in Geneva tomorrow, that Canada has ratified this convention which

was adopted, as you have been told, by the International Labour Conference in 1958.

Senator Grosart has asked why, in view of the fact that this convention was passed in 1958, so many years have elapsed before it has come before us for approval. He must surely realize that the former Government must take the major share of the blame for this lapse of time in bringing the matter to our attention. I think the present Government has given it quite urgent attention, because it takes some little time to obtain the approval of the governments of the provinces.

Honourable senators, I cannot imagine anyone in Canada being opposed to ratification of this convention, the object of which is to do away with discrimination in employment and occupation. Despite the opinions expressed in the Senate here on May 26 by the honourable senator from Carleton (Hon. Mr. O'Leary), regarding Canada's false pride in her importance internationally, I believe that what Canada does, and the leadership she gives, is extremely important in world affairs.

When I was an observer attending the United Nations Assembly in 1962, and again when I attended as a delegate to the United Nations seminar in South America last December, I was told over and over again that Canada is liked, looked up to and respected, and that her actions and her decisions give leadership to very many of the middle-sized and smaller countries of the world. If this is so, and I believe it is, our ratification of this convention may very well lead to ratification which will be followed by conforming legislation in many other countries, not including the 43 that have already ratified the convention.

I do not want to speak too long because, as I said earlier, I do not want to do anything to delay the approval of this convention by the Canadian Senate. I would like to say, however, that I am proud that while my own Province of New Brunswick was not the first to pass this legislation against discrimination, as you were told by Senator Croll when he introduced the motion, it was not the last either. I am very proud we have this on our statutes.

Despite what Senator Grosart has said, I cannot see any need to have this convention go to a committee for further study. Certainly there is nothing difficult to understand in the convention; the wording is very clear, and it has been made even clearer by the explanation of Senator Croll on June 4. Its subject is important, and I am sure all Canadian senators must be familiar with it, as they must have been studying it for years. Whether or not they have done so, they must surely approve of Canada's ratifying a convention embodying such principles.

Before closing I would like to say it is my hope that our Government will find it possible to work out procedures regarding other ILO and UN conventions which will make it possible for Canada to ratify them also. In this connection I am thinking particularly of the ILO convention No. 100 concerning equal pay, and also the United Nations Convention on Marriage, which was adopted by the General Assembly in 1962.

Hon. R. B. Horner: Honourable senators, I have listened to this debate with a great deal of interest. I am sure the remarks of the honourable senator who has just taken her seat (Hon. Mrs. Fergusson) are very laudable, but, knowing Canada as I do, I would be placed in a very embarrassing position if I were to try and assure everybody I met that there was no discrimination in this country. While we endorse and ratify this convention, we must realize that we have much work to do on human beings in this country before we can positively assure everybody that this pledge of no discrimination is lived up to.

I received a good lesson in this respect in a certain city in western Canada. It involved obtaining a room in a hotel. A person whom I happened to know was told that there was no room for him, but when I went up to the desk there was a room for me. I asked the clerk if there was a room for this man, and he shook his head. I had known the owner of the hotel quite well for many years, but he happened to be away at that time. Even on my assurance that I would be responsible for the man, he was denied accommodation. When the owner returned I asked him if it was his policy to refuse accommodation to a certain class of person, and he said, "Yes. I have 65 rooms here and if they were all unoccupied I would still say, I am very sorry, but we have no room."

I know that this practice is going on all over Canada, and in spite of all the laudable sentiments that have been expressed in this chamber we still have a great deal of work to do before it can be said that there is no discrimination in this country.

Hon. Mrs. Fergusson: Honourable senators, I agree with what Senator Horner has said. We do have discrimination in Canada, and I am very sorry that we have; but is there any better way of eradicating it than by the passing of laws against it, as have already been passed by some provinces and which the other provinces are proposing to pass?

Convention approved.

CRIMINAL CODE (HABEAS CORPUS)

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

reading of Bill C-35 to amend the Criminal Code (*Habeas Corpus*).

Code (*Habeas Corpus*).

He said: Honourable senators, I am very honoured in having the opportunity of moving the second reading of this bill to amend the Criminal Code. It will be recalled that this bill was introduced in the other place as a private member's bill and, with an extraordinary display of unanimity, it received second reading, was approved in committee, and read a third time and passed in a period of somewhat less than one hour. The reason that this piece of legislation met with such unanimity is quite obvious when one considers the importance of the historic writ of *habeas corpus* in our legal system.

On the face of it the bill is very simple. It amends section 691(1) of the Criminal Code by adding thereto the words "or *habeas corpus*", thereby providing an appeal to the court of appeal from a decision granting or refusing the relief sought in proceedings by way of *habeas corpus*, and, in the same way as heretofore granted under that section, in proceedings by way of the other prerogative writs of *mandamus, certiorari* and prohibition.

I need not here remind honourable senators that we are dealing with a legal process generally referred to throughout common law countries as "the first security of civil liberty." The writ itself antedates Magna Carta, and in 1923 Lord Birkenhead referred to it as,

> . . . throwing its roots deep into the genius of our common law. It is perhaps the most important writ known to the constitutional law of England, affording as it does a swift and imperative remedy, in all cases of illegal restraint or confinement. It is of immemorial antiquity, instances of its use occurring in the third year of Edward I. It has throughout the ages been jealously maintained by courts of law as a check upon the illegal usurpation of power by the executive at the cost of the liege.

Honourable senators might well ask why, at this late date in the legal history of this writ, should it be necessary to enact remedial legislation to ensure that its purposes may be fulfilled. I am sure that honourable senators will find only a partial answer to that question in the explanatory note accompanying the bill, and I think it may be of some assistance if I outline very briefly the history of this writ as it relates particularly to our Criminal Code.

Historically, at common law there was no right of appeal from the refusal of a writ of *habeas corpus*, or the rejection of it on its return. But, in fact, the prisoner at once had the right to renew his application for that writ to another court. A person detained in custody thus might proceed from court to court until he obtained his liberty, provided he could find some judge whom he could convince as to the merits of his application. Thereafter, his right to liberty could not be called into question, and there is, indeed, no power in any court to review or control the proceedings of the tribunal that discharged him.

It is at once apparent that this common law right was far more beneficial to a prisoner than a single statutory right of appeal. Indeed, many decisions held that the prisoner could not only proceed from court to court seeking relief but might proceed from judge to judge of the same court. In practice, in Ontario, this meant that such a prisoner could in fact apply for his release 31 times, and no judge was bound by the circumstances of any previous application, nor by the decision of any of his brothers. The right to just an appeal, and limited as appeals are to the facts and procedures of the hearing below, seems restrictive indeed by comparison.

Against this common law background, honourable senators, we should remember that we have *habeas corpus*, either of a civil character or of a criminal character, and that of course within our federal jurisdiction *habeas corpus* in civil matters is basically of provincial concern, whereas its jurisdiction in criminal matters is exclusively of federal concern. It is only with the latter, that is the operation of this writ in the latter area, that we are concerned today.

In 1945, our colleague, the honourable Senator Farris, then acting for the Attorney General of British Columbia, in the case of *Re Storgoff*, failed to convince the Supreme Court of Canada that provisions of the Appeal Court of British Columbia were *intra vires* the jurisdiction of the province, although I should add that our honourable colleague did indeed convince the Chief Justice in that decision by his reasoning, and the Chief Justice did dissent in the judgment.

As a result of the decision in *Re Storgoff*, provincial legislation dealing with *habeas corpus* in criminal matters was conclusively determined to be outside the jurisdiction of provincial legislatures, leaving the matter squarely a federal responsibility.

Undoubtedly, honourable senators, the conditions I have mentioned, among others, were in the minds of the members of this chamber—and particularly when honourable Senator Hayden piloted the then Bill O through this chamber in 1952. Honourable

senators will recall that the new Criminal Code was introduced in that year and was first brought forth for examination and scrutiny here.

Today, for the purposes of the record, I would like to remind honourable senators of the wording of section 690(1), as it first appeared in the draft Criminal Code in December of 1952, because I think that in the light of my preceding remarks the problems which were then before this chamber may become clear in retrospect. That section originally in the draft code contained the following provisions:

> Where proceedings have been taken in respect of any person by way of *habeas corpus* arising out of a criminal matter and the relief sought has been refused, no further proceedings by way of *habeas corpus* arising out of that matter shall be taken in respect of that person before that judge or any other judge.

The draft section thereafter went on to provide:

> An appeal lies to the court of appeal from a decision granting or refusing the relief sought in proceedings by way of *habeas corpus, mandamus, certiorari* or prohibition.

Honourable senators will see from this that the original section 690 in the draft code was a restrictive section, compared to the common law rights then assumed to be extant, and that the code in effect thereafter went on to provide for a right of appeal in the same manner as the bill before us does today.

Section 690, to which I have just referred, in the draft code, was deleted by this chamber, or rather provisions in that section were deleted where they contained references to *habeas corpus* procedure and appeals in *habeas corpus* matters in the criminal field.

Honourable senators, I would be remiss if this afternoon I did not bring to your attention the fact that certain recent newspaper comments on the bill before us have stated or implied that in 1954 the Senate removed the *habeas corpus* appeal provisions contained in the new draft Criminal Code and, by implication, did so for some reasons that were inimical to the cause of civil liberties. I only hope that from my remarks this afternoon a more accurate conclusion may be drawn.

I think it should be remembered that while the draft code provided for a single appeal, it withdrew entirely what was at that time the much broader common law guarantee of freedom, namely, the unlimited right to renew application after application until relief was granted or all judges or courts exhausted.

It appears to me that the honourable Senator Hayden and this chamber in 1954 concluded that the rights of a subject to protection from illegal detention were far better safeguarded at common law than under the proposed section 690 which, if enacted at that time, would have substituted for those common law rights a statutory right of straight appeal.

Be that as it may, this background now leads us to the present situation and the bill before us. You will see by the explanatory note that the reasoning of Chief Justice McRuer in *Re Shane* 1959 prompted the initiation of this legislation. In that decision, the Chief Justice examined at some length certain recent English decisions bearing on the procedural aspect of *habeas corpus*. He came to the conclusion that, based on these decisions, and his interpretation of the effect thereon of the Ontario Judicature Act, that the common law right of going from judge to judge until either a writ was obtained or every judge had refused, no longer existed.

Strictly speaking, the Chief Justice's remarks in *Re Shane* are *obiter*, but he has, notwithstanding, effectively placed in grave doubt what had heretofore been regarded as the prisoner's basic common law right to successive renewals of common law *habeas corpus* applications.

As I have pointed out, the *Re Storgoff* case held that the provincial statutory right of appeal did not govern *habeas corpus* in criminal matters. Because of the *Re Shane* case, the common law rights to successive renewals is in grave doubt. Our Criminal Code is silent and makes no provision for an alternate right to appeal. Under these circumstances we must provide for such a right, consonant with an interpretation of basic justice, which does not place a man's liberty in the hands solely of one judge. The amendment before us today is to accomplish that purpose.

Honourable senators, the cursory review that I have been able to undertake on the voluminous writings in connection with *habeas corpus* leaves me with a very distinct impression that the bill before us today is no panacea for all the problems associated with the procedural aspects of *habeas corpus* in federal matters. This bill is short term, remedial, but most essential at this time. Examination of the operation of *habeas corpus* under, for example, the provisions of the Immigration Act or the Extradition Act, or the Supreme Court Act, to mention but a few statutes, seems to me to be imperative, as is also an examination of the effect of this amendment as it relates to Part XVIII of the Criminal Code.

In conclusion, I would like to say that notwithstanding its historic antecedents, the tributes that have been paid to it over the years, or the reverence it justly commands, *habeas corpus* requires constant review as to its procedures and as to how these procedures operate under the maze of legislation today. It seems to me that this is one of the prices we must continually pay in the interests of our civil liberties.

Hon. John M. Macdonald: Honourable senators, I am sure we are all grateful to Senator Lang for his clear exposition of this bill, and also for the interesting background of history he has given us about *habeas corpus.*

As Senator Lang stated, *habeas corpus* is a writ which is very old, and it is a powerful instrument for the protection of the liberty of the individual. As such, of course, we must make sure that that protection given to the individual is not interfered with in any way, because it is an extraordinary remedy, and was intended to be used where ordinary legal remedies would not suffice, or in some respects were inadequate.

This problem, as Senator Lang mentioned, has arisen since the decision in 1959, when it was generally believed that the applicant could go from one judge to another in the hope of finding one which would give him the relief he sought. The intention of this bill is to remedy the situation which that decision brought to our minds. In other words, I think it is the purpose of this bill to give an additional protection to the person who believes himself to be illegally detained.

However, I would want the assurance that this bill does not go further than that. I ask this question. If this bill gives the right of appeal to the applicant, does it not also give the right of appeal to the Crown? I would take it that it does.

Historically, *habeas corpus* was for the protection of the individual against the forces of the Crown, and it was never meant, so far as I know, to aid the Crown in any way to keep a person in custody. If the individual was ordered to be discharged by a judge, under a *habeas corpus* writ, then that was the end of the matter and the individual was free. If, however, under this bill the Crown is to have the right of appeal, then a person who might be illegally detained and is then ordered released by a single judge, could be kept under illegal detention until the appeal was heard.

Now, it mentions that the appeal is from a decision granting or refusing the relief sought.

Hon. Mr. Farris: What if the person is out on bail?

Hon. Mr. Macdonald (Cape Breton): I would expect that if he could get the judge to grant him bail, he would have bail, and if not he would stay in jail.

Honourable senators, does this measure mean an appeal lies from an order granting or refusing the release of the prisoner, or is there also an appeal if the judge grants or refuses the application for the writ? These are two questions which I feel we should be absolutely sure about, so that we shall know just what is the effect of this bill. If the bill provides for an appeal by the Crown, then I think it should be so changed or amended that the Crown does not have the right of appeal, and that the right of appeal should only be given to the individual.

Perhaps it might be said that the Crown and the individual should have an equal right of appeal, but I do not think so, because in any action against an individual, to my mind that individual is at a disadvantage when opposed by all the majesty and force of the law. Therefore, I think we should try to favour the individual.

In fact, honourable senators, I understand that in the granting of an application for *habeas corpus,* if there is a reasonable doubt in the judge's mind, he resolves that doubt in favour of the prisoner. I think we should try to keep that principle in our law. As a matter of fact, we have a precedent in our legal system for that now. On questions of appeal, for example, one looks to section 583 of the Criminal Code. I will not quote that section, but it is to the effect that a person convicted by a trial court in proceedings on indictment may appeal his conviction, (1) on a question of law alone; (2) by leave of the court on a question of fact alone, or a question of mixed law and fact; and, (3) on any other ground which appears to the court of appeal to be a sufficient ground.

On the other hand, if the Crown is appealing they do not have all these rights. Under section 584, the attorney general can appeal against a conviction on a question of law alone, and by leave of the court he can appeal against sentence. So this would not be something new in our law.

I say this right of appeal should only be given to the individual to protect the liberty of the subject, and that it should not be given to the Crown. Indeed, in our Supreme Court Act, under section 57, subsection 2, if a person applies for a writ of *habeas corpus,* and the judge refuses the writ, then the appeal lies to the court in that refusal.

Honourable senators, I would like to see this made crystal clear, that under our legislation we are protecting the right of the individual, that we are granting the individual that right of appeal, but that we are holding to our traditional view that the right of *habeas corpus* is only for the protection of

the subject and is not to assist the Crown. If honourable senators are satisfied that this bill does not give such right of appeal to the Crown, then I completely agree with it; but if it does give that right of appeal to the Crown, then I would hope to see the bill so amended here as to give protection only to the individual and not to give any more added powers to the Crown.

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

The Senate adjourned during pleasure.

At 8.00 p.m. the sitting was resumed.

CANADA SHIPPING ACT

BILL TO AMEND—REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the report of the Standing Committee on Transport and Communications on Bill S-7, to amend the Canada Shipping Act, which was presented Tuesday, June 9.

Hon. A. K. Hugessen moved the adoption of the report.

He said: Honourable senators, the Standing Committee on Transport and Communications had Bill S-7, an act to amend the Canada Shipping Act, referred to it some time ago. It was quite an important bill, and your committee had four long sittings, during the course of which we heard representations from quite a number of people and organizations.

Most of the bill is completely noncontroversial and caused no discussion whatever, a number of its provisions consisting of amendments made to the Shipping Act as a result of several international conventions with respect to shipping that had been entered into since the last amendments to the act were made.

However, there were two or three sections which caused a good deal of controversy. The principal one is the subject of the first two amendments which are now submitted for your consideration in the committee's report. They deal with the matter of fishing vessels and the question as to whether fishing vessels should be required to carry a certificated master or a certificated mate.

As the act stands at present, there is an exemption from that requirement in favour of all ships solely employed in fishing and other ships principally engaged in fishing, not exceeding 150 tons. The Department of Transport has been trying for some years past to get agreement to provide that fishing vessels of a large size shall be required to carry a certificated master or a certificated mate.

I daresay some honourable senators will remember that about eight years ago a bill was introduced for that purpose and considered by this committee of the Senate, and at that time, on numerous representations from the interests involved, we rejected the proposal. Since that time there have been a lot of further consultations between the department and the shipping interests involved, and they seem now to have reached more or less general agreement that it would be advisable for the larger fishing vessels to be required to carry a certificated master or a certificated mate.

This bill, in the form in which it was introduced to us, provided an exemption from this requirement of a certificated master or a certificated mate for fishing vessels not exceeding 25 tons. There was a good deal of discussion upon that in committee, and a number of the honourable senators who came from the Maritimes gave us a great deal of help in that connection. I refer particularly to Senators Hollett, Kinley, McLean and Donald Smith. The general impression seemed to be that the limit of 25 tons was too low, and that there are a number of fishing vessels of moderate size exceeding 25 tons in weight which should be exempted from this requirement. We finally reached the conclusion—and this is your committee's report—that the limit of 25 tons should be increased to 100 tons. That is the purport of the first amendment now before you. It seemed to meet with more or less general approval, and I do not think that the Department of Transport was too much displeased with that result.

Hon. Mr. Connolly (Ottawa West): That is clause 3?

Hon. Mr. Hugessen: That is page 3, clause 3, line 8, of the bill.

The second amendment relates to the same matter. It is an amendment which we propose to clause 5 by inserting a new section 116B. It was represented to us that it would be unfair to require immediately men who have been engaged in fishing for many years without a certificate to obtain a certificate and undergo examinations, and that it might indeed prejudicially affect the fishing industry itself by preventing a lot of these men from carrying on their present occupations. The attitude of the department was that they only wanted to introduce by degrees this principle of certificated masters and mates on fishing vessels, and section 116B was inserted for this purpose. It provides that any man who can show that he has served for one fishing season as a fishing master or fishing mate prior to the first day of December 1965 can obtain his certificate without any requirements

of any kind, simply upon application. That will mean that the men presently engaged as masters or mates of fishing vessels will be able to continue in their occupations without interruption simply by applying for a certificate which will be issued to them automatically.

What will happen in the future will be that as new masters or new mates come into the field, they will be required to undergo the necessary examinations before they obtain their certificates. The second amendment makes it quite clear, however, that there will be no prejudice caused by the new act to masters or mates who are now engaged on fishing vessels.

These two amendments met with unanimous approval and they represent the considered tugboat operations on the Pacific coast, and various representations made to us.

Section 4 of the bill gave rise to considerable controversy. That section deals with tugboat operations on the Pacific coast, and contains two proposed new subsections. One provides in general that small tugs of not more than 150 tons engaged on local voyages do not need to have a certificated engineer. It was explained to us by officers of the department that the mechanical perfection of the various engineering facilities existing on the modern tug are such that they can be operated quite easily and without any trouble by the master of the vessel himself without having a certificated engineer to help him. It was more or less the same sort of question that has arisen in years past with respect to the requirement of having a fireman on diesel locomotives in shunting yards.

Hon. Mr. Reid: Before the honourable senator leaves that point may I ask a question? In looking through the act, it occurred to me that perhaps we should change the word "steamship". That word goes back to the old days when ships had boilers and steam engines. There are no steamships today. They are all powered by diesel engines.

Hon. Mr. Hugessen: The answer to that is that the definition of the word "steamship" in the act embraces any kind of ship other than a sailing ship. It embraces ships powered by diesel or any other kind of engine.

The other proposed amendment goes the other way. It requires that there be a certificated engineer on certain tugs powered by internal combustion engines of a certain size. As might be expected, we had representations from associations of engineers and captains, and also from the tugboat owners. The tugboat owners were all in favour of the first amendment but against the second, and the engineers were all against the first amendment but in favour of the second. On balance the committee decided to make no change. It was felt that the proof had been made in both cases; and, with respect to the first amendment, the committee was quite satisfied that there would be no substantial loss of jobs by the engineers as a result of it. In fact, the committee was told that with the great activity there is at the present time on the Pacific coast no marine engineer has any trouble whatsoever finding a job.

Those were the principal subjects of controversy before the committee, and I have indicated to the house the manner in which we suggest it should deal with them.

There are certain other amendments of a more or less minor character. The third amendment is to clause 32 of the bill, at page 16, which, with the other surrounding clauses, follows the International Convention Relating to the Limitation of Liability of Owners of Seagoing Ships of 1957. Clause 32 of the bill deals with the limitation of damages, and refers to the manager, operator or agent of a ship. The Canadian Bar Association made representations to the committee that it was not sufficiently clear just who were included in the definition of the word "agent". The third amendment clarifies the definition by striking out the words "the manager, operator or agent of a ship" and substituting therefor:

> —the manager or operator of a ship and any agent of a ship made liable by law for damage caused by the ship.

That is purely a legal matter, and is a cleaning up of the wording of the clause.

The other clause to which an amendment is proposed is clause 35. This clause, honourable senators will recall, gave rise to a certain amount of debate on the motion for second reading of the bill in this house. It is the clause which proposes to limit to ships of Canadian registry the right to carry goods or passengers in any area between the head of the Great Lakes and the end of Anticosti Island. I might say in parenthesis here that all the witnesses who appeared before the committee—that is, witnesses for both the owners and the employees—were strongly in favour of that amendment. Some of them even suggested that the area of this restriction be carried further.

Hon. Mr. Brooks: Was there any objection from any source?

Hon. Mr. Hugessen: There was no objection from any witness whom we heard with respect to clause 35 of the bill. The amendment is for the purpose of clarification, in that it makes a little clearer just what is intended. In its original form it began:

> Notwithstanding subsections (1) and (2), (a) no goods or passengers shall be transported by water ... in any ship other than a Canadian ship ...

It is proposed that the wording be amended to read as follows:

> Notwithstanding subsections (1) and (2), (a) no goods shall be transported by water or by land and water, and (b) no passengers shall be transported by water ...

It was a rather interesting amendment. We asked in committee why this change in wording in connection with goods was required. As I say, the original subsection read, "No goods shall be transported by water", and as proposed by this amendment, it reads, "No goods shall be transported by water, or by land and water." The answer was that in certain instances some clever shipowners have tried to get round that prohibition by shipping their goods, say from the head of the lakes to Buffalo by water and then carrying them across a dock by land and reshipping them by water from the other side of the dock. We were told this clarification was required to catch an attempt to circumvent the meaning of this paragraph by an operation of that kind.

Honourable senators, those are the only observations which occur to me with reference to the amendments which your committee has suggested to this bill.

Hon. A. J. Brooks: Honourable senators, we have listened with interest to the remarks of honourable Senator Hugessen, Chairman of the Standing Committee on Transport and Communications, in reporting on this bill. His report coincided largely with the debate held here, when there was little opposition to the bill. I know that the matters brought up here were discussed later in committee. I understand there was unanimous approval in committee of the amendments which are suggested to the Senate now.

One important point in the debate here referred to the certification of masters and mates. We are pleased that this has been dealt with in committee, and that there is to be exemption for the moderate-sized vessels exceeding 25 tons, as that was the main objection in this chamber.

Furthermore, I recall that Senator Kinley and Senator Hollett, both of whom have vast experience in connection with the master and mate situation, were strong advocates that masters and mates who had had an apprenticeship should continue on account of their wide experience and were the best men one could find for that particular work.

Therefore, in general, I am sure that this bill received due attention here on second reading and careful examination in committee. I feel that it has the general approval of this side of the house and of the Senate as a whole.

Hon. Mr. Connolly (Ottawa West): I wonder if honourable Senator Hugessen would confirm that the only amendment made to clause 35 is the amendment to which he referred. I have been asked to put this question, and I have not had a chance to check the particulars of the amendments given in the Senate *Hansard* of June 9 at page 693. Perhaps the senator could deal with this without a check being made.

Hon. Mr. Hugessen: The only change was in the first two lines where, as I explained, that for the words, "no goods shall be transported by water", we substituted the words, "no goods shall be transported by water or by land and water." Otherwise, there is no change in the wording of section 35 of the bill.

Hon. John J. Connolly: Honourable senators, I wish only to say that we are all deeply indebted to Senator Hugessen, not only for the explanation he has given this evening, but also for the competent way he presided over the deliberations of the committee.

This is the kind of work that we all realize is done exceptionally well in the Senate. We look at legislation carefully and study it; we examine its draftsmanship; we have the advantage of competent people to look at it critically. Members of the Senate who know the shipping industry have been very helpful in the work that has been done. I am sure this bill has been improved as a result of the Senate's study.

Hon. Mr. Reid: Hear, hear.

Hon. Mr. Connolly (Ottawa West): Furthermore an opportunity has been afforded to the industry—owners, workers, members of unions, people engaged in fishing—to come here and present their views. Those views have been incorporated in the legislation, and I think we can all be very pleased with the result.

On behalf of the Government, I should like to thank the Chairman of the committee (Hon. Mr. Hugessen) and all its members who worked hard to deliver this result.

Hon. Mr. Hugessen: Honourable senators, I am sorry I did not complete my check of what the leader asked me. There was one further amendment to the wording of section 35. The wording in regard to passengers was as follows:

> No passengers shall be transported by water in any ship other than a Canadian ship.

By the amendment, to the words "No passengers shall be transported by water" there were added the words "either directly or by way of a foreign port".

I am sorry I misled the Senate the first time; I had forgotten about the further amendment.

Report adopted.

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

Hon. Mr. Connolly (Ottawa West) moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

BUSINESS OF THE SENATE

Hon. Mr. Connolly (Ottawa West): Honourable senators, before I move the adjournment of the Senate, I would draw to the attention of the members of the Standing Committee on Banking and Commerce that there is a meeting called for tomorrow morning at 10.30 to deal with Bill C-102, to amend the National Housing Act, Bill S-34, to incorporate Nova Scotia Savings and Loan Company, and Bill S-35, to amend the Corporations and Labour Unions Returns Act.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, June 17, 1964

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

Prayers.

DOCUMENT TABLED

Hon. John J. Connolly tabled:

Report on the activities of the Food and Agriculture Organization of the United Nations for the year 1963-64, pursuant to section 3 of the Food and Agriculture Organization of the United Nations Act, chapter 122, R.S.C., 1952. (English and French texts).

HON. T. A. CRERAR, P.C.

BIRTHDAY FELICITATIONS

Hon. John J. Connolly: Honourable senators, while I do not think it is desirable to mention the birthdays of all members of this house, and perhaps in respect of some it is not desirable to mention their ages, it is highly appropriate to refer to the fact that today Her Majesty's senior Privy Councillor in Canada, a member of the House of Commons for many years and now a member of the Senate, the honourable senator from Churchill (Hon. Mr. Crerar), celebrates his 88th birthday.

We come to praise Caesar, not to bury him. Perhaps the best thing that I can say on behalf, I am sure, of every senator, is that we wish Senator Crerar many happy returns, as many as possible of them here in the Senate. He not only encourages us, he stimulates us, with the kind of work that he is doing constantly for all of us, for Parliament and for his country. He is indeed one of a very exclusive club of great Canadians.

Hon. A. J. Brooks: Honourable senators, I agree with the honourable Leader of the Government in the Senate that this is certainly a very special occasion and a special case. I am happy indeed to join with him in congratulating the Queen's oldest Privy Councillor. I assume that that means the oldest Privy Councillor in the Commonwealth of Nations. The honourable Senator Crerar would be in the same class with Sir Winston Churchill, I think, in that respect.

There are few in Canada or in the Commonwealth who have given the public service that our good friend Senator Crerar has given. He is one of those senators who certainly give the lie to the theory that senators should be retired at the age of 75 years. What a lot the Senate, and indeed the country, would have missed in service had Senator Crerar been retired at 75 years. Mentally, physically, and in morale, he is as strong today as many men in their fifties. Of course, there is always one fly in the ointment—politically, he has been off for a good many years. However, I am very happy to join with the Leader of the Government in congratulating our very dear friend Senator Crerar, and in wishing him many more years to come.

Hon. T. A. Crerar: Honourable senators, it would indeed be most ungracious on my part if I did not acknowledge warmly the kind remarks of the leader on this side (Hon. Mr. Connolly, Ottawa West), as well as the kind remarks of the leader on the other side (Hon. Mr. Brooks).

I am an old stager. At no time do I attempt to deceive myself in that respect. Today, I enter my 89th year. I know the sunset is beckoning. How long I shall remain around, of course, is entirely unknown to me or to anyone else. However, I shall promise this, that as long as I am around and have the capacity to do so, I shall speak my mind fairly freely for the things I believe in.

Looking back 47 years, which is quite a long journey, I recall very clearly October 12, 1917, when I was sworn of the Privy Council, along with several others, and entered the Union Government of Sir Robert Borden. My opinion of Sir Robert had been somewhat hastily formed, probably, and I am bound to say that I thought there were certain qualities which he lacked. Association with him corrected that, and I am glad now to bear testimony to the fact that Sir Robert Borden was one of the great prime ministers of this country.

The years that have passed have brought much of pleasure and much of disappointment. That, of course, is the experience of life, but I face the future somewhat like an old friend of mine in Saskatchewan with whom I used to correspond occasionally. His name was Joe Bird, and I am sure Senator Aseltine and Senator Horner will remember him from the fact that at one time he was a Liberal organizer in Saskatchewan.

Joe Bird was a man of a good deal of independence of mind, and privately, and on occasion publicly, he did not hesitate to criticize his own party. This is a number of years back, for he died quite some years ago. We were exchanging a sort of desultory correspondence. There had been a remarkably cold winter in the west, much snow and much cold weather. I received a letter from old Joe one day telling me how things were going pretty well downhill in Saskatchewan in

some respects, but he still had faith and courage, and he signed his letter, "Yours facing the wind."

I thought that was a very appropriate ending. As I enter my 89th year I shall endeavour to face the wind also.

PRIVATE BILL

ASSOCIATION OF UNIVERSITIES AND COLLEGES OF CANADA—FIRST READING

Hon. Donald Cameron presented Bill S-36, to incorporate the Association of Universities and Colleges of Canada.

Bill read first time.

Hon. Mr. Cameron moved that the bill be placed on the Orders of the Day for second reading on Wednesday next.

NATIONAL HOUSING ACT, 1954

BILL TO AMEND—AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Paul H. Bouffard, Acting Chairman of the Standing Committee on Banking and Commerce, presented the following report of the committee on Bill C-102, to amend the National Housing Act, 1954:

> Your committee recommend that authority be granted for the printing of 800 copies in English and 300 copies in French of their proceedings on the said bill.

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

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

Report adopted.

REPORT OF COMMITTEE ADOPTED

Hon. Mr. Bouffard, Acting Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill C-102, to amend the National Housing Act, 1954, and had directed that the bill be reported without amendment.

Report adopted.

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

Hon. Mr. Connolly (Ottawa West) moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

CORPORATIONS AND LABOUR UNIONS RETURNS ACT

BILL TO AMEND—AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Mr. Bouffard, Acting Chariman of the Standing Committee on Banking and Commerce, presented the following report of the committee on Bill S-35, to amend the Corporations and Labour Unions Returns Act:

> Your committee recommend that authority be granted for the printing of 800 copies in English and 300 copies in French of their proceedings on the said bill.

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

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

Report adopted.

REPORT OF COMMITTEE ADOPTED

Hon. Mr. Bouffard, Acting Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill S-35, to amend the Corporations and Labour Unions Returns Act, and had directed that the bill be reported without amendment.

Report adopted.

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

Hon. Daniel A. Lang moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

PRIVATE BILLS

NOVA SCOTIA SAVINGS & LOAN COMPANY—AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Mr. Bouffard, Acting Chairman of the Standing Committee on Banking and Commerce, presented the following report of the committee on Bill S-34, to incorporate Nova Scotia Savings & Loan Company:

> Your committee recommend that authority be granted for the printing of 800 copies in English and 300 copies in French of their proceedings on the said bill.

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

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

Report adopted.

REPORT OF COMMITTEE ADOPTED

Hon. Mr. Bouffard, Acting Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill S-34, to incorporate Nova Scotia Savings & Loan Company, and had directed that the bill be reported without amendment.

Report adopted.

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

Hon. Mr. Isnor moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

WORLD MORTGAGE CORPORATION—THIRD READING

Hon. Mr. Bouffard, for Hon. Mr. Leonard, moved the third reading of Bill S-32, to incorporate World Mortgage Corporation.

Motion agreed to and bill read third time and passed.

CANADA SHIPPING ACT

BILL TO AMEND—THIRD READING

Hon. Mr. Bouffard moved the third reading of Bill S-7, to amend the Canada Shipping Act.

Motion agreed to and bill read third time and passed.

FARM CREDIT ACT

BILL TO AMEND—SECOND READING

Hon. John J. Connolly moved the second reading of Bill C-100, to amend the Farm Credit Act.

He said: Honourable senators, this is a measure which can be described in the way the bill to amend the National Housing Act was described. It indicates a building upon previous experience, and the expansion of a worthy type of activity. It is a bill that will commend itself to the house and, I would think, to the agricultural community generally. It amends the act respecting the Farm Credit Corporation which is known as the Farm Credit Act.

There are six items which are to be modified in some way by this legislation. In the first place the bill proposes to increase the capital of the corporation. Secondly, there is a proposed increase in the limits of loans to individual farmers. Thirdly, there will be a change in the interest rate in respect of some loans from the original 5 per cent that was set when the Farm Credit Corporation was established, and which rate has now proved to be uneconomic. However, this increase will apply in respect of only certain portions of those loans. Fourthly, the definition of "borrower" will be broadened. Fifthly, the position of the Farm Credit Corporation in the event of tax sales by municipalities is to be changed. And sixthly, beekeepers will qualify for loans under the act. In a general way, that is what these amendments will accomplish. Perhaps I might deal now with each of them separately.

The present capital of the corporation is $16 million. By clause 2 of this bill it is proposed that the capital be increased to $24 million. The net effect of this increase in capital will be to permit the corporation to lend more money, because by section 13 of the act the Minister of Finance may lend the corporation up to 25 times its authorized capital. With a capitalization of $16 million the Minister of Finance can make loans to the corporation for further lending by it of $400 million, but as a result of the increased capital proposed by this clause the minister will be able to advance up to $600 million for lending purposes.

I am told that at the end of this month, or shortly after, the money available to the corporation for loans to farmers will be, for all practical purposes, exhausted. It is thus desirable that the lending authority be increased.

The second point I make about the bill is that it proposes an increase in the limits of loans to individual farmers. At the present time, in respect of standard loans that are made upon the security of mortgages upon real estate, the limit is $20,000. This bill doubles that amount, and for supervised loans made under Part III of the act the limit will be raised from $27,500 to $55,000. Supervised loans are those that are made on the security not only of real estate but also of moveable property. They are supervised in the sense that when they are made the farmer proposes a plan of operation and management of his enterprise which visualizes the repayment of the loan over a certain period of time. It is also proposed in respect of both standard and supervised loans that any of them may be amortized over a period of up to 30 years.

A great deal depends upon the individual circumstances of each loan, upon the capacity of the farmer to pay, and upon the return he can expect to get from his enterprise. In any event, the spreading of the repayment over a period of up to thirty years seems, first of all, to be equitable and, secondly, seems to meet with the experience of the officials of the corporation in dealing with this general area of farm credit. Clauses 6 and 7 of the bill deal with the increase in loan limits which I have been discussing.

The third important area touched by the amendments is the interest rate. It is proposed that the rate in respect of some of these loans be increased from 5 per cent to a more economic rate. It is not proposed to change the 5 per cent prevailing on standard loans up to $20,000, which are in existence or which hereafter may come into existence, or on supervised loans, the limit of which now is $27,500. The 5 per cent will continue to apply on those loans, but for individual loans, whether they are standard or supervised, which are taken beyond these existing limits and up to the new limits, an economic rate of interest will apply.

I think it might be useful if I refer to the Annual Report and Financial Statements for the fiscal year 1962-63 of the Farm Credit Corporation. This document has been tabled, has been circulated to all senators and is readily available. I will refer in the first instance to page 9 of the report, to indicate in some measure the extent of the success which the corporation has had since it was founded in 1959. It had a capital loss in the year in question of only $6,291. Therefore, from the point of view of the type of risk that is taken and the quality of risk that is available, this is a low amount of loss.

However, the situation is somewhat different in respect of its operating expenses, because for the year in question, 1962-63, as appears on page 13 of the balance sheet of the corporation, the operating loss was $1,080,597.

I should draw the attention of the Senate to the fact that the Royal Commission on Banking and Finance, which has recently reported, recommended quite strongly that this aspect of the operations and results of the Farm Credit Corporation should be seriously considered and that revision should be given to the problem which ails it, namely, the charging of an interest rate inadequate to meet the expenses incurred by the corporation each year.

I also wish to draw to the attention of honourable senators two paragraphs of a letter written by the Auditor General of Canada to the Minister of Agriculture on May 30, 1963. This is found on page 15 of the annual report to which I have been referring. The first paragraph reads:

> The operations of the Corporation over the past three years have resulted in net losses aggregating $2,078,299 which have reduced the balance of the Reserve to $1,670,563 at March 31, 1963. These losses are due in part to the corporation being required to pay a higher rate of interest on $42,300,000 borrowed from the Government of Canada than the rate of 5% charged, under section 16 of the Act, on loans to farmers.

I skip a paragraph and read the following from the same letter from the Auditor General:

> Since further annual operating losses appear to be in prospect, consideration should be given to means whereby these losses may be covered without further depleting the Reserve, as well as to the manner in which the Reserve can be brought up to the equivalent of the capital of the corporation as contemplated by section 15 of the Act.

While the proposal in respect of interest and of the increase in the interest charge, which is proposed by clause 4 of the bill, is an attempt to meet some of this short fall in annual operating income, obviously it will not meet all of it. Perhaps the reason it is not proposed to change it for the lower limits of the individual loan is that many smaller farmers, who may need this kind of subsidy—that is what it is, in effect—would not be able to get along unless there was at least that measure of a subsidy to it.

Hon. Mr. Brooks: Might I ask the honourable Leader of the Government if that means that those who are operating over the $20,000 mark and who are paying a higher rate of interest will pay for the deficiency caused by those who are paying only 5 per cent on the $20,000; or will the Government make up the difference?

Hon. Mr. Connolly (Ottawa West): In the supplementary estimates of last year, 1963-64, an item of $1,110,000 was made available to the corporation for this purpose.

Hon. Mr. Brooks: That is in general?

Hon. Mr. Connolly (Ottawa West): Yes. I hesitate to give a categorical answer to the question which the Leader of the Opposition asks, because I do not know that it would be possible to break down the rate charged. Perhaps the positive way is the way to put it, that the interest rate charged on the individual loan over the existing maximum will be the economic rate; the rate charged on the amount of the loan up to the existing ceiling will not be an economic rate and the subsidy will have to be continued.

Hon. Mr. Brooks: It will be subsidized.

Hon. Mr. Connolly (Ottawa West): They will have to continue the subsidy for these smaller loans.

Hno. Mr. Brooks: That is correct.

Hon. Mr. Connolly (Ottawa West): Perhaps my explanation is confusing. However, I

would say at once to honourable senators that I would propose that this bill go to committee for detailed study.

Hon. Mr. Haig: May I ask the honourable Leader of the Government a supplementary question? Does this economic rate continue throughout the life of the loan, or does it fluctuate above the amount of the $27,500?

Hon. Mr. Connolly (Ottawa West): Again subject to confirmation from officials of the department, I would think that the rate would be fixed at the time the loan is made, the same as any other mortgage loan, and that it would continue for the life of the loan, unless there is a provision in the mortgage contract for a revision of rates if money became cheaper. I should think that the rate set at the time the loan is made would prevail until the loan matured and was paid off.

Hon. Mr. Haig: The borrower pays 5 per cent on the $27,500, and then an economic rate on the amount above that, for the life of the loan?

Hon. Mr. Connolly (Ottawa West): Yes, I think that is so. If this bill becomes law, I believe that the situation the honourable senator has described would apply to the first loan made under the new arrangement.

The definition of "borrower" has been broadened, under clauses 1 and 3, so that borrower now can include the son, daughter, niece or nephew of a farmer. In other words, what is foreseen here is an opportunity for a farmer to get a loan on the strength of a mortgage on his own farm for the purpose of helping one of the members of his family to get started as an independent farmer.

Also, in clause 1, provision is made for loans to the personal representative of a deceased farmer. The purpose of this is to try to keep the family farm within the family. If credit is needed after a death, then the opportunity to do so is presented here.

By clause 5, in the event of a tax sale of any of the properties affected, the existence of a mortgage against the title to the property in favour of the Farm Credit Corporation will not prevent a tax sale from being consummated under the amendment. In other words, for the purpose of a municipal tax sale, the Farm Credit Corporation will not be deemed to be an agent of the Crown, and so be immune to the effect of a municipal tax sale.

Perhaps I should make some general observations, first of all, in respect of the general area of farm credit and legislation allied to that field. There are a number of instruments or means of federal activity in this field. The Veterans Land Act provides credit in respect of certain types of farming operations. The Farm Improvement Loans Act, which is operated through the chartered banks, is another such instrument. The Agricultural Rehabilitation and Development Act, which mainly provides grants, also provides an opportunity for examining the requirements in respect of farm credit.

I think honourable senators would be glad to know—and perhaps in committee this could be further investigated—that there is an interdepartmental committee designed to coordinate and survey whole areas of farm credit services, including consultation with the provinces in this field, and including also an examination of the experience of other countries in this field.

The annual report of the Farm Credit Corporation, to which I have referred, has information of considerable interest in it. The corporation is the successor of the Canadian Farm Loan Board. That board operated for 30 years, between 1929 and 1959. In that period of time it made loans totalling $183,256,700 to different borrowers.

The Farm Credit Corporation, which came into existence in 1959, has been operating now for some five years. Up to March 31, 1963, its total lending had been $221 million through 20,000 loans. So that the total activity under the Canadian Farm Loan Board and the Farm Credit Corporation has had this result, that up to March 31, 1963, a total of $404 million has been lent through these agencies, and 77,000 loans have been made to channel that money out.

Hon. Mr. Reid: How much has been paid back?

Hon. Mr. Connolly (Ottawa West): I will come to that, senator.

Page 19 of the report states that at March 31, 1963, the balance outstanding was $270 million, all secured, and there were 37,000 loans outstanding as at that date. Of course, the money that is lent on mortgages and other securities on farms, whether they are standard or supervised loans, as the repayments come in they constitute a revolving fund.

I have already told honourable senators what the experience was in respect of capital losses in the year ending March 31, 1963, of less than $6,300. However, the result of the inadequate interest margin has produced an operating loss to the corporation in that particular year of $1,080,597, as compared with an operating loss of $776,117 in 1961-62, and of $202,798 in 1960-61.

Hon. Mr. Horner: May I ask the honourable leader if the loss sustained was largely a loss through charging lower interest than was paid for the money, or through the nonpayment of mortgages?

Hon. Mr. Connolly (Ottawa West): I do not think there is any appreciable amount of this loss attributable to default in payment. I think it is simply the inadequacy of the original interest rate.

Believe me, honourable senators, this is not a matter of political concern. The fact is that at the time the corporation was established it was easy to get money, and lend it at an interest rate of 5 per cent and find that to be practically an economic charge. The trouble is that subsequently the cost of money became higher, with the result that the 5 per cent rate was inadequate.

Hon. Mr. Horner: And of course the legal fees vary. I understand they are much higher than originally.

Hon. Mr. Connolly (Ottawa West): Oh, I think that is a minor part of the whole operation. I am sure that legal fees do not contribute in the slightest iota to the loss. I am confident that all honourable senators who are lawyers would agree with that statement.

Hon. Mr. Aseltine: Legal fees are paid by the borrower.

Hon. Mr. Brooks: When the interest charge was made, I believe the intention was to bring it in line with the interest rate under the Veterans Land Act, of 5 per cent.

Hon. Mr. Connolly (Ottawa West): The honourable leader opposite is probably in a better position than I am to say that. However, it seems to me to be another supporting reason. Basically, I think the reason was that money was a little cheaper then, and it could be done. Now, however, we are faced with a different situation. I think it is going to be perfectly obvious that even with the economic rate for the amounts in excess of the present ceilings, the return is not going to be enough to put the corporation into a position where it will not have losses. That will continue.

Honourable senators might be interested if I simply make this final statement about the purposes for which loans were approved. In 1962-63, a little over 55 per cent of the lending was done for the purpose of assisting in land purchase; 8.4 per cent was for the purpose of assisting in farm improvements; 23 per cent to pay off debt on the farms secured by mortgages on the land; 7 per cent for other debts; taxes less than 1 per cent; to acquire livestock, 3 per cent; for equipment purposes, slightly over 1 per cent; and for sundry purposes, less than 1 per cent.

It is interesting to observe that from the time the corporation came into existence in 1959, and during this five-year period, the percentage of money used for land purchase out of these loans rose from 30 per cent in 1958-59 to 55 per cent in 1962-63.

Honourable senators, I hope that this has not been an inadequate explanation. I think the bill is a helpful one, with the one exception of the fact that even yet the interest rate proposed is not going to be completely adequate to cover the operating expenses of the corporation. I think the bill is welcomed by the farming community, and I commend it to the sympathetic consideration of the house. If it is given second reading, I will propose that it be dealt with in the Standing Committee on Banking and Commerce.

Hon. Mr. Haig: Before the Leader of the Government resumes his seat, am I to assume that the repayments go back into the revolving fund, so that the request for an increase in the capital of the corporation is because of the increased number of loans being applied for?

Hon. Mr. Connolly (Ottawa West): Quite so.

Hon. Mr. Brooks: And an increase in the amount of the loans?

Hon. Mr. Connolly (Ottawa West): Yes, the amount may have something to do with it, but I understand the number of applications is increasing appreciably.

Hon. Mr. Horner: Honourable senators, undoubtedly the greatest change I see is that to include beekeepers. I could image the caretaker or supervisor will have to be a wonderful type of fellow if he can keep track of the bees, because the old hives are generally destroyed in the fall. You are all through in the fall when you have taken the honey. As I say, he will have to be a wonderful type of fellow, and if money is to be lent to him he will have to be a very honest man.

Perhaps the Leader (Hon. Mr. Connolly, Ottawa West) can enlighten me on one thing. There are two types of loans. There is the loan not exceeding $20,000 at 5 per cent interest, and there is another interest rate for loans exceeding $20,000. Take a $50,000 loan, when a person has repaid part of it and the amount owed is down to $20,000, does it then qualify as a 5 per cent loan or does it remain through its entire life at the higher rate?

Hon. Mr. Connolly (Ottawa West): I think I can answer that question now. My understanding of it is that if you, as a farmer, borrowed $40,000, on the first $20,000 you would pay 5 per cent, and on the next $20,000 you would pay the economic rate. I think that answers the question.

Hon. Mr. Baird: Honourable senators, I would like to draw your attention to the fact that Newfoundland, with its 42,000 square

miles of arable land, has only borrowed $20,000 and that amount has since been repaid.

Hon. Mr. Connolly (Ottawa West): Undoubtedly the farmers there are very wealthy.

Hon. Arthur M. Pearson: Honourable senators, I will certainly vote for this bill to increase the total capital of the Farm Credit Corporation. As the Leader of the Government has indicated, it will have a $24 million capitalization now, which, as he explained, means the borrowing and lending powers of the corporation will be raised from $400 million to $600 million, which is 25 times the capital of the corporation.

In saying that I will support the bill, I do not mean I am entirely in favour of some of its provisions or amendments. I am beginning to question the advisability of raising individual loans to farmers to the amount of $40,000 under Plan 2 and $55,000 under Plan 3. My reason for questioning this is that these large loans will have a tendency artificially to enhance the price of land. Land prices in my province are now at an all-time high, running up from $100 to $150 an acre for the better land.

I have some figures here from the *Canada Year Book* for 1963-64. It is interesting to note that the average capital value of farms in 1951 was $15,200, whereas in 1961 it was $27,389. The average price per acre of land across Canada in 1951 was $54; in 1961 the average price—and this is including Newfoundland, where they have so many acres of good land—was $76 per acre. When the price gets up to $100 an acre it takes the land out of the hands of those who would like to farm, the younger men, and it is only those who are already in the farming industry who can afford to buy more land or increase their holdings.

Just to illustrate the reaction to these high prices of land, I sat in a train going from Regina to Calgary with a stranger and, as you all know, in the west strangers get acquainted very easily. This fellow apparently had been in Phoenix, Arizona, where he spent a couple of months on a holiday, and he was returning to do his seeding in the spring. He apparently owned 960 acres in the area northwest of Swift Current. I would judge he was a man of 65 or possibly 70 years of age. He said he had been offered $100 an acre for his land in that area, and that by auctioning off his equipment he figured he would net about $125,000 for his farm and equipment. He said, "That's a tremendous price and I am sure going to grab it while the grabbing is good, but,"—and this is the significant part of his statement—"I would sure hate to be the man who bought my land, because you and I know what that land could not produce in the thirties." He felt that the price of wheat land, at $100 an acre, was out of line altogether. This is what makes me fear that these increased loans will drive the price of land higher yet. For this reason, I question making available such loans if, in fact, easier credit helps to push up the price of land unduly.

There has been a rapid growth in loans made to farmers since the Farm Credit Act was put into effect in October, 1959. It was the last Government which had to show the way, to get our farmers away from the idea of small-time subsistance farming. When one looks at the record of the old Farm Loan Board, which was superseded by this present act in 1959, one finds that the number of loans made under that board never exceeded more than 3,500 in any one year, and the only years they reached that number of loans were 1935-36 and 1957-58.

Since this new act came into force the approved and disbursed loans have been rapidly increasing. In 1958-59 there were 4,659 loans made; in 1959-60, 5,169 loans; in 1960-61 there was a small drop, to 5,162; in 1961-62 there were 6,027 loans; and in 1962-63, the last year for which we have any record, 7,438 loans.

It is noteworthy that the pattern of the loans has been changing, and that loans have been used more and more to purchase land and livestock.

A sad thing to note, also from the *Canada Year Book*, is the value of lands and buildings and, under a separate heading, the value of equipment and livestock. In all the provinces east of Ontario, and including Ontario, the value of livestock has gone down. In the case of Nova Scotia and New Brunswick the value of land also has gone down, and in Nova Scotia the value of equipment has gone down. On the other hand, in all four western provinces, the Yukon and Northwestern Territories the value of land has increased very greatly, and the value of livestock and equipment also has gone up. Apparently the loans are going over very well in that area.

Hon. Mr. Roebuck: May I ask the date of the year book from which the honourable senator is quoting?

Hon. Mr. Pearson: It is page 484 of the *Canada Year Book* for 1963-64.

Another indication of the effect of these loans on lands is that it is helping to increase the number of large farms, rather than keeping the average farm or the small farm. You will notice by page 477 of the same year book that the total number of farms has shrunk by 90,000 in the period from 1956 to 1961. The largest decrease in the number of farms has been in Quebec and Ontario.

As I said before, the loans have been used more and more for the purchase of lands and livestock. My conclusion in this regard would be that more of the younger men are getting into the farming operation, and by that I mean men up to 45 or 50 years of age. In farming, a man of 50 years is not an old man any more; he used to be quite an old man.

The farming areas in the country are becoming less debt-ridden, and farmers are able to purchase more land to enlarge their farms. Tied in with these significant changes, of course, has been the better marketing of produce. There is an apparent general prosperity in farming at the present time, but according to figures it is not very real. However, the markets have been developed by the long-term credit sale of grain to the Iron Curtain countries.

If this bill goes before the Standing Committee on Banking and Commerce there is one question I would like to have cleared up, and that is with regard to the real estate held by the Farm Credit Corporation. In the report referred to by the Leader of the Government (Hon. Mr. Connolly, Ottawa West), it was indicated that they held some $20,000 worth of land on hand for sale. I would like to know where this land is located, and what province is concerned. Another question I would like to ask arises from the "Statement by provinces of outstanding agreements for sale accounts." Where did these agreements of sale come from? Would the leader answer that question, or shall we have it answered in the Committee on Banking and Commerce?

Hon. Mr. Connolly (Ottawa West): What page is that on in the report?

Hon. Mr. Pearson: I think that is in the financial statement—the agreements of sale under the heading "Assets."

Hon. Mr. Connolly (Ottawa West): Page 12.

I think, honourable senators, assets held by the corporation include, first of all, loans to farmers. There are various loans against the security of first mortgages in 1963, in the amount of $277 million. There are second mortgages representing $4,807; and then agreements for sale, which are also forms of assets, and in that same year the value of those agreements was $55,972. These, no doubt, were lands the title of which had come to the Farm Credit Corporation in one manner or another, and which were disposed of by the corporation without giving a deed and taking a mortgage back, as is so often done. It was done by way of an agreement for sale, and under the agreement for sale the Farm Credit Corporation retains title subject to the right of the purchaser to pay off the balance of the purchase price and get clear title.

Hon. Mr. Pearson: The question in my mind is this: Do some of these sales mean that the land was quitclaimed by the original borrower and sold back to another purchaser at a loss?

Hon. Mr. Connolly (Ottawa West): Not necessarily. There may be such cases. There may be cases where a title came as a result of foreclosure proceedings, and they proceeded to sell. Perhaps in Ontario and other provinces where the system is not the same generally as it is in Saskatchewan, it might be that the corporation's officers would find it more convenient to do it by one document under an agreement for sale rather than by a deed and a mortgage. It depends a great deal on local practice.

Hon. Mr. Pearson: That does not answer my question. I would point out that on the next page, under liabilities, you show a loss of $1,080,000. I wonder if some of these showed up under that loss, rather than under loss due to the low interest rate.

Hon. Mr. Connolly (Ottawa West): If the honourable senator will look at the net loss in regard to real estate transactions for the year, he will see that it was about $6,300. The item to which he refers deals with operating losses due to the inadequacy of interest.

Hon. Mr. Pearson: I think that answers the question.

There is one other point I disagree with in this bill, and that is the amending of the original Farm Credit Corporation Act with regard to the matter of interest rates. Under the former act the interest rate was set at 5 per cent. I think the Leader of the Government gave a good resumé of that. This was originally intended as a subsidy to farmers to obtain a loan from the credit corporation. The bill now intends to raise the interest on loans of over $20,000, in Part II of the amendment, and on loans above $27,500 in Part III of the amendment. No rate has been set; so that the corporation has a free hand, and it will vary according to the price of money at the time. As I say, the rate has not been set, but the figure given in the other place indicated it could be somewhere in the region of 6½ per cent. It might be higher than that, because the minister in his statement said that they would have to add sufficient so that there would be no loss to the Government.

It seems to me that this is rather short-sighted on the part of the present Government, because while this 5 per cent may indicate a subsidy to the farmers, it has helped to advance the economy of the rural areas of Canada, and the economy of the country as a whole, to such an extent that if it had not been for the large crop in 1962

and 1963 Canada would not have had the favourable trade balance of which we are so proud today.

While the Government helps the farmers by subsidizing farming, farmers in turn help the country very quickly to recover from an imbalance of trade. For this reason I question the wisdom of raising the interest rate from 5 per cent to 6½ per cent on these larger loans. However, I shall support the bill.

Hon. Mr. Vaillancourt: Will the honourable senator permit me a question? He said that over the last 10 years the number of farmers has decreased, but the size of the farms has increased. Does he know if this has had the effect of increasing the number of acres under cultivation?

Hon. Mr. Pearson: I am afraid I do not know the answer to that question.

Hon. Mr. Burchill: When my honourable friend spoke of the value of land, I gather he obtained his information from the *Canada Year Book*.

Hon. Mr. Pearson: Yes.

Hon. Mr. Burchill: Does he know how those values were obtained?

Hon. Mr. Pearson: No, I do not, but the figures were taken from the statistics of 1961.

Hon. T. A. Crerar: Honourable senators, the principle upon which this legislation is founded is sound. Fifty years ago the idea of putting the Government into the business of lending money on farm mortgages would have been almost unthinkable. At that time the lending was done by private agencies, mainly life insurance companies and mortgage corporations, that were largely set up for the purpose and the loans were for very short terms—five years, or seven years at the outside—and the interest rate was high. I know that in the Prairie provinces the interest rate ran anywhere from 7 to 10 per cent.

Hon. Mr. Aseltine: The average was 8 per cent.

Hon. Mr. Crerar: Honourable senators, having regard to the changes that have taken place in the world, it is important that money for development purposes be made available at lower rates of interest than those I have just quoted, and it is probably for that reason that governments have ventured into this field. Some of the provincial governments have had rather unhappy experiences because of the great difficulty in applying in government administration the sound principles that apply if the same thing is done privately. The Farm Credit Corporation seems to have largely avoided that.

If my recollection is correct, at the time the lending business began under a different name from what it has now, the interest rate charged was 5 per cent; but at that time the Government could get its money for 3½ per cent. There was, of course, a margin of 1½ per cent that built up substantial reserves, and the idea was that the reserves would be built up until they equalled the capital.

Of course, in our rather hectic world of today interest rates have tended to rise steadily and, as they have risen, lending at 5 per cent has left a narrower and narrower margin of protection against loss.

I hold rather strong views on this point. My view is that if money is to be made available, then it should be so made available on a basis that would prevent anything in the nature of a subsidy being necessary. In other words, this business should be conducted so that the corporation, with efficient management, and the proper accounting and auditing, can come out on the right side. Therefore, my first criticism—and this is not in support of what Senator Pearson has said—is that a rate of interest of 5 per cent on future loans may be too low, if this business is to pay its own way.

There is another circumstance that is worthy of note, and I trust we shall get some information on this point in committee. If you amortize a loan of $20,000 over 30 years—that is, where the annual payments are composed of both interest and return of capital—the difference in the payments a farmer has to make at the end of the year as between an interest rate of 5 per cent and one of 5½ per cent, or even 6 per cent, is a small matter compared to the accommodation he receives and which enables him to obtain implements and other requisites. I know that because I have had occasion to go into it rather closely. That is my first point.

In respect to my second point, I am not quite clear on this matter of two kinds of obligation by the borrower. Up to a certain limit he will pay 5 per cent interest, and beyond that he will pay something more. I think it would be better to make the one sum available to him at a fixed rate of interest, the whole amortized as it is over 30 years, at a point where the public treasury is reasonably protected. I am just as much opposed to subsidizing farmers in the matter of the interest they pay as I am to subsidizing manufacturers with tariffs. This, I think, is a sound principle. The next point I wish to mention is that the introduction of beekeepers into this sanctuary looks to me to be a bit doubtful. A beekeeper can start up on half an acre of

land, if he is near some farmer who is growing alfalfa or other crops that produce flowers. Consequently, his investment is only in his hives, his bees and his equipment for preparing the honey. I do not like the idea of widening this. The fact that in recent years as the loans have gone up the losses have followed suit is rather significant. That should be changed. If we are going to save this country's economy I think we have to change this practice or method of achieving this objective. I am quite confident that this can be done.

There is just one other point I wish to make with respect to the supervision of these loans that Senator Connolly (Ottawa West), who introduced the measure, referred to. This is very important. If you take a city of, say, 250,000 people you will have in it perhaps 75 doctors. Some of those doctors will be efficient and some of them will be less efficient. If you have 100 lawyers some of them will be at the top—

Hon. Mr. Connolly (Ottawa West): Most of them.

Hon. Mr. Crerar: Some of them will be efficient, and some of them will not be worth hiring. If you have merchants in the city doing business you will find that some of them succeed, and some fail. That seems to be a sort of universal law of life, and farmers are not exempt from it. There are some farmers who start from scratch and make an outstanding success, and there are others who fail.

If we are going to have this thing operate properly then I think it is very important that there be the necessary kind of general supervision; and if the occasion requires actual supervision of farmers in their operations, there should be also some knowledge of the standing and reputation of the farmer. It must be known whether his word is good. As in every other occupation, you will find farmers who will turn a corner as quickly as anybody else. We can always find doubtful people whether they are doctors, lawyers, farmers or people in any other profession, who take an easy attitude to their honest obligations. Such as these should get no encouragement. It is like the application of a universal law. This has splendid possibilities, but it is open to possible abuse, and it is our business here to try to block the loopholes which may allow abuses.

I have no doubt we will be much better informed on the matter after the bill has gone to a committee, as the honourable Leader of the Government proposes. When it comes back, we may have another discussion on it.

Hon. Cyrille Vaillancourt: Honourable senators, I wish to say a few words in defence of the bees. I started with bees 50 years ago, but the situation is not at all the same now. The beekeepers are well organized now, and the bee industry is obliged to build factories, bee houses, provide machinery and so on. The beekeepers are obliged to live now, especially in the west, with 200 to 500 beehives. Many beekeepers who have 500 to 800 hives are obliged to build a cellar, a laboratory, and have machinery.

Particularly in the west, we know that for the beekeepers there to live off the production of honey it is necessary for them to build a good organization and to have the best laboratory and the best cellar. That is the reason why the Government has brought the beekeepers under this law. The bees are necessary in order to increase the crop in the field. They are the best producers, as they transfer the pollen from one flower to another and thus increase the fruit crops. It is a very good thing for the farmer to have bees.

Honourable senators, that is the reason I rose to explain my point of view. Fifty years ago I started with the bees, and I learned a lesson in the co-operation of bees in the beehives.

Hon. Mr. Reid: A previous speaker mentioned beekeeping. I do not know how many hives he had in his day, but I had 100 and I was regarded as a good-sized beekeeper in my day. I reckon there is not much I did not know about bees.

I am surprised about the proposed beekeeper loans. The beekeeper does not start in big; he grows. He can buy so many bees from the south, but generally speaking he builds his own. I am interested to hear that the beekeepers can now get a loan. In the early days when I was a beekeeper—and I think it will be agreed that to have 100 hives is quite a bit—we did not look for financial help. I would like to hear in the committee what prompted the bringing in of beekeepers under this law.

Hon. Mr. Vaillancourt: The loan is not to be made on the bees, but on the laboratory, the buildings, the machinery and the cellar. When you collect the honey, it is necessary to pasteurize it at a certain degree and to have a plant to pack it. If you go to the Peace River area, you will see beekeepers there with hundreds of hives.

Hon. Mr. Reid: What is the difference between the way it is done in Quebec and the way it is done in British Columbia?

Hon. G. Percival Burchill: Honourable senators, I should like to make a short observation in regard to the remarks of Senator Crerar, who asks that this corporation be put

on a sound business basis and that the farmer should pay what it costs to lend this money.

Senator Crerar, when he makes these remarks, is thinking of millionaire farmers of the middle west, like those I see in front of me in the benches of the Senate. I have heard Senator Taylor (Westmorland), who knows farming in the east as well as any man, make a plea for reduced interest rates. He has spent his lifetime as an administrator in agriculture in New Brunswick; he was Minister of Agriculture there for many years, and is reckoned all over the east as an authority on eastern farming. The farmers of the Maritime provinces cannot pay the same rate of interest as can the wealthy farmers of the west.

My friend Senator Brooks will corroborate what I have to say. He knows the position of the farmers in New Brunswick. One has only to check the statistical returns and note the income of the average farmer in New Brunswick and contrast it with that of the western farmer. We are talking about two different things.

I cannot think of any better way that the federal government could help agriculturists in New Brunswick than by reducing the rate of interest. This bill actually increases the rate over what it was before. The rate should be reduced. That would be a sound approach, as far as the eastern farmer is concerned; he cannot pay 5 per cent or 6 per cent when he is struggling to make a living. The eastern farmer is completely different from the western farmer who no doubt can pay the current interest rates. The farmers in eastern Canada for whom I am speaking, particularly those in the Province of New Brunswick, are not in a position to pay those rates.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Connolly (Ottawa West), bill referred to the Standing Committee on Banking and Commerce.

CRIMINAL CODE (HABEAS CORPUS)

BILL TO AMEND—MOTION FOR SECOND READING—DEBATE CONTINUED

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Lang for the second reading of Bill C-35, to amend the Criminal Code (*Habeas Corpus*).

Hon. David A. Croll: Honourable senators, in making a few remarks in support of this bill, I have some suggestions to offer for the consideration of senators and of the Government. This bill deals with a very important matter in terms of liberty of the subject, and would give the right of appeal to a person from an order of a judge refusing to discharge under *habeas corpus*.

Senator Lang has already told you, as has Senator Macdonald (Cape Breton), that *habeas corpus* is an ancient and honourable remedy for preserving the rule of law and the liberty of the subject. The security of every individual person against arbitrary imprisonment is based upon the remedy of *habeas corpus*. This bill gives the right of appeal where a judge has refused that remedy. Judges, like other human beings, sometimes make mistakes and we should take every opportunity to correct them. The liberty of the subject is our very first concern.

Senator Macdonald (Cape Breton) yesterday made a very thoughtful intervention in the debate. He raised this most important point: if the applicant has the right of appeal, does the Crown have the same right of appeal? I think the Crown does. As matter of fact, I think the Crown should have the right of appeal.

Senator Macdonald (Cape Breton) indicated that section 583 of the Criminal Code gives to the person the right of appeal on three grounds: (1) on a question of law alone; (2) by leave of the court on a question of fact alone, or a question of mixed law and fact; and, (3) on any other ground which appears to the court of appeal to be a sufficient ground. On the other hand, the Crown in appealing, and it is laid down under section 584, can only appeal on a question of law alone.

Two things trouble me about the question that Senator Macdonald asked. One is that the commission on criminal legislation in its report brought in a recommendation that the code should be uniform throughout.

The second thing that troubles me even more is that there may arise a case involving national security, or there may arise a case involving something prejudicial to the public interest. In that case, I certainly believe that the Crown should have a right of appeal. Indeed, I think it has that right at the present time under the law. However, that is a matter, I suppose, that we can discuss further in committee.

Honourable senators, I support the principle wholeheartedly, but I cannot help observing that however good our intentions are—and they are good—loopholes in the law with respect to personal liberty are continually cropping up. One such loophole, of course, we are plugging in the present bill. But there are others.

Despite the theoretical availability of *habeas corpus* proceedings, a good many people have been concerned that individuals

who are not accused persons within the meaning of the Criminal Code may be detained for protracted periods under the immigration law, or some other federal statute, to the extent that they are simply forgotten. We do not want, and indeed we cannot afford, to have forgotten men detained under any federal statute. From all the press reports, and from the facts before us, there has been an accumulation of evidence recently of men being taken into custody and being lost—deposited and forgotten.

Honourable senators, mark these words: For accused persons detained under the Criminal Code, there are some guarantees to make sure that they will not be forgotten. For instance, section 438(2) provides that a peace officer detaining a person who has been arrested shall cause him to be taken before a justice of the peace within 24 hours. Moreover, section 451(b) provides that there may be no adjournments of hearing for more than eight clear days. Such persons, at least, are not and cannot be forgotten.

Let me deal for a moment with section 438 of the Criminal Code. Subsection (2) of that section says:

> A peace officer who receives delivery of and detains a person who has been arrested without warrant or who arrests a person with or without warrant, shall, in accordance with the following provisions, take or cause that person to be taken before a justice to be dealt with according to law, namely,
>
> (a) where a justice is available within a period of twenty-four hours after the person has been delivered to or has been arrested by the peace officer, the person shall be taken before a justice before the expiration of that period; and
>
> (b) where a justice is not available within a period of twenty-four hours after the person has been delivered to or has been arrested by the peace officer, the person shall be taken before a justice as soon as possible.

That is uniform, and provides for the appearance of the accused before the court.

Section 451(a) provides that a justice acting under the part which I have just indicated can, when the accused appears before him, grant him bail, in which case we need not concern ourselves with him; or if the judge cannot grant bail, then the accused stays in custody.

Subsection (b) says that no such adjournment shall be for more than eight clear days unless the accused is out on bail or is remanded for observation. That has to do with illness, which can easily be understood.

My suggestion is that the same requirements should be made to apply not only to accused persons under the Criminal Code, which is a federal statute, but to any person detained for any reason under the Immigration Act or any other federal statute. It is as simple as that. All that is needed is a simple amendment to the Criminal Code, which I believe Parliament will quickly accept. In the present circumstances, I think Parliament should welcome it.

While we are discussing the liberty of the subject, and particularly those people involved under the Immigration Act, let me say that such persons, in the main, are friendless and fundless people. I think the immigration department should make available to them a legal friend in order to advise them of their rights to appear at a hearing and, if necessary, to appear in court. If that were done, it would give the country generally a feeling of confidence that what has happened cannot happen again. It would lessen the criticism of the immigration department in these circumstances.

These provisions which I suggest, and they seem very simple and straightforward, would ensure that there are no forgotten persons in detention in this country, that a person detained would be able to make any submission or request to the court concerning his confinement. Even in the absence of such submission or request, the court would be alerted to the length of detention and would require the reason therefor. After one or two such adjournments, if these matters came before the judge who is dealing with them, the question would naturally arise as to the reason for these adjournments, who is asking for them, and what are the conditions concerning them. The court would intercede and would require some explanation as to the request for adjournments.

The mere possibility that a person may have been held in detention for a protracted period under a federal statute without public knowledge is certainly abhorrent to me, as I am sure it is to all senators; it is abhorrent to men in public life as well as out of public life. Accordingly, honourable senators, I have, when discussing the freedom of the individual, suggested two ways to guard

against any such possibility. I hope that the members of the Senate, and others who are concerned with this matter will, in supporting this bill, see the practicability of what I have suggested, so that it may be put into effect to make sure that what has happened will not happen again.

Hon. Mr. Horner: Honourable senators, I sometimes think, however, that we should be more concerned about some people that are running around outside, and who should be locked up.

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

PRIVATE BILL

THE GUARANTEE COMPANY OF NORTH AMERICA—FIRST READING

Hon. David A. Croll, for Hon. Louis P. Gelinas, presented Bill S-37, respecting The Guarantee Company of North America.

Bill read first time.

Hon. Mr. Croll, for Hon. Mr. Gelinas, moved that the bill be placed on the Orders of the Day for second reading on Wednesday next.

Motion agreed to.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, June 18, 1964

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

Prayers.

DOCUMENTS TABLED

Hon. John J. Connolly tabled:

Report of the Civil Service Commission of Canada for the year ended December 31, 1963, pursuant to section 76(1) of the Civil Service Act, chapter 57, Statutes of Canada, 1960-61. (English and French texts).

Copy of a statement, dated June 17, 1964, concerning the results of the UN Conference on Trade and Development at Geneva. (English text).

PRIVATE BILL

THE CONGREGATION OF THE MARIST SISTERS —FIRST READING

Hon. Edgar Fournier presented Bill S-38, to incorporate The Congregation of the Marist Sisters.

Bill read first time.

Hon. Mr. Fournier (Madawaska-Restigouche) moved that the bill be placed on the Orders of the Day for second reading on Tuesday next.

Motion agreed to.

FARM CREDIT ACT

BILL TO AMEND—AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Paul H. Bouffard, Acting Chairman of the Standing Committee on Banking and Commerce, presented the following report of the committee on Bill C-100, to amend the Farm Credit Act:

> Your committee recommend that authority be granted for the printing of 800 copies in English and 300 copies in French of their proceedings on the said bill.

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

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

Report adopted.

REPORT OF COMMITTEE ADOPTED

Hon. Mr. Bouffard, Acting Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill C-100, to amend the Farm Credit Act, and had directed that the bill be reported without amendment.

Report adopted.

THIRD READING

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

Hon. John J. Connolly: Honourable senators, as yet His Honour the Speaker is not in receipt of the notice, but the plan is to have royal assent at about 9.45 this evening.

I think it desirable, and I am sure all honourable senators will agree, that Bill C-100, to amend the Farm Credit Act, which has passed committee without amendment, be included in the list of bills to be given royal assent this evening. For this reason I would move, with leave, that the bill be read a third time now.

Motion agreed to and bill read third time and passed.

OTTAWA TERMINAL RAILWAY BILL

AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. A. K. Hugessen, Chairman of the Standing Committee on Transport and Communications, presented the following report of the committee on Bill S-33, to incorporate the Ottawa Terminal Railway Company:

> Your committee recommend that authority be granted for the printing of 800 copies in English and 300 copies in French of their proceedings on the said bill.

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

Hon. Mr. Hugessen: With leave, I move that the report be adopted now.

Report adopted.

NATIONAL HOUSING ACT, 1954

BILL TO AMEND—THIRD READING

Hon. John J. Connolly moved the third reading of Bill C-102, to amend the National Housing Act, 1954.

Motion agreed to and bill read third time and passed.

CORPORATIONS AND LABOUR UNIONS ACT

BILL TO AMEND—THIRD READING

Hon. Eric Cook, for Hon. Daniel A. Lang, moved the third reading of Bill S-35, to amend the Corporations and Labour Unions Returns Act.

Motion agreed to and bill read third time and passed.

PRIVATE BILL

NOVA SCOTIA SAVINGS & LOAN COMPANY—THIRD READING

Hon. Gordon B. Isnor moved the third reading of Bill S-34, to incorporate Nova Scotia Savings & Loan Company.

Motion agreed to and bill read third time and passed.

BUSINESS OF THE SENATE

Hon. John J. Connolly: Honourable senators, the Senate has come to the end of the Order Paper for today. As all honourable senators know, a resolution is being debated, or will be debated, in the other place today to amend the British North America Act. According to what I hear—and of course I must remain an optimist at all times—that debate is not likely to be lengthy. I would hope that it may be concluded in the other place by six o'clock.

Now, you will have to be optimistic to follow me from this point on. We have, in any event, a royal assent scheduled for 9.45 this evening. Consequently, I propose at this time that the Senate adjourn, to reassemble at the call of the bell at eight o'clock this evening, in the hope that we shall then have the constitutional amendment to debate. As it does not require royal assent, I would hope that we may be able to finish our debate on the subject and to concur with the other place by the time we adjourn tonight.

I think Mr. Speaker will have the letter with reference to the royal assent when we reassemble at eight o'clock. For the purpose of trying to keep honourable senators advised, and in the hope that it may be of some convenience to them, I should say that if the debate on the resolution to amend the Constitution is not completed in the other place today it will be necessary for the Senate to sit tomorrow to conclude our part in that matter, and then to adjourn.

Hon. Mr. Flynn: Until when?

Hon. Mr. Connolly (Ottawa West): I will answer that question later, if I may. I do not want to appear overly optimistic.

I move, therefore, that the Senate do now adjourn during pleasure, to reassemble at the call of the bell at approximately 8 o'clock this evening.

The Senate adjourned during pleasure.

At 8 p.m. the sitting was resumed.

ROYAL ASSENT

NOTICE

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

GOVERNMENT HOUSE

Ottawa
18th June, 1964

Sir,

I have the honour to inform you that the Hon. Roland A. Ritchie, Puisne Judge of the Supreme Court of Canada, acting as Deputy to His Excellency the Governor General, will proceed to the Senate Chamber today, the 18th June, at 9.45 p.m., for the purpose of giving royal assent to certain Bills.

I have the honour to be,

Sir,

Your obedient servant,

A. G. Cherrier
Assistant Secretary
to the Governor General.

The Honourable

The Speaker of the Senate.

BUSINESS OF THE SENATE

Hon. John J. Connolly: Honourable senators, the debate in the other place in respect of the Address to Her Majesty for the amendment to the British North America Act has not yet concluded. I understand there are some speakers yet to be heard there. We have royal assent scheduled for 9.45 this evening. If the consideration of the constitutional amendment should conclude in the other place, would it be more convenient to honourable senators to sit after royal assent and dispose of the debate tonight rather than meet tomorrow?

I am in the hands of the house and am willing to sit either tonight or tomorrow. The constitutional amendment would be the only subject on our Order Paper tomorrow. However, I remember the trouble about attendance resulting from the postponement of the Easter recess and I should not like that trouble to recur.

I put this proposal to the house for consideration. It may mean sitting until 11 o'clock tonight, or later, depending on the length of the discussion. Should the resolution come to us earlier than 9.30, perhaps we could commence the debate before royal assent and conclude it later.

Hon. Lionel Choquette: If the honourable Leader gives assurance that there will be no other legislation to be considered, I am willing to go on after royal assent.

Hon. Mr. Connolly (Ottawa West): I do not foresee any other legislation. We can adjourn until 9.30, and if the bell should ring earlier, honourable senators will know that the debate in the other place has been concluded.

We will be debating a motion, not a bill, and royal assent is not necessary.

Hon. Mr. Grosart: Will we have copies of the resolution?

Hon. Mr. Connolly (Ottawa West): Photostatic copies of the resolution as it appeared on the Order Paper of the other place will be distributed here when the motion is called. The photostat will show other items, but the text we are to debate will be the same.

I move that the Senate do now adjourn, to resume at the call of the bell at approximately 9.30 p.m.

The Senate adjourned during pleasure.

ROYAL ASSENT

The Honourable Roland A. Ritchie, Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned, and being come with their Speaker, the Honourable the Speaker of the Senate said:

> Honourable members of the Senate:
> Members of the House of Commons:
>
> I have the honour to inform you that His Excellency the Governor General has been pleased to cause Letters Patent to be issued under his Sign Manual and Signet constituting the Honourable Roland A. Ritchie, a Puisne Judge of the Supreme Court of Canada, his Deputy, to do in His Excellency's name all acts on his part necessary to be done during His Excellency's pleasure.

The Commission was read by the Clerk.

The Honourable the Deputy of His Excellency the Governor General was pleased to give the royal assent to the following bills:

An Act to amend the Farm Credit Act.

An Act to amend the National Housing Act, 1954.

An Act to amend the Judges Act and the Exchequer Court Act.

An Act to amend the Income Tax Act.

An Act respecting the Payment of Certain Provincial Taxes and Fees by Crown Corporations.

An Act to amend the Bank Act and the Quebec Savings Banks Act.

An Act to authorize the Construction and Maintenance of a Bridge across the St. Lawrence River between the City of Ste-Foy, in the County of Quebec, and the Municipality of St-Nicolas, in the County of Levis, both in the Province of Quebec.

An Act to incorporate Canadian Conference of the Brethren in Christ Church.

An Act respecting The General Accident Assurance Company of Canada.

An Act respecting Scottish Canadian Assurance Corporation.

An Act respecting Allstate Insurance Company of Canada.

An Act respecting The Dominion Life Assurance Company.

The House of Commons withdrew.

The Honourable the Deputy of His Excellency the Governor General was pleased to retire.

The sitting of the Senate was resumed.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Friday, June 19, 1964

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

Prayers.

DOCUMENT TABLED

Hon. John J. Connolly tabled:

Report of the Royal Commission on Health Services (Chief Justice Emmett M. Hall, Chairman), Volume I, together with a statement of information and a summary of the said report, dated June 19, 1964. (English and French texts).

Hon. Mr. Roebuck: Will copies of the Hall report be distributed?

Hon. Mr. Connolly (Ottawa West): Yes, copies will be distributed. As honourable senators will note, the volume is very large. I suppose it will take a day or so to make the distribution, because I am informed that it cannot be mailed in the ordinary way.

BUSINESS OF THE SENATE

Hon. John J. Connolly: Honourable senators, perhaps you are all aware that the petition in respect of the amendment to the British North America Act is still under consideration in the other place. It is hoped that by the time private members' hour is reached in the other place, at 5 o'clock, the measure will have been passed and will then be available for our consideration.

If it suits the convenience of honourable senators, I would move that we adjourn during pleasure, to reassemble at the call of the bell at approximately 5 p.m. Should the bell ring before that time, senators will know that the measure is available to us.

Hon. Mr. Brooks: I am sure we all realize the Leader of the Government is taking the only course open to him in the circumstances, and we on this side are fully in agreement.

Hon. Mr. Aseltine: "Hope springs eternal..."

The Senate adjourned during pleasure.

At 4.30 p.m. the sitting was resumed.

BRITISH NORTH AMERICA ACT

ADDRESS REQUESTING AMENDMENT TO PROVIDE FOR SURVIVORS' AND DISABILITY BENEFITS

The Hon. the Speaker: Honourable senators, I have the honour to inform the Senate that the following message has been received from the House of Commons:

Resolved, that a humble Address be presented to Her Majesty the Queen in the following words:

To the Queen's Most Excellent Majesty:
Most Gracious Sovereign:

We, Your Majesty's most dutiful and loyal subjects, the ..... Commons of Canada in Parliament assembled, humbly approach Your Majesty, praying that You may graciously be pleased to cause a measure to be laid before the Parliament of the United Kingdom to be expressed as follows:

An Act to Amend the British North America Act, 1867

Whereas the Senate and House of Commons of Canada in Parliament assembled have submitted an Address to Her Majesty praying that Her Majesty may graciously be pleased to cause a measure to be laid before the Parliament of the United Kingdom for the enactment of the provisions hereinafter set forth:

Be it therefore enacted by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:

Amendment as to legislation respecting old age pensions, 30 & 31 Vict., c. 3; Eliz. II, c. 2.

1. Section ninety-four A of the British North America Act, 1867 is hereby repealed and the following substituted therefor:

Legislation respecting old age pensions and supplementary benefits.

"94A. The Parliament of Canada may make laws in relation to old age pensions and supplementary benefits, including survivors' and disability benefits irrespective of age, but no such law shall affect the operation of any law present or future of a provincial legislature in relation to any such matter."

Short title and citation.

2. This Act may be cited as the British North America Act, 1964, and the British North America Acts, 1867 to 1960, and this Act may be cited together as the British North America Acts, 1867 to 1964.

Ordered, that the said Address be engrossed and that a Message be sent to the Senate informing Their Honours that the House of Commons has passed the foregoing Address and requesting Their

> Honours to unite with this House in the said Address by inserting therein the words "Senate and".

Honourable senators, when shall this message be taken into consideration?

Hon. John J. Connolly: Honourable senators, with leave, I move:

> That the Senate do agree with the House of Commons in the said Address by filling up the blank spaces therein with the words "Senate and".

I trust each honourable senator has a copy of the Address. If any honourable senator is without one, the pages will supply that deficiency.

Honourable senators have heard his Honour the Speaker read the Address which is to be presented to Her Majesty. It might be most convenient if I first of all refer to the section of the British North America Act which it is proposed to amend. Section 94A of that act reads as follows:

> 94A. It is hereby declared that the Parliament of Canada may from time to time make laws in relation to old age pensions in Canada, but no law made by the Parliament of Canada in relation to old age pensions shall affect the operation of any law present or future of a Provincial Legislature in relation to old age pensions.

That section of the British North America Act was passed by the United Kingdom Parliament in the year 1951. The citation is 14 and 15 George VI, chapter 32, of the United Kingdom statutes.

It is now proposed that that section should be deleted and the following substituted therefor:

> 94A. The Parliament of Canada may make laws in relation to old age pensions and supplementary benefits, including survivors' and disability benefits irrespective of age, but no such law shall affect the operation of any law present or future of a Provincial Legislature in relation to any such matter.

As honourable senators will observe from the text of the petition which is before us, the petition is to Her Majesty the Queen. Her Majesty is requested to present the petition to the Parliament of the United Kingdom for the purpose of having this change made in the British North America Act—the Constitution of Canada.

As all honourable senators are aware, the Constitution of Canada is a statute of the British Parliament. Except in certain cases, in which it is provided that the Canadian Parliament has authority to amend that statute, any amendments must be made by the United Kingdom Parliament, which has the legislative capacity to do so. Section 94A is one of those sections.

I am sure that most of us feel at this stage of the historic development of this country that the time has come when its Constitution should be—not "repatriated" but—"patriated" in this country. However, it is easier to say that than to accomplish it. We are a federal state. There are federal responsibilities, and federal attitudes prevalent. There are, of course, provincial attitudes and provincial rights that are embedded in the Constitution. While attempts have been made through meetings between the federal and provincial authorities to decide upon an effective manner of giving our own Parliament authority to effect constitutional amendments with respect to all such matters, no such agreement has been reached.

It is, I think, the desire of most members of both houses—and I venture to think it is the desire of most Canadians—that consultation to the end that we have within ourselves and our own Parliament power to amend the Constitution should be proceeded with at the earliest opportunity.

However, the fact is that we are now in a situation where it is desired to amend the Constitution, and the amendment proposed cannot be made by this Parliament. The procedure outlined in the proposal before us now is the only procedure available.

May I now say a few words about the precedent involved. Section 94A, as I have said already, was passed by the British Parliament in 1951 after it received a petition, the language of which was nearly identical to that before us. The purpose of that petition was to secure an amendment to the British North America Act which would confer federal jurisdiction in the field of old age pensions. It would confer authority on the Parliament of Canada to legislate in respect of old age pensions from and after 1951. The reason the application was made at that time, upon the best constitutional advice available, was that the field of old age pensions belonged to the provinces rather than to the dominion. The basis for that opinion and the consequent action is to be found in section 92, which sets out the powers of the provincial legislatures. The important subsections of section 92, which led to the conclusion to which I have just referred, is subsection 13, dealing with property and civil rights in the provinces. I think, too, that subsection (7) of section 92 impelled the constitutional authorities to the conclusion that an amendment was required. Subsection 7 reads:

> The Establishment, Maintenance, and Management of Hospitals, Asylums,

> Charities, and Eleemosynary Institutions in and for the Province, other than Marine Hospitals.

Perhaps subsection 16 had a bearing on the matter as well. It reads:

> Generally all Matters of a merely local or private Nature in the Province.

As a result of the enactment of section 94A, the Old Age Security Act was passed by the federal Parliament. That act is now cited as Revised Statutes of Canada of 1952; chapter 200. That act provided for a flat rate old age pension at 70 years of age, without a means test. The rate has been varied from time to time and is now $75 a month. It is proposed now to integrate that old age pension into the provisions of the Canada Pension Plan.

Honourable senators, this amendment arises out of the introduction of the scheme known generally as The Canada Pension Plan. As honourable senators know, from discussions in the other place and in the press, it is being proposed as a contributory plan, to provide for pensions in relation to earnings. A bill to bring the Canada Pension Plan into being has reached the resolution stage in the House of Commons. It was the subject of discussion at two federal-provincial meetings, the second of which was held in Quebec in April of this year. As a result of those discussions there appeared to be a general desire to enlarge the scope of the scheme and to extend the benefits in four areas other than those proposed in the scheme embodied in the bill before the other house.

Those four areas are as follows. First, that there should be benefits in favour of widows of contributors; secondly, that there should be benefits in favour of dependent children of deceased contributors; thirdly, that there should be benefits for contributors who became disabled before their retirement; and fourthly, that there should be a small death benefit to the estate of the deceased contributor. None of those benefits, which it is proposed the Canada Pension Plan should supply, are old age pensions in themselves.

Honourable senators, the details of the Plan are not before the house today. When it comes to us for discussion, its ramifications will bear much study and examination. The measure now before us is a proposal to enable the federal authority to take jurisdiction, with provincial consent, in these four areas which are considered to be supplementary to the areas covered by the general description "old age pensions."

Hon. Mr. Roebuck: Where do you get the consent? I do not see it in this.

Hon. Mr. Connolly (Ottawa West): If the honourable senator would not mind, I will come to that in due time. It is not reflected in the petition before us, and it was not reflected in the precedent used for the petition passed in 1951. The proposals of the Canada Pension Plan are being enlarged, first of all, because it appeared more equitable that such an enlargement should be made. In the second place, it is done because both the provincial and federal authorities thought well of making this enlarged coverage in the interests of getting a uniform plan across the country.

Section 94A as it now stands in the British North America Act is too restrictive for the purposes desired by the provinces and the federal authorities, because it covers only the field of old age pensions. Perhaps it is permissible to repeat that the enlargements will cover supplementary benefits, namely, disability benefits and survivor benefits, and these are thought to be appropriate for inclusion in the plan.

Now if I may come to the point raised by the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck), the provinces have agreed to the proposal that the federal authority should be vested with the jurisdiction to legislate in this field. This was discussed with the leaders of the governments of the provinces at the meeting in April 1964. It has since been confirmed in writing to the federal authorities by the provincial governments. In the case of the Province of Quebec, a resolution was submitted to the legislature of that province. It was passed with one dissenting vote only, and the government of the province has notified the federal Government in writing that it consents to the proposal.

May I say that the wording of section 94A, which is to be substituted for the present section 94A, the wording that appears in the petition, was submitted to the provinces, and to this wording they gave their consent.

I should point out also that under the provisions of the new section 94A, as was the case under the old section 94A, the provinces remained free to legislate in the field of old age pensions, or in the field dealing with these supplementary benefits, even though the federal authority shall be empowered as a result of the passage of this new section to legislate in that field.

Honourable senators, there is an element of urgency about this, arising out of two counts; one is the impending dissolution of the Parliament of the United Kingdom. It having been announced in Britain that there will be a general election in that country probably in October next, it is desired to get the petition before the Parliament of that country at the earliest possible moment.

The other element of urgency arises from the desire on the part of the federal and the

provincial authorities in this country to proceed as soon as possible with a national contributory old age pension plan.

The petition as we have it before us has been debated in the other place and has now been passed. I am not able to say whether or not it passed without a dissenting vote—I understand it was passed unanimously. I would commend this motion to the house for its favourable consideration.

Hon. Mr. Roebuck: Was consent given by the legislatures of the provinces?

Hon. Mr. Connolly (Ottawa West): The governments of the provinces.

Hon. Mr. Roebuck: By the Prime Minister?

Hon. Mr. Lambert: With the one exception.

Hon. Mr. Connolly (Ottawa West): In every case the consent was given on behalf of the province, by its leader of the government. In the case of Quebec, in addition to the consent of the government, there was a resolution of the legislature passed, and following the passing of that resolution, the premier of the province gave his consent in writing.

Hon. Mr. Grosart: May I ask the honourable leader if the provinces other than Quebec gave legislative approval?

Hon. Mr. Connolly (Ottawa West): There was none other that I know of.

Hon. Mr. Grosart: Has a legal opinion been given as to the constitutionality of the executive of the province alienating constitutional rights, either in this case, or in 1951?

Hon. Mr. Connolly (Ottawa West): I do not think it is a matter of alienating constitutional rights. It is a matter, first of all, of sharing constitutional rights, in my understanding of it. In the second place, in 1951 the procedure followed was that which is now being followed, and there was no difficulty at that time.

Hon. A. J. Brooks: Honourable senators, I wish to say a few words in connection with the point that has been brought up by the honourable Senator Grosart. It was more or less the determination of constitutional rights was it not, and the consent of the different provinces? I think it was determined by the legislatures what the constitutional rights were.

Honourable senators, I, along with others, thank the honourable Leader of the Government for his explanation. We have been waiting for this Address to Her Majesty, and I am sure we were all very pleased that it has arrived for our consideration.

I can assure the honourable Leader that there is general agreement with the purport of the motion which will make it possible for the federal Government to introduce the pensions legislation. In connection with the province of Quebec, I understand that when the resolution was before the legislature a few days ago there was almost unanimous agreement, there being only one vote against it.

As stated, the legislation is for the purpose of setting up a comprehensive pension scheme with survivor benefits for widows and orphans. The motion petitions the Parliament of the United Kingdom to repeal section 94A of the British North America Act—this has been very carefully explained to us—and substituting the provisions contained in the motion, which will make possible these survivor benefits under the pension scheme, by merely adding these few words:

> including survivor and disability benefits, irrespective of age.

The bill respecting the Canada Pension Plan will be before this chamber and also before the other place at a later date, and I am sure it will be thoroughly discussed at that time.

We are pleased to note the Government has been able to obtain the consent of the provinces, making this petition possible. As I understand it, the last province to agree was the Province of Quebec. As honourable senators know, the government of that province must obtain the consent of its legislature before agreeing to any amendments affecting the Constitution.

As the Leader has explained to us, there is some urgency attaching to this matter, in that the British Parliament is about to be dissolved for a general election. As has been said, if the Government is to proceed with the pension legislation this session, it is necessary to have this constitutional amendment proceeded with at this time.

I might point out to honourable senators that the last amendment to the British North America Act was in July of 1960, when section 99 was amended to make possible an amendment to the Judges Act to provide for the retirement of judges at 75 years of age. I am sure it is of interest to note that this will be the eighteenth occasion since 1867 on which an amendment has been made to the British North America Act. I think that only 18 constitutional amendments in almost 100 years is a most impressive record. Most honourable senators are acquainted with the different amendments that were made.

As the Leader of the Government has observed, and I am sure all Canadians agree, we are looking forward to the day when the

British North America Act will become a Canadian statute and hence eliminate the necessity of having to follow the embarrassing procedure of petitioning the Mother of Parliaments—embarrassing, I might say, to the Mother of Parliaments as well as to ourselves.

As honourable senators know, attempts have been made from time to time to obtain the necessary consent of the provinces to achieve this end. I recall that the previous Government was most active in this regard and, indeed, came close to obtaining the necessary consent. At that time the only province that did not agree with the formula that was to be adopted was the Province of Saskatchewan.

Honourable senators will remember that the Speech from the Throne opening the 25th Parliament contained a measure calling for the convening of a dominion-provincial conference to deal with this matter and other matters relating to our nationhood, such as national symbols and a distinctive flag. But as honourable senators will also recall, the previous Government was defeated before it had an opportunity to carry out this worthwhile project. The then Prime Minister, in introducing the last amendment to the British North America Act, the one I have earlier referred to relating to judges, at page 4885 of *Hansard* of the House of Commons, June 14, 1960, said this:

> To me it is a political paradox and inconsistent with Canada's status that Canada should be required to secure its amendments to the Constitution, other than those amendments which come within the exclusive authority and jurisdiction of the federal Parliament, by an Address being taken to the Mother of Parliaments at Westminster. But we have no other course open to us.

Those are the words of Prime Minister Diefenbaker at that time. I am sure there is general agreement with that statement, particularly since Canada is the only Commonwealth country which has no provision for amending its own Constitution.

Indeed, it is ironic, when one considers that we are the senior member of the Commonwealth. This fact, as I mentioned a moment ago, is a source of embarrassment not only to ourselves but it has been also a great source of embarrassment to the British Parliament. We sincerely hope that the present Government will continue the good work started by the previous Government towards devising an acceptable formula to make it possible for us to amend our own Constitution.

One often hears the term "repatriation of the Constitution." This term is misleading. As was pointed out very clearly today by the Leader of the Government, it is not a question of repatriation of the Constitution, because repatriation is to restore or return, and you cannot restore or return something which we have never had. So the term "repatriation" does not apply in this case.

Hon. Mr. Connolly (Ottawa West): Perhaps it should be "patriation".

Hon. Mr. Brooks: The honourable Leader says "patriation"—I think that is appropriate.

As I said at the outset it is our intention to support this measure, and in so doing we express the hope that the pension legislation which it will make possible will reach us before the end of the present session.

In closing my remarks, might I make the suggestion, since the thought has occurred to me, that it might be well for the Senate to give consideration to the setting up of a special committee to make a study of ways and means to solve this question of amending our Constitution. The Senate is well suited for this purpose, and as we approach our 100th birthday it would, I think, be a very wise idea to make this one of our goals.

In doing so the Senate would serve a very useful purpose, and at the same time it would be performing a valuable service to the Canadian people. I mention this suggestion to honourable senators for what it is worth. I am very sincere in mentioning it, and I do so with the knowledge that all Canadians would want this problem settled. I am sure the Government of the United Kingdom would also like to see this matter settled.

Hon. Thomas Vien: Honourable senators, I have only a few words to say; I concur in the remarks of the Leader of the Opposition (Hon. Mr. Brooks). I think I express the consensus of opinion in my province and in some other provinces as well that we should no longer have to go to London to amend our Constitution. Nobody would be more pleased than the gentlemen at Westminster if we ceased and desisted from calling upon them to settle such questions. They have said so in so many words on previous occasions. But, must we still apply to them?

Honourable senators, under the British North America Act there are certain rights and privileges reserved, and assurances given to provinces and minorities. Those are constitutional and contractural warranties.

The Statute of Westminster, passed in 1931, specifically stipulated that nothing therein contained should be construed as affecting or amending the British North America Act,

or the powers of Parliament, except in certain limited respects, leaving aside altogether the powers conferred to provinces and minorities and other rights guaranteed by the British North America Act.

In 1949, the British Parliament gave us further powers to amend our Constitution, with the same restrictions; the Canadian Parliament had to determine the procedure to be followed. In the discussion which took place at a federal-provincial conference, it was agreed that the federal Parliament could amend the British North America Act in matters within the jurisdiction of the Parliament of Canada; that the provinces could amend the Constitution in matters within their own jurisdiction; and certain other matters were left to be determined, and the procedure to be followed with respect to such matters was referred to a conference of the Minister of Justice and Attorneys General of the provinces.

That subcommittee composed of the Minister of Justice and the Attorneys General of the provinces was supposed to elaborate a code of procedure, particularly as regards proposed amendments affecting civil rights, property, persons and privileges of minorities, etc. That committee never sat or, if it did, it never produced anything. The bone of contention was whether, in such matters, we should require a majority, a two-third vote, or the unanimity of the provinces. Therefore, we have had in our hands since 1949 the power to amend here our Constitution, but we had to adopt a procedure, and that was never done.

Why did that committee not sit? Or why did it not act? I do not blame the Liberal Government alone; I do not blame the Progressive Conservative Government alone; I blame them both. From 1949 to 1964 that committee should have been convened and directed to act. That inaction is a mystery to me; I wish someone could help me solve it!

We have the power in our own hands. Let us blame nobody else. Let us blame ourselves for that inaction in getting down to brass tacks in this matter. I agree with those who have expressed their surprise that such a motion should be necessary; Parliamentarians in London have said so on many occasions. Let us, therefore, call a conference of the Minister of Justice and the Attorneys General of the provinces. Let them be directed to study that proposition and determine the procedure to be followed in that restricted area; let them report their conclusions as to whether there should be the agreement of a majority of the provinces, or a majority of the two-thirds of the provinces, or unanimous agreement. That matter was left to the Attorneys General, under the chairmanship of the Minister of Justice. Call upon them to act.

These are the thoughts that I have in mind; I deemed it useful to bring them to your attention.

Hon. Arthur W. Roebuck: Honourable senators, with the greatest of respect to all those who differ with me, it seems to me that there is much confusion in these matters of amending in our own Constitution and of appeals to the British Parliament for amendment.

I submit, with all respect, that it is not necessary for us to ask the consent of any province when we appeal to Her Majesty, and therefore to the Parliament of Westminster, to amend our Constitution. It is really a petition that we send, and when we ask the provinces for consent it is purely a matter of courtesy on our part and a desire to maintain amiable relations.

Hon. Mr. Vien: Will the honourable gentleman allow me a question? Is he of the opinion that what he has just said is consonant with the Westminster Act and the Imperial Act of 1949?

Hon. Mr. Roebuck: Yes, I think it is. The 1949 act of the British Parliament gave us the right to amend our Constitution with respect to those things which affect the dominion only and do not affect the provinces. We have that right, and there is no difficulty whatsoever so far as execution under it is concerned, always remembering the necessity to be decent with other jurisdictions and to maintain good relations.

Hon. Mr. Vien: This is a matter that affects civil rights and the rights of persons.

Hon. Mr. Roebuck: Very true.

Hon. Mr. Vien: Therefore it is not within the purview of Parliament.

Hon. Mr. Roebuck: We have a perfect right to ask the Imperial Parliament to amend the Constitution in any way we please, within our own jurisdiction or within the jurisdiction of the provinces. It is a matter of the right to petition the British Parliament.

Of course, the British Parliament has a right to exercise its discretion. So far, it has been a custom to ask for amendments only within our own jurisdiction and carefully to avoid infringing upon the constitutions of the provinces. But I do remember one instance when the Premier of British Columbia went to the Imperial Parliament objecting to an amendment for which Parliament had asked, and he got a very cold shoulder indeed from the British authorities. At Westminster I think they rely upon this Parliament to ask for such amendments only as will maintain peace in the family and are reasonable. The

situation has now boiled down to this, that when we ask for an amendment it is passed by the Imperial Parliament as a matter of course and as a formality. Were we to attempt to upset the Constitution, the Imperial Parliament might exercise its discretion. It is an Imperial act that we are seeking to amend.

Honourable senators, let us not concede rights to the provinces which they do not possess, just because of politeness on our part and a desire to act with diplomacy. We have a right to amend this Constitution as we see fit, and if we interfere with the provinces, that is a matter for the judgment of the Imperial House. I rather fancy, although there is no authority on it that I know of, that the provinces also have a right to petition for an amendment to the act.

With regard to the patriation—not repatriation—of the Constitution, let me say that, not as a matter of law but as a matter of statesmanship and diplomacy, the problem presents great difficulties.

Some years ago I discussed with the late Mr. Dafoe of Winnipeg this question of having the power within our own hands to amend the Constitution. He was very strong on this point, and wrote many powerful editorials condemning the restrictions placed upon the Parliament of Canada in regard to the Constitution. I pointed out to him that the United Kingdom would hesitate to confer great powers upon us unless it knew what use we intended to make of them. I asked him what change in the Constitution he felt we should be allowed to make, and I added that he should be more specific than his editorials expressed. I said to him, "You ask for general powers, without giving people any idea how you would intend to use them."

Perhaps we have passed that point now. However, we have not passed the difficulties which present themselves to us in the matter of statesmanship, the maintaining of good relations with the provinces, and the general courtesy which we should extend to all jurisdictions associated with us.

Honourable senators, just how we are to work this change out is a mystery. How to amend our own Constitution and yet observe the rights of the provinces, poses a problem.

Let me pause here to say that actually the provinces have the right to amend their constitutions. You will find that provided in the British North America Act. According to that act, they can amend their constitutions in any way they please, with the exception only of the provisions with regard to lieutenant governors.

Hon. Mr. Brooks: May I ask the honourable senator if there has ever been any request by any province since Confederation to amend its constitution?

Hon. Mr. Roebuck: Not that I know of. And why should a province make a request? In the British North America Act, specific power is given to the provinces to amend their own constitutions, with the exception only of the provisions in regard to the lieutenant governors.

We have taken fairly similar rights under the amendments of 1949, applying to those sections which affect us only, and we excluded, even from them, certain specific matters such as separate schools, religion, sessions of Parliament every year and elections every five years, and others. I cannot enumerate these matters with certainty, since I am speaking from memory, but generally those were the restrictions.

I asked the Leader of the Government (Hon. Mr. Connolly, Ottawa West) who gave the consents on behalf of the provinces. Well, the Province of Quebec, it seems, objects to the Prime Minister acting on his own. That province has established either a custom or a by-law that such consents must be given by act of the legislature; but that is their business, not ours. Our business is to go ahead. There is no rule, no provision in the British North America Act, nor is there even a general custom that we have to ask the provinces for their consent when we petition the Queen that the Imperial Parliament amend our Constitution. When we do ask for provincial consents, we do so as a matter of statesmanship, diplomacy and common courtesy.

Hon. Mr. Vien: With the consent of the Senate, in order to keep the record straight, I would like to read one section of the Statute of 1949. It speaks for itself and is very clear:

> Section ninety-one of the British North America Act, 1867 is hereby amended by renumbering Class 1 thereof as Class 1A and by inserting therein immediately before that Class the following as Class 1:—

These are the powers granted to the Federal Parliament.

> "1. The amendment from time to time of the Constitution of Canada, except as regards matters coming within the classes of subject by this Act assigned exclusively to the Legislatures of the provinces, or as regards rights or privileges by this or any other Constitutional Act granted or secured to the Legislature or the Government of a province, or to any class of persons with respect to schools or as regards the use of the English or the

> French language or as regards the requirements that there shall be a session of the Parliament of Canada...

And so on.

Hon. Mr. Roebuck: That is what I said, is it not?

Hon. Mr. Vien: No, not quite. If I understood the honourable senator rightly, he said we did not have to consult the provinces to amend our Constitution.

Hon. Mr. Roebuck: No, no.

Hon. Mr. Vien: Well, I may be wrong, and I stand corrected.

Hon. Mr. Roebuck: What I said was that we do not need to consult the provinces when we petition the Queen to have the Imperial Parliament give us an amendment to the Constitution.

Hon. Mr. Vien: Yes; but that is a very fine distinction. It has been the practice, in Canada, to consult the provinces as regards amendments with respect to subjects which, under the B.N.A. Act, are within the jurisdiction of the provinces. Then, the subject matter of this resolution is a question of civil rights. I agree with my honourable friend that we can, at any time, by resolution of this house and the House of Commons, apply to the British Parliament. We are guaranteed access at any time to her Majesty; but in matters of this importance, the British Parliament has restricted our jurisdiction as regards amendments to the B.N.A. Act. I am satisfied that if we came to the British Parliament, without having previously obtained the consent of the provinces, they would refer the matter back to us and say, "Consult the provinces." That is implied in the Statute of Westminster and in the 1949 British Act hereinabove referred to.

It was so well understood that the governments of the day, since 1949, have always expected a recommendation from the federal-provincial committee that they had created and did not dare act without the consent of the provinces, pending the final decision on procedure.

Let us determine a procedure; once that procedure is determined, there should be no further problem. But so long as that is not done, there would be a revolution in Canada if you attempted to brush aside the privileges and reservations that have been made in the B.N.A. Act, in the Statute of Westminster, and in the 1949 act of the British Parliament.

Hon. Allister Grosart: Honourable senators, I will not detain you more than a minute.

I have been very interested in the discussion that has taken place, and it has not changed my opinion that there is at least something strange about a situation where the executive of some of our provinces has assumed the authority to share rights which were given originally, not to the executive but —and the honourable senator who has just spoken read the exact words—were assigned exclusively to "the legislatures of the provinces."

I used the word "alienate" in asking a question earlier. The honourable the Leader of the Government (Hon. Mr. Connolly, Ottawa West) objected to the use of that word, and I deferred to his learning in that regard. However, what are the executive doing? They are agreeing that a petition shall be forwarded to the Imperial Parliament through the grace of Her Majesty which will in effect abridge the exclusiveness of the rights of the legislatures.

Hon. Mr. Aseltine: May I ask a question? Could not this Parliament make a petition whether the provinces agreed to it or not?

Hon. Mr. Grosart: Yes, I agree with that completely. Of course the Imperial Parliament could also do so, as I understand it—and it is a long time since I studied constitutional law. The Imperial Parliament also has the legal right to change our Constitution without consulting us. This is speaking strictly from a legal point of view. I defer to the opinion of many learned senators here. I am not discussing the legal aspects, but a convention which, as the honourable senator who spoke last said, has grown up. But because sooner or later the federal Government and the provinces will get together—at least I presume so—and will attempt to bring about this very desirable state when we will have control of our own Constitution within Canada, I think it is important that this point be clarified.

Who is to exercise the authority of the federal Parliament and the provinces when they are discussing the methods by which there can be a change in the exclusive powers given to the Parliament of Canada and to the legislatures of the provinces? I repeat, that as I understand it these powers were not given to the executive.

I think it is most interesting to consider the three levels at which this matter is being worked out today. At the Imperial level or the United Kingdom level, it is the Parliament which is being asked to act. At the federal level in Canada it is the Parliament that is being asked to act, and I suggest even that is not necessary. The Prime Minister is the constitutional adviser to the Queen, and I presume that as Queen of Canada she would accept his advice to put this matter

before the Imperial Parliament in her capacity as Queen of the United Kingdom, of Great Britain and Northern Ireland. But at the third level, the provincial level, the level which has been most jealous of its rights, at this particular time the executive in some of the provinces do not appear to be as jealous of the rights of the legislature in this matter as they are sure of their own.

Hon. Mr. Connolly (Ottawa West): Honourable senators—

The Hon. the Speaker: Honourable senators, if the honourable Senator Connolly speaks now it will have the effect of closing the debate.

Hon. Mr. Connolly (Ottawa West): Honourable senators, I shall take only a few minutes. I wish to thank the Leader of the Opposition (Hon. Mr. Brooks) and all honourable senators who have been good enough to take part in the debate. I think it emphasizes the suggestion made by the Leader of the Opposition that a study by the Senate might well be made into the methods and procedure required to amend our Constitution.

Hon. Mr. Brooks: May I interrupt the honourable Leader of the Government to say that one reason I suggest that is because some members of this house are outstanding constitutional lawyers who could do excellent work.

Hon. Mr. Connolly (Ottawa West): I am not oblivious to that fact. We have so many honourable members of this chamber who can do work in this field that I think we are an outstanding forum to undertake it. In addition, of course, we can always count upon constitutional experts from outside to help us. It is my opinion that very shortly after the summer recess, if any, we in this chamber should give consideration to this problem.

I can understand Senator Grosart's concern about the situation in respect of provincial consent, but I point out to him that in the earlier days of the country the federal executive submitted applications to the Imperial Parilament for the amendment of the Constitution on the strength of orders in council and without consulting Parliament. That practice has been changed.

I do not think—and I do not say this with the idea of scoring on the honourable gentleman—that the premiers of the provinces were arrogating to themselves any special powers when they provided the consents given in this case, nor in 1951. The premiers are answerable to their legislatures, and I am sure that if they did not have the support of the legislatures the consents would not have been forthcoming.

Motion agreed to.

Hon. Mr. Connolly (Ottawa West): Honourable senators, I move, seconded by honourable Senator Lambert:

> That the Honourable the Speaker do sign the said Address to Her Majesty the Queen on behalf of the Senate.

Motion agreed to.

The Hon. the Speaker: Ordered, That the Clerk do go down to the House of Commons and acquaint that House that the Senate have passed the Address to Her Most Excellent Majesty the Queen praying that she may graciously be pleased to give consent to submitting a Measure to the Parliament of the United Kingdom to amend the British North America Act, 1867, in the manner set forth in the said Address hereto attached, and have inserted in the blank spaces therein the words "Senate and".

ADDRESS TO THE GOVERNOR GENERAL

Hon. Mr. Connolly (Ottawa West): Honourable senators, I move, seconded by honourable Senator Lambert:

> That the following Address he engrossed and presented to His Excellency the Governor General, namely:
>
> To His Excellency General the Right Honourable Georges P. Vanier, Companion of the Distinguished Service Order, upon who has been conferred the Military Cross and the Canadian Forces' Decoration, Governor General and Commander-in-Chief of Canada.
>
> MAY IT PLEASE YOUR EXCELLENCY:
>
> The Senate . . . of Canada, in Parliament assembled, have agreed to an Address to Her Most Excellent Majesty the Queen, praying that Her Majesty may be graciously pleased to cause a measure to be laid before the Parliament of the United Kingdom in the manner set forth in our Joint Address hereto attached, and respectfully request that Your Excellency will be pleased to transmit the said Address to Her Majesty the Queen.

Motion agreed to.

Hon. Mr. Connolly (Ottawa West): Honourable senators, I move, seconded by honourable Senator Roebuck:

> That the Honourable the Speaker do sign the said Address to His Excellency the Governor General on behalf of the Senate.

Motion agreed to.

The Hon. the Speaker: Ordered, That the Clerk do go down to the House of Commons and acquaint that House that the Senate have passed an Address to His Excellency the Governor General respectfully requesting that His Excellency may be pleased to transmit our Joint Address to Her Most Excellent Majesty the Queen relative to a measure to be submitted to the Parliament of the United Kingdom, and more particularly set forth in the said Joint Address, and request the House of Commons to unite with this House in the Address to His Excellency the Governor General by inserting therein the words "and Commons".

BUSINESS OF THE SENATE

On the motion to adjourn:

Hon. Mr. Connolly (Ottawa West): Honourable senators, I shall presently move that when the Senate adjourns today it do stand adjourned until Monday, June 29, at 8 o'clock in the evening. The adjournment is to that date because an interim supply bill is before the other place for supply for the month of July and must be passed before midnight of June 30.

It would be unsatisfactory for honourable senators to sit here from day to day next week awaiting that bill. On the understanding that we can deal with it expeditiously on our return on June 29, I am happy indeed to propose that we adjourn until that date. I should point out that our Order Paper is clear, with the exception of a bill upon which honourable Senator Roebuck proposes to speak.

Hon. Mr. Brooks: May I ask if the honourable Leader knows what attitude is being taken to the interim supply bill in the other place, whether it is on the order of business there for Monday next, or what the situation is?

Hon. Mr. Connolly (Ottawa West): I understand it is on the Order Paper for Monday next. I could propose that the Senate sit one day next week; but if it is generally agreed that we can dispose of the interim supply bill expeditiously on June 29, in time to meet the deadline of midnight on June 30, I believe we will have done everything required of this chamber in respect of that measure.

Hon. Mr. Brooks: I agree with that.

Hon. Mr. Connolly (Ottawa West): The public ought to know that the work of the Senate since the beginning of this session has been rather remarkable. Including the Address we disposed of today, we have dealt with 42 measures—bills, the Columbia Treaty, the ILO Treaty, the motion with respect to the peace-keeping force in Cyprus, and many other items of business. Of those 42 measures only 14 were private bills; 28 were important measures of a general character.

In addition, the Senate disposed finally of some 319 divorce resolutions, as of today.

The committee work has been very heavy, and I should like to pay a special tribute to the chairmen and the members of the committees, who have been so assiduous in that work. I would draw the attention of the house and the public to the fact that although the Senate may be adjourned until June 29, committees of the Senate, and joint committees of the Senate and the other place, will be sitting next week and honourable members of this house will be required to be present in Ottawa to attend those meetings.

I thought I should put on the record this capsule summary of the work of the Senate in the past few months, since the opening of this session.

Hon. Mr. Roebuck: In regard to the mention of 319 divorce cases, that does not represent the full amount of the work done by the Senate Divorce Committee. Nearly 450 cases have been processed and are ready for Senate action.

Hon. Mr. Connolly (Ottawa West): Honourable senators, I move, with leave of the Senate, that when the Senate adjourns today it do stand adjourned until Monday June 29, at 8 o'clock in the evening.

Motion agreed to.

The Senate adjourned until Monday June 29 at 8 p.m.

THE SENATE

Monday, June 29, 1964

The Senate met at 8 p.m., Hon. Thomas Vien, Acting Speaker, in the Chair.

Prayers.

BRITISH NORTH AMERICA ACT

COMMONS CONCURRENCE IN ADDRESS REQUESTING AMENDMENT TO PROVIDE FOR SURVIVORS' AND DISABILITY BENEFITS

The Hon. the Acting Speaker: Honourable senators, I have the honour to inform the Senate that a message has been received from the House of Commons, as follows:

> Ordered, that a Message be sent to the Senate informing Their Honours that this House doth unite with the Senate in the Address to His Excellency the Governor General respectfully requesting that His Excellency may be pleased to transmit the Address of both Houses of Parliament, concerning a proposed amendment to the British North America Act, to Her Majesty the Queen.
>
> Attest.
>
> T. R. Montgomery,
> for the Clerk of the House of Commons.

PRIVATE BILL

SEICHO-NO-IE—COMMONS AMENDMENTS CONCURRED IN

The Hon. the Acting Speaker informed the Senate that a message had been received from the House of Commons returning Bill S-23, to incorporate Seicho-No-Ie, and acquainting the Senate that they have passed this bill with the following amendments, to which they desire the concurrence of the Senate:

> 1. Page 5, line 23. Insert the following new clause 18:
>
> "18. The provisions of subsection 3 of section 147 of the Companies Act shall apply to the Corporation."
>
> 2. Page 5, line 23. Renumber the present clause 18 as 19.

The Hon. the Acting Speaker: Honourable senators, when shall these amendments be taken into consideration?

Hon. David A. Croll: With leave, I move concurrence in the amendments proposed by the House of Commons.

Amendments concurred in.

APPROPRIATION BILL No. 6, 1964

FIRST READING

The Hon. the Acting Speaker informed the Senate that a message had been received from the House of Commons with Bill C-105, for granting to Her Majesty certain sums of money for the public service for the financial year ending 31st March, 1965.

Bill read first time.

SECOND READING

Hon. John J. Connolly, with leave of the Senate, moved the second reading of the bill.

He said: Honourable senators, the bill now before us has been distributed by way of your post office boxes, but the pages have extra copies for those who do not have one.

In addition to the bill, I think it might be of convenience to honourable senators to have before them a short typewritten statement showing the position in respect to the main estimates and the supplementary estimates for the present fiscal year. It may be of assistance if I refer to that memorandum now.

The main estimates, which have of course been tabled in the house, amount to $6,812,410,508, of which $2,860 million-odd comprise statutory amounts. These statutory amounts are in the main estimates, but they do not have to be voted by Parliament. They have already been voted by Parliament in the statutes from which they are garnered. The amount of the main estimates to be voted by Parliament in the fiscal year appears in the right-hand column at the top of this statement as $3,951,590,511. The first of the supplementary estimates, amounting to $404,691,736, supplementary estimates A, was tabled in this house on June 10 of this year. These are all items to be voted. Therefore, the total of the main and supplementary estimates before Parliament now, as appears from the left-hand column, is $7,217,102,244. In addition to that amount, there is an estimated $882,000,000 to be paid out of the Old Age Security Fund. So the total appropriation before Parliament at the moment, all of which has not been voted, is $8,099,102,244.

Honourable senators are aware that this is the third bill of interim supply which has come before the Senate. The first of these bills provided for two-twelfths of the main estimates, plus additional proportions of some other items, representing the money required up to May 31. The amount voted on that occasion was $684,120,260.18. That was Appropriation Act No. 1.

Appropriation Act No. 5, which was the second interim supply bill we had, provided for a month's supply, plus additional proportions of certain items set out in the schedules

to that bill. This covered the public expenditures for the month of June, in the amount of $338,136,717.59.

Appropriation Acts Nos. 2, 3 and 4 dealt with the final supplementary estimates for the fiscal year 1963-64, which came to us shortly after Easter. I suppose it is a little irregular to call Nos. 2, 3 and 4 the final supplementary estimates. Perhaps they could be called the quarter-finals, the semi-finals and the finals. In any event, they were dealt with shortly after Easter.

Hon. Mr. McCutcheon: The less said about them the better.

Hon. Mr. Connolly (Ottawa West): At this stage, perhaps, on both sides.

The bill before us grants one-twelfth, generally, of the main estimates, additional proportions of two special items in those estimates, four-twelfths generally of the supplementary estimates, and certain additional proportions of two special items in the supplementary estimates which were tabled, as I said, on June 10 of this year. The amount to be voted by the bill now before us is $469,308,421.26. I am speaking now entirely from the memorandum which all honourable senators have before them.

I think it appropriate also at this time to say that the balance of the tabled estimates yet to be voted, which is the last figure on the statement, is $2,864,716,847.97. The bill before us provides for the money required up to July 31 of this year.

There is no complete release of any item, either of the main or of the supplementary estimates. I will also give the assurance to all honourable senators that the discussion of this matter, or the failure to discuss any aspect of any item in the bill before us this evening, will not in any way prejudice the right of any honourable senator to raise any question on any item, either of the main or supplementary estimates.

I should say further that this house has already referred the estimates which have been tabled, both main and supplementary, to the Standing Committee on Finance. That committee is now actively considering the work it will do in respect of the estimates, and has already had a number of meetings, under the chairmanship of the honourable Senator Leonard, from Toronto-Rosedale.

Honourable senators, having said this much by way of introduction, I come to the bill itself.

Section 2 provides that the amount to be granted by this measure is $469,308,421.26. Under section 2(a) provides one-twelfth of the total of the amount set forth in the main estimates for the present fiscal year, in the amount of $329,299,209.25. That is one-twelfth of the total of the main estimates to be voted. This total appears in the right-hand column at the top of the memorandum to which I have already referred. That total divided by 12 produces the amount granted by section 2(a) of the bill. I think it is of convenience to honourable senators to know exactly how that figure is arrived at, and that is one of the reasons the memorandum is now before us.

Section 2(b) of the bill provides one-twelfth of the items in the main estimates set forth in schedule A of the bill. If honourable senators will refer to schedule A, they will see that there are two items, namely, item 5, under Department of Agriculture, and item 25 under Privy Council. One-twelfth of the item in the Department of Agriculture in respect of grants in aid of agricultural research in universities and other scientific institutions is $2,050,783, being one-twelfth of the amount shown in the column.

In addition, one-twelfth of $2,500,000 in item 25 under Privy Council is $208,333. This amount is to be paid on account of expenses incurred in connection with the erection of the memorial building in Charlottetown, Prince Edward Island.

Hon. Mr. Roebuck: Are these in the estimates?

Hon. Mr. Connolly (Ottawa West): Yes; these are both in the main estimates, and they are an additional one-twelfth.

Section 2(a) provides one-twelfth of all the main estimates. Section 2(b) provides one-twelfth of these two items selected from the main estimates, and are additional.

Hon. Mr. Roebuck: Why?

Hon. Mr. Connolly (Ottawa West): An extra one-twelfth for item No. 5 in agriculture is asked for because at this time of the year the work to be done in agricultural research in the universities and other scientific organizations requires certain expenditures to be made. It is estimated that this amount, of a little over $2 million, will take care of that requirement.

Hon. Mr. Roebuck: I understand.

Hon. Mr. Connolly (Ottawa West): Likewise, there is a further additional item of some $208,000 to be made in respect of the memorial building at Charlottetown.

Section 2(c) provides for four-twelfths of the items in the supplementary estimates for this fiscal year in the amount of $134,897,245.34.

May I, honourable senators, come back to the memorandum to which I have already referred?

The total of the Supplementary Estimates (A) tabled here on June 10 is $404,691,736.

One-third, or four-twelfths, of that is the amount provided by section 2(c).

Section 2(d) provides for seven-twelfths of the items in the Supplementary Estimates (A) set forth in Schedule B, in the amount of $2,625,000. If honourable senators will look at Schedule B they will see that this is item "L37a, Loans, Investments and Advances." This particular item deals with the acquisition of uranium concentrates from Rio Algom Mines Ltd., Denison Mines Limited and Faraday Uranium Mines Ltd. The $4,500,000, the total for the year, is the amount required to provide for the cost of stockpiling uranium concentrates.

As a result of the proposal contained in section 2(d) of the bill, eleven-twelfths of item L37a will have been released if this bill is passed.

Section 2(e) provides for two-twelfths of the item in the Supplementary Estimates (A) set forth in Schedule C, in the amount of $227,850. If honourable senators will look at Schedule C they will see that this is, again, a loan item. It is item L12a, which provides for loans to the government of India to finance the purchase in Canada of aircraft and parts. This is a large program, started several years ago, and the amount required to complete it is $1,367,100. It is proposed in this bill to grant two-twelfths of that amount in addition to the four-twelfths generally granted out of the supplementary estimates. So the total amount of the balance of this program which will have been approved if this bill is given second reading will be six-twelfths, or one-half, of the total amount required to be spent this year.

Honourable senators, sections 3, 4 and 5 of this bill are identical in wording and in phraseology to the previous interim supply bills we passed in this house earlier this year. I think they require no special explanation. Section 3 says that the amount authorized may be paid only for the purposes specified in the item.

Section 4 provides that where an item purports to confer authority to enter into commitments, a commitment may be entered into in accordance with the terms of such item, if the Comptroller of the Treasury certifies that the amount does not exceed the total amount of the commitment authority stated in such item.

Section 5 simply provides for an account to be rendered with respect to the administration of the act.

Honourable senators, I hope I have given an adequate explanation of the bill. If there are any questions I hope I shall be able to answer them.

Hon. Mr. Roebuck: Would the honourable senator tell us more about this loan to India? How much is the total amount, and what is the story?

Hon. Mr. Connolly (Ottawa West): I can tell the honourable senator that on March 9, 1963 the Cabinet approved a special inter-governmental loan to India in an amount not exceeding $12.5 million to cover the purchase of 16 Caribou aircraft and related spare parts as equipment for the Indian air force. It was stipulated that the loan would bear interest at the normal commercial rate of 5½ per cent but would be accompanied by a grant sufficient to defray half the interest charges up to a maximum of $2 million. In the fiscal year 1963-64 expenses incurred under this loan amounted to $11,132,982. The unspent balance, which is the amount in the column in the schedule, is $1,367,018. This amount lapsed. It is necessary now to re-vote this amount in order that funds will be available in the current fiscal year to enable the Government's total commitment to be met under the original program.

Hon. Mr. Roebuck: Thank you.

Hon. Lionel Choquette: Honourable senators, I wish to thank the Leader of the Government for his usual concise and eloquent explanation of the bill now before us, Bill C-105. I would like also to congratulate my honourable friend on the manner in which he has been able to arrange the business of the Senate, making it possible for the Senate to reassemble on the very day that this appropriation bill, which is the only business anticipated, was passed by the other place.

Hon. Senators: Hear, hear.

Hon. Mr. Connolly (Ottawa West): Now and again you get lucky.

Hon. Mr. Choquette: Those of us who were here at the time will remember the frustrating experience last March when we were waiting for the bill authorizing the spending of the final supplementary estimates for the last fiscal year. None of us want that to happen again. However, supply must be granted in order to pay the day-to-day expenses of the business of Government.

The bill now before us, which is Appropriation Bill No. 6, is in the usual form, and grants supply to the Government for the

month of July and authorizes a sum not to exceed $469,308,421. This is the third interim supply bill since the main estimates for the current fiscal year were tabled in March.

During the course of the debate on the last interim supply bill to come before us, which granted supply for the month of June now ending, the Leader of the Opposition (Hon. Mr. Brooks) questioned the wisdom of the Government in asking for only one month's supply when Parliament is faced with a heavy legislative program. I might say that since the passage of that bill the other place has become involved in a debate on a national flag or flags. This leads me to the conclusion that the main estimates will not be passed until after the summer recess. Consequently, it will be necessary to have another interim supply bill before we adjourn, to cover Government expenditures for the month of August.

Honourable senators, it would seem to me to be logical for the Government to ask for two months' supply instead of the amount covered in the bill now before us. I, for one, cannot understand why we are asked periodically to pass one month's supply when we could pass two months' supply at a time, and especially in this case, anticipating that we could recess probably in mid-July, as we are led to believe. We know that if that is so we will have to meet again prior to the date mentioned by the honourable Leader of the Government. We would have to convene again and form a quorum to pass another interim supply bill. So I fail to understand why we do not pass two months' supply at a time.

This bill and the resolution precedent to it have been the subject of a fairly extensive debate in the other place. As is their unquestionable right, members in the other place have availed themselves of the opportunity provided by this measure to air grievances against the Government. I want to assure my honourable friend, the Leader of the Government, that it is not my intention unduly to delay the passage of this bill as there will be other appropriation bills to be considered before the end of the present session and hence other opportunities to speak.

Since the last interim supply bill was before us, our Standing Committee on Finance has been set up, under the chairmanship of the distinguished senator from Toronto-Rosedale, Senator Leonard, and to this committee has been referred the main estimates for the current fiscal year. That committee will be dealing with many aspects of the estimates in great detail.

I do not wish to go through the items contained in the supplementary estimates for the fiscal year ending March 31, 1965, but one in particular has been brought to my attention. The amount authorized in the estimates for Justice is $51,552,100, and on page 10 of Supplementary Estimates(A) there is a supplementary estimate for Justice in the amount of $36,840.

Honourable senators, I wish to bring to your attention the fact that not long ago a Joint Committee on Consumer Credit was organized, and according to newspapers and other reports that have come to my attention, counsel has been engaged at $250 per day, and an accountant at $100 per day. When the committee is not sitting counsel will receive $25 per hour for preparing his reports and preparing his questions. Honourable senators, I think this is as useful as a fifth leg on a horse. I think it is a scandal.

In the six years that we were in power we organized committees on inflation and on manpower; and I, for one, was approached by people who said, "You know, you should have experienced counsel on this committee, at $225 or $250 a day." The chairman came to me and said that he was inexperienced in these matters, that he had had so-and-so suggested to him as experienced counsel and he asked my thoughts on it. My answer to this was that there were enough experienced and able lawyers on the committee, who could ask all the questions they needed to ask, and that we should not throw money out the window. That was my answer to every suggestion and to every request made to this side of the house to retain the services of counsel.

If this committee sits, as I presume it will, for three, four, five or maybe six months, or even longer, we will over a period of four months have thrown $42,000 out the window. What will counsel do when this committee sits? I can tell you, honourable senators. Bankers and economists will be invited to come to deliver a paper or a talk to the committee for 60 minutes, and the members of the committee will receive a copy of his paper and will follow him while the lecturer is reading. Counsel will just say: "What is your name? Who are you? What do you do? What are your qualifications?" Then he will sit down. He may ask a general question or two—and that, honourable senators, at $250 a day. I practised law for 32 years in this city, and I never had that advantage. I think if I had been asked to accept such a position I would have asked, "What are my duties, and what am I going to do there for $250 a day?"

I bring that to your attention. I say that we are lawmakers and not lawbreakers and should see to it that this kind of thing does not happen.

Hon. G. Percival Burchill: Honourable senators, I wish to join with my honourable friend Senator Choquette in congratulating the honourable Leader of the house (Hon. Mr. Connolly, Ottawa West) upon the way in which he brought in this bill, and the very clear manner in which he explained it. I think he did an excellent job and I congratulate him. There is one matter I should like to have cleared in my mind.

You will notice under the heading "Appropriation Act No. 5" in this memorandum which has been given to us, it is stated that this is to provide for expenditures during June. Is it necessary that these supplies should be granted by June 30 in order to permit expenditures in July, or can it run over into July?

Hon. Mr. Connolly (Ottawa West): To answer the honourable senator's question, I think there are times when the question as he puts it becomes a moot point. It depends largely on the immediate cash requirements of various departments. I understand that at the present time there are certain accounts outstanding that should be paid, and for which provision should be made before the end of the month. I have heard, as have all honourable senators, discussions arising from the fact that at times the money sought is not required until the middle of the following month. That may be true in respect of certain salary requirements for the public service. But there are other accounts which fall due from time to time, and very often these fall due on the day to which supply has been voted or shortly thereafter. Generally speaking it has been the history of governments to try to get interim supply through before the end of the month for which supply had previously been voted.

Now I might deal for a moment with the point raised by my friend the Acting Leader of the Opposition (Hon. Mr. Choquette). I agree that the granting of one month's supply leads to further debate in this chamber, and indeed in the other chamber. But I think so far as the latter is concerned, these opportunities are welcome, because on a bill of this nature, as the honourable senator has mentioned, members have an opportunity to raise grievances against the Government. The oftener they have these supply bills, the oftener they have such opportunities. Sometimes Oppositions like this!

I would think there are other reasons which motivate the Government in asking for smaller amounts of supply, or supply for shorter periods. I hope that the next supply bill, however, will cover the requirements of the public service for several months. The first one sought two months' supply, April and May. The second one sought one month's supply, and this one seeks supply for one month.

Hon. Arthur W. Roebuck: Honourable senators, my main point in rising is to congratulate the Leader of the Government (Hon. Mr. Connolly, Ottawa West) on giving us this memorandum. It is the first time in my memory that a document of this nature has been laid before us when estimates or supplementary estimates have come before us to be considered. I think the Leader is to be commended, and he should be encouraged to continue this practice in future.

I should like to say a word in reply to the Acting Leader of the Opposition (Hon. Mr. Choquette) concerning the apparently high fees being paid to counsel. It is really not a matter that we can deal with in this chamber, it is a matter for committee. I am pleased that we have during this session appointed a committee to investigate the details of the estimates. Its chairman is a most capable counsel, and I feel that this is a question which should be explored by that committee. The appropriate officials should be called before the committee and an explanation required of them. We are not in a position now to do that here. The Acting Leader of the Opposition is to be congratulated for bringing the matter forward. It is something we should investigate, but I do not think it calls for decision on our part at this time when we are debating interim supply.

Hon. M. Wallace McCutcheon: Honourable senators, perhaps I might comment on what Senator Roebuck has said.

In my opinion, it is quite competent for us, sitting here and being asked to pass this small sum of $469 million to help Her Majesty out, to question any item. As I understand it, we are not going to proceed with third reading tonight; so perhaps I could ask the honourable Leader of the Government (Hon. Mr. Connolly, Ottawa West) to answer my question tomorrow.

I am very curious to know, especially when we have such able counsel, learned in the law, as Senator Croll, who is the joint chairman of this Special Joint Committee of the Senate and the House of Commons on Consumer Credit, why we need to employ counsel. I have never seen my friend Senator Hayden require counsel in meetings of the Standing Committee on Banking and Commerce. I have never seen my friend Senator Leonard require counsel or auditors at meetings of the Standing Committee on Finance.

Before this bill is read the third time tomorrow I would like the Leader of the Government in this house to tell us who are the gentlemen who have been appointed to these lucrative posts. I understand that their hours are fixed. From reading the newspapers

I am given to understand that after they have worked eight hours a day they go on an hourly rate.

I would like the leader of the house to tell me who these gentlemen are, and what are their special qualifications for these positions. What background and knowledge do they have in this field, and what have they done to date?

Hon. T. A. Crerar: Honourable senators, first let me say that I very largely agree with the criticisms offered by the Acting Leader of the Opposition, Senator Choquette. The tendency today is for governments and individuals to spend very freely. It shocks me a bit when I look at this excellent summary provided by the honourable Leader of the Government to assist us in a speedy understanding of the subject we are discussing. This is a very useful summary. But, if we include Supplementary Estimates (A) which amount to $404,000,000—and one is inclined to believe that there will be Supplementary Estimates (B) and probably Supplementary Estimates (C) before we are through with the matter—the total spending this year will be over $8 billion. It is almost $8,100 million.

This is a very serious thing for a country like Canada. At the moment we are enjoying what some economists call a boom in our economy. Certainly the economy is active. Sales of commodities are very high, but consumer debt is also very high and is increasing as rapidly as are sales of commodities. This indicates that people are borrowing. The effect of that borrowing, of course, is to stimulate the economy, but I am old-fashioned enough to believe that any economy that is built upon debt, either public or private, has a good deal of sand in the foundations. I mention that fact to support the view I expressed a little earlier, that we are in a pretty free-spending mood.

Any person who follows our financial situation knows, as I stated a few weeks ago in this house, that over the past year the money supply in this country has increased by nearly one and a half billion dollars. All that means, when you boil it down to its essence, is that we are printing money to pay for deficits, past and present. I do not think that is a very sure foundation upon which to build.

I raise this question: What will happen if within two or three years this condition of boom in our economy subsides? What will happen if we get into a period of two or three years of recession? What happens then? Are we going to be able to cut our spending as freely as we would like? Honourable senators, we will find it very difficult to do that.

Once you are committed to increasing social welfare benefits, and once you are committed to enterprises that may take two or three years to complete, you have to find the money. If a recession comes, then without any question it is going to affect the revenues, and we shall be in the position of either having to borrow more money at probably fairly high rates of interest, or imposing more taxes at a time when we should be lessening them.

If I may say so, I think we have, on the whole, become a good deal confused in regard to the essential principles that should guide an economy. Thirty years ago the idea was put forward that governments could play a very important part in regulating an economy. The means suggested was that in times of boom governments should tax heavily, and in times of recession they should lower taxes and thus stimulate the economy. That went under the rather fancy name of cyclical budgeting. While the theory was a beautiful one, it has never worked out in practice.

So, we have a state of affairs today where we are in a condition of boom, of buoyancy in the economy, and at the same time we are, if anything, increasing taxes very little. In the United States the other day, under those same conditions, taxes were reduced very substantially. That is something I hope will not be done in this country. The way to get at a reduction of taxes is to cut spending, and I want to tell you that in my humble judgment there is a tremendous area in the public expenditures of this country where economies could be effected. This very document before us gives some proof of that.

The fact that we are committing ourselves to spending over $8 billion this year federally, leaving out of account all provincial and municipal spending, which is also increasing at as rapid a pace as federal spending, is very significant. For the life of me I cannot understand it.

It is quite true, of course, that in the last 15 years we have worked into our economy an inflation of 35 per cent. That is a fact that cannot be disputed. It means that an article that cost $100 fifteen years ago now costs $135. We are continuing that process at the rate of roughly 1½ to 2 per cent a year—and perhaps at a slightly higher rate because inflation tends to accelerate as the years pass.

All I have to say, honourable senators, is that it seems to me that that course is fraught with grave dangers because when you get into the crunch, to use a new word, you commence to have labour troubles and political troubles of all kind. We have now reached the point in our development where the idea is widespread in the body politic—and make no mistake about it—that it is the

business and responsibility of government to cure all these ills. Consequently, the development of that notion, and the flight of reason in considering these matters, means that the pressure on the Government—I do not care whether it is the present Government or any other government that is in power—will be such as to put this country in grave peril. That is the thing I wish to protest against. I think it is unsound; I think it is dangerous.

I have sometimes been accused of being a Gladstonian Liberal. In a measure, I plead that I am. My friend, Senator O'Leary (Carleton) I think holds the view that I am a Gladstonian Liberal living in the past. Well, what was the central core of the philosophy of Gladstonian Liberalism? It is true that, judged by present standards, it is away in the rear, but its central idea was the maintenance and the extension of the boundaries of political freedom not only in Britain but throughout the world. Today, by the road we are taking, we are endangering freedom.

If I did not believe that from the bottom of my heart, I would not be standing here tonight addressing you as I am. I wish to tell you that, as far as I am concerned, political freedom, the right to live my life as I like, the right to criticize, the right to have a say in how I shall be governed, is the most precious heritage I have, and I am not going to lightly throw it away. It is because I believe that this tremendous increase in spending is bringing a grave danger to that concept, that I rise here to present these views to you.

Hon. Allister Grosart: Honourable senators, I join with others in the congratulations which have been directed towards the honourable Leader of the Government in the Senate, in his remarkable prescience and excellent timing in bringing us together tonight within a few hours of the time that this supply resolution was available for discussion here. It is all the more remarkable, I think, when we recall that the resolution under discussion was introduced in the other place as far back as June 12, and at that time the minister in charge of the bill made it clear that he expected it could pass within an hour. In fact, he asked that the Private Members' hour of that day be set aside so that this resolution could be disposed of. That did not happen.

In the intervening two weeks we have heard much public discussion about some apparent grievances relating to the rights of individuals under our immigration laws, to the management or mismanagement of the business of Parliament, to a certain television film, and about the growing opinion throughout the country that it was a mistake for the Government to introduce the flag issue and remain obdurate about it when it meant holding up urgent legislation of public and private welfare importance, I refer to such legislation as the bill now introduced providing for loans to students, the extension of family allowances up to the age of 18 for those remaining at school, and for the explanation and discussion of the Canada Pension Plan, and other matters.

However, all clouds, we are told, have silver linings. In the debate and discussion which took place in those two weeks, I find one bit of silver lining, to which, with permission, I would like to refer. It was a very high compliment paid to the Senate by a member of the other place. Speaking of this very matter of the dispatch of public business in Parliament, he said this, if I may have permission of the chamber to quote a very short passage.

Hon. Mr. Connolly (Ottawa West): So long as it is complimentary, certainly, everybody agrees.

Hon. Mr. Grosart: I thank the honourable Leader of the Government. The compliment is not only to the Senate but, as I was about to remark, I am sure all senators will agree that it is also a compliment to him.

Hon. Mr. Connolly (Ottawa West): You had better not read it, then.

Hon. Mr. Grosart: These are the words:

> Quite recently many comments were made about the other place. It would probably surprise hon. members to know that the work done there by the members of the other house—

Which is us.

> —is probably more than has been accomplished here, and they have given more knowledge and initiative to the people of Canada than we have given.

Those were words spoken by the honourable Liberal member for York East on Thursday last June 25.

Hon. Mr. Connolly (Ottawa West): What is his name?

Hon. Mr. Grosart: I believe it is against the rules to give it.

Hon. Mr. Connolly (Ottawa West): It is all right here. We had better know who our friends are.

Hon. Mr. Grosart: With permission, his name is Mr. Steven Otto.

To that I would add one matter, because I have raised the question of the urgency of these student loans and the continuation of the family allowances. I know the honourable Leader of the Government is considering

arrangements for the adjournment of the Senate, and I would hope that that adjournment would in no way hold up the immediate passing of the bills dealing with student loans and family allowances, if they are ready for action by the Senate.

I say this because I happen to know that many students are waiting to decide whether they will be able to carry on their education at higher levels, and their decision will depend on what happens in respect to these two bills. I think it would be a disservice to the Senate if we allowed ourselves in any way to be responsible for holding up action on these particular bills for more than two or three days.

Hon. Mr. Connolly (Ottawa West): Honourable senators—

The Hon. the Acting Speaker: I understood that the honourable Leader of the Government was answering questions when he spoke the second time. Had I not understood so, I would have drawn the attention of honourable senators, as I do now, to the point that if the honourable senator speaks now he will close the debate.

Hon. Mr. Connolly (Ottawa West): Honourable senators, I would hold the house for but a few moments. I can assure honourable Senator McCutcheon that I will do my best to get the answers to the questions that he asked about the services of counsel and an accountant for one of the joint committees of Parliament. I will try to have that information available to him.

I thank honourable senators for participating in the discussion this evening.

As regards Senator Grosart's reference to the complimentary remark made in the other place, in view of the source from which it came, I can think only of the old Latin adage: *Timeo Danaos et dona ferentes.*

If there are no other questions, I think that concludes the debate.

Motion agreed to and bill read second time.

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

Hon. Mr. Connolly (Ottawa West) moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

DOCUMENTS TABLED

Hon. John J. Connolly tabled:

Copies of authentic texts of a Convention and Recommendations adopted by the Forty-seventh Session of the International Labour Conference, held in Geneva in June, 1963 (English and French texts), together with a copy of a letter from the Deputy Attorney General of Canada, setting out the legislative jurisdiction of these international instruments, as follows:

Convention No. 119 concerning the Guarding of Machinery;

Recommendation No. 118 concerning the Guarding of Machinery; and

Recommendation No. 119 concerning Termination of Employment at the initiative of the employer.

Report of Operations under the Civil Service Insurance Act, for the fiscal year ended March 31, 1964, pursuant to section 21(2) of the said act, chapter 49, R.S.C., 1952. (English and French texts).

Report on the Administration of the Members of Parliament Retiring Allowances Act for the fiscal year ended March 31, 1964, pursuant to section 18 of the said act, chapter 329, R.S.C., 1952. (English and French texts).

Report of the Canadian Maritime Commission, for the fiscal year ended March 31, 1964, pursuant to section 13 of the Canadian Maritime Commission Act, chapter 38, R.S.C., 1952. (English and French texts).

Capital Budget of the Canadian Overseas Telecommunication Corporation for the fiscal year ending March 31, 1965, pursuant to section 80(2) of the Financial Administration Act, chapter 116, R.S.C., 1952, together with a copy of Order in Council P.C. 1964-860, dated June 11, 1964, approving same. (English text).

Report of the Department of Public Works for the fiscal year ended March 31, 1963, pursuant to section 34 of the Public Works Act, chapter 228, R.S.C., 1952. (English and French texts).

Report of Proceedings under the Trans-Canada Highway Act for the fiscal year ended March 31, 1963, pursuant to section 9 of the said act, chapter 269, R.S.C., 1952. (English and French texts).

Report of the Board of Broadcast Governors for the fiscal year ended March 31, 1964, pursuant to section 19 of the Broadcasting Act, chapter 22, Statutes of Canada, 1958. (English and French texts).

Statutory Orders and Regulations published in the *Canada Gazette,* Part II of Wednesday, June 24, 1964, pursuant to section 7 of the Regulations Act, chapter 235, R.S.C. 1962. (English and French texts).

Statement on the Standing and Transactions of the Canadian Forces Superannuation Account as at March 31, 1964, together with a Statement of Annuities, Annual Allowances, Cash Termination Allowances, and Return of Contributions for the fiscal year ended March 31, 1964, pursuant to section 26 of the Canadian Forces Superannuation Act, chapter 21 Statutes of Canada, 1959. (English texts).

PENAL REFORM

INQUIRIES ANSWERED

On Inquiries Nos. 1 and 2—Hon. Senator Croll:

Hon. Mr. Connolly (Ottawa West): Honourable senators, I have the answers to the inquiries by the honourable Senator Croll.

(*For text of inquiries and answers, see appendix A, pp. 787-97.*)

PRIVATE BILL

THE CONGREGATION OF THE MARIST SISTERS —SECOND READING

Hon. Edgar E. Fournier moved the second reading of Bill S-38, to incorporate Congregation of the Marist Sisters.

He said:

[*Translation*]

Honourable senators, having the honour of introducing Bill S-38, my pleasure is twofold and this, for two reasons: Firstly, it is the first bill introduced by me in this distinguished house. Secondly, it is a bill which stems from my little region of this country. I could also add that my pleasure is greater because it is a bill intended to come to the rescue of the neglected and unhappy members of mankind.

The purpose of Bill S-38 is to set up a corporation to enable those young and dedicated nuns to develop, extend and improve their humanitarian services for orphans, poor people, old people, forlorn people and, even for forgotten people.

This congregation, which was organized in France in 1824, is a congregation of Catholic faith, dedicated to charity, assistance and comfort for people who suffer. The congregation looks after hospitals and orphans, as is the case in my region. They look after retarded children. They take in illegitimate children and raise them; they maintain old people's homes and they are also involved in foreign missions.

Honourable senators, if we take a look at the purpose of this bill, we find all the necessary details, which are very interesting.

[*Text*]

Honourable senators will note from the preamble that this is a Roman Catholic organization.

Section 1 provides for the incorporation of a congregation of young sisters who now reside in the City of Edmonton.

Section 2 names the first directors of the corporation, and who shall constitute the first board of directors.

Section 3(1) provides that the head office of the corporation shall be in the City of Hull, in the Province of Quebec, or at such other place in Canada as may be designated by the corporation.

Section 3(2) provides that notice in writing shall be given to the Secretary of State for the corporation in the event that it should be decided to change the location of the head office, and that a copy of such notice shall be published in the Canada Gazette.

Section 4 is self-explanatory. It tells all the good things that the organization is doing.

Section 5 sets out the additional powers, such as entering into agreements with school commissions, associations of teachers, governmental institutions, and so forth.

Sections 6 to 16 deal with corporation matters, with which I shall not deal, preferring to leave them in the hands of experienced lawyers.

I have heard that in the other house they are likely to make an amendment—I believe to section 16, but I am not too sure. However, I hope honourable senators will give this bill the usual good attention and cooperation.

If the bill is given second reading this evening, I shall move that it be referred to the Standing Committee on Miscellaneous Private Bills.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Fournier, (Madawaska-Restigouche) bill referred to the Standing Committee on Miscellaneous Private Bills.

DISSOLUTION AND ANNULMENT OF MARRIAGES ACT

BILL TO REPEAL—ORDER FOR SECOND READING STANDS

On the Order:

Second reading of Bill S-29, intituled: "An Act to repeal the Dissolution and Annulment of Marriages Act."—(Honourable Senator Pouliot).

Hon. Jean-François Pouliot: Honourable senators, I would ask that this order stand until July 23 next.

Hon. Senators: Agreed.

Order stands.

MARRIAGE AND DIVORCE ACT

BILL TO AMEND—ORDER STANDS

On the Order:

Second Reading of Bill S-16, intituled: "An Act to amend the Marriage and Divorce Act".—(Honourable Senator Pouliot).

Hon. Mr. Pouliot: Honourable senators, I submit to you that this Item No. 3 should be placed as Item No. 4 on the Order Paper. The motion, which is now Item No. 4 should precede the bill, for the very good reason that the purpose of the motion is to refer the bill to the Supreme Court.

The Hon. the Acting Speaker: Honourable senators, it has been requested by the honourable Senator Pouliot that Item No. 3 and Item No. 4 on the Order Paper be placed in reverse order. Do honourable senators agree?

Hon. Senators: Agreed.

Order stands.

PRIVATE BILL

THE GUARANTEE COMPANY OF NORTH AMERICA—SECOND READING

Hon. Louis P. Gelinas moved the second reading of Bill S-37, respecting The Guarantee Company of North America.

He said: Honourable senators, my remarks will be brief. Bill S-37, like many other bills which have been introduced in this house, concerns an insurance company requesting that it may use, in the transacting of its business, either the name The Guarantee Company of North America, or La Garantie, Compagnie d'Assurance de l'Amerique du Nord, or both of such names, as and when it so elects.

The Guarantee Company of North America was incorporated in 1913. The company was incorporated for the purpose of making contracts guaranteeing the fidelity of persons in positions of trust, public or private, and guaranteeing or becoming surety for the due and faithful performance of any contract or agreement. It is also authorized to enter into contracts of insurance covering several classes including, inter alia, fire and casualty, automobile and inland transportation.

The home office of the company is situated in Montreal. The company is licensed to do business in all provinces of Canada, except Prince Edward Island, and eighteen of the states of the United States of America.

I hope the purists will find the translation of the name adequate.

If this bill is given second reading, I propose to move that it be referred to the Standing Committee on Banking and Commerce.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Gelinas, bill referred to the Standing Committee on Banking and Commerce.

BUSINESS OF THE SENATE

Hon. John J. Connolly: Honourable senators, speaking to the record, as honourable senators are aware, the third reading of the bill in respect to amendments to the National Defence Act is under consideration in the other place, and they sit tonight until 10.30 o'clock. There is a possibility this bill may be given third reading there tonight and be sent over here. I am completely in the hands of the Senate as to whether it is desired to adjourn now, during pleasure, say until 10.00 or 10.15, to reassemble at the call of the bell. If the bill has been given third reading by that time and has come to us, we could then give it first reading tonight. Perhaps we could give it further consideration on second reading tomorrow, if that is agreeable. I am in the hands of the Senate. I do not want to hold the Senate here tonight.

Perhaps honourable senators would prefer to adjourn now until 3 o'clock tomorrow afternoon. Then we could proceed to second reading by consent, immediately after the bill has received first reading. I repeat, I am completely in the hands of the Senate.

Hon. Mr. Horner: Might I suggest we meet at 11 o'clock tomorrow morning, if necessary, rather than wait for the bell tonight?

Hon. Mr. Connolly (Ottawa West): I do point this out to honourable senators though, that if this bill has not reached the Senate by 10.30 this evening, and if we meet at 11 o'clock in the morning we will have third reading of the supply bill and perhaps nothing else. If we meet at three o'clock we might then be able to consider the other bill.

Hon. Mr. Hollett: Might I observe that there are several committees meeting tomorrow morning. I am a member of one which sits at 10 o'clock, and it usually goes on until mid-day. There may be other honourable senators in a similar position.

Hon. Mr. Connolly (Ottawa West): We might accomplish as much if we adjourn now and meet at 3 o'clock tomorrow afternoon.

Hon. Senators: Agreed.

The Senate adjourned until tomorrow at 3 p.m.

APPENDIX

(*see p. 785*)

PENAL REFORM

Inquiry No. 1 by the Honourable Senator Croll:

What specific action, if any, has been taken in implementation of each of the following principal recommendations contained in the Report of the Royal Commission on the Penal System (Archambault Report) presented on April 4th, 1938, namely:

(*Recommendations and answers follow*)

1. The Canadian penal system should be centralized under the control of the Government of Canada, with the federal authorities taking charge of all the prisons in Canada, the provinces retaining only a sufficient number to provide for offenders against provincial statutes, prisoners on remand, and those serving short sentences.

A. Not implemented.

2. An immediate conference between the federal and provincial authorities should be held with a view to obtaining the full co-operation of the provincial authorities in putting the recommendations of the Commission into effect.

A. Implemented in part by a Dominion-Provincial Conference on correctional reform between the Minister of Justice and the Solicitor General of Canada and the Attorneys General of the provinces, in Ottawa, October 13-14, 1958.

3. There should be a complete reorganization of the headquarters administration of Canadian penitentiaries to include giving effect to the recommendations in this report as to the retirement of certain officers.

A. Fully implemented pursuant to amendments made to the Penitentiary Act, 1947, and the revised Penitentiary Act which came into force in 1962.

4. A Prison Commission, composed of three members removable only for cause, should be appointed with full authority over the management of penitentiaries, empowered to appoint staff, and to act as a central parole board. The Commission should be responsible directly to the Minister of Justice and to Parliament.

A. Implemented in part since 1947 under legislation authorizing the appointment of a Commissioner and Deputy Commissioner and Directors of Divisions, but not implemented in respect of the recommendation that the Penitentiary Commission should act as a central parole board.

5. Wardens should be reinvested with the authority of executive management of the penitentiaries in conformity with the provisions of the Penitentiary Act.

A. Fully implemented by means of appropriate regulations and directives issued under the Penitentiary Act.

6. A planned reconstruction of the personnel of the penitentiary staffs throughout Canada should be effected in order that officers who have special training will be enlisted in the service.

A. All administrative officers in the Penitentiary Service were specially qualified upon enlistment or, since enlistment, have received special training; in respect of the inmate training program, one out of four penitentiary officers have special qualifications in relation to their duties.

7. There should be co-operation with the universities of Canada in establishing suitable courses for the training of those who wish to become officers, probation officers, or parole officers.

A. Since 1948, in connection with the staff training program, faculty members of certain universities, schools of social work and social studies have participated on a regular basis as lecturers. Reciprocally, Penitentiary Service officials have contributed, wherever possible, to the instruction of students in university faculties that are related to the administration of justice. In recent years the Penitentiary Service has employed as summer interns a number of graduate students who seek higher degrees in psychology, social work and related disciplines. Through such co-operative activities there has been developed a mutual understanding of the role that universities might be expected to play in the training of professional staff for correctional work.

8. A training school for penitentiary officers should be established on the lines of the courses at Wakefield, England.

A. A penitentiary staff college was established at Kingston, Ontario, in 1952, and a similar staff college was established at St. Vincent de Paul, P.Q., in 1962.

9. An outstanding prison authority from England, preferably Mr. Alexander Paterson,

M.C., one of His Majesty's Prison Commissioners of England, should be invited to come to Canada to counsel and advise the Prison Commission on the reorganization of the prison system in order to give practical effect to the recommendations contained in this report.

A. Not implemented.

10. After careful study of the penitentiary staffs by the Prison Commission, all hopelessly incapable officers should be retired.

A. This recommendation had been fully implemented by 1952.

11. New officers to fill vacancies in the penitentiary service should be selected on a merit basis only and no consideration should be given to political influence.

A. Merit is the only basis upon which officers are appointed to the Penitentiary Service.

12. The pay of officers should be brought up to a reasonable standard, having regard to the type of service performed.

A. Most classes of penitentiary officers receive reasonable salaries and, in common with all branches of the public service, salaries of penitentiary officers are subject to cyclical review.

13. Rules respecting the dismissal of officers similar to those in force in England should be adopted in Canada to make provision that an officer should have an opportunity of being heard before dismissal, and that in all cases he should be advised of the reasons for his dismissal.

A. This recommendation has been implemented by regulations made by the Governor in Council pursuant to the Penitentiary Act.

14. There should be a thorough and complete revision of the penitentiary rules and regulations based on the principles contained in this report, with special regard to:

(a) the protection of society; (b) the safe custody of inmates; (c) strict but humane discipline; (d) reformation and rehabilitation of prisoners.

A. A revision of the penitentiary regulations, in accordance with this recommendation, came into force in 1962.

15. An official Board of Visitors should be appointed in connection with each penitentiary. This board should be composed of a county court judge (in Quebec, a judge of the Court of Sessions), a representative of an officially recognized social welfare association, and a medical doctor. It should be under the control of the Prison Commission, and its duties should be similar to those of the boards of visitors appointed in connection with the convict prisons in England.

A. Not implemented.

16. A complete revision of the methods of classification of prisoners should be made, with provision for a thorough medical and psychiatric examination of prisoners.

A. The rules for classification of prisoners were revised in 1954 and since then have been further revised, from time to time. Every inmate who arrives at a penitentiary receives a thorough medical examination and, where the need is indicated, a psychiatric examination.

17. The necessary legislation should be enacted to provide for sentencing habitual offenders to preventive detention in a separate institution to be provided for that purpose.

A. Legislation for the preventive detention of habitual offenders was enacted by Parliament in 1948. However, since that time, less than a hundred persons have been sentenced to preventive detention in Canada and it has not been expedient to establish separate institutions for them.

18. All incorrigible and intractable prisoners in the penitentiaries should be segregated in one institution.

A. Not implemented as recommended, but incorrigible and intractable prisoners are confined only in maximum security institutions where they are segregated from the main population.

19. Separate institutions, based on the principles of the English Borstal system, should be established to permit of special treatment being given to young offenders between sixteen and twenty-one years of age. There should also be a classification centre and three grades in each unit, each grade to be separately located and not contiguous to another. Two units should be established at once, one in the province of Ontario, and one in the province of Quebec, with a further development of the scheme in the Prairie Provinces, the Maritime Provinces, and, in a modified manner having regard to the population, in British Columbia.

A. The Federal Training Centre at St. Vincent de Paul, P.Q., was opened in 1952 for the specialized training of young offenders Construction will commence this year of a young offenders institution at Springhill, N.S., and another at Drumheller, Alberta.

20. All insane prisoners should be entirely removed from the prison population and treated in hospitals for the insane.

A. Section 19 of the Penitentiary Act provides that certified mentally ill or mentally defective prisoners may be removed from the penitentiary and confined in mental hospitals or other appropriate provincial institutions in accordance with agreements between the federal and provincial governments.

21. The mentally deficient should be segregated in the ordinary institutions under the direction of a trained psychiatrist.

A. Mentally deficient inmates have the benefit of psychiatric treatment in any institutions where they are confined.

22. Intractable and recidivist drug addicts should be removed on the order of the Prison Commission to the prison for habitual offenders.

A. Not implemented, but a special institution for custody and treatment of narcotic addicts is under construction at Matsqui, B.C.

23. A scheme of classification should be established in each prison, having regard to the previous record, social habits, physical condition, educational attainments, aptitudes, and suitable training for future employment, of individual prisoners.

A. This recommendation has been fully implemented.

24. A grades and merit system for reformable prisoners, modelled on the system in use in England, should be established.

A. Inmates can qualify for daily rates of pay ranging from twenty-five cents to fifty-five cents. Increases in rates of pay are based on grades and are determined on the basis of individual merit and industry. Moreover, the Penitentiary Act provides that every inmate may, in accordance with regulations, be credited with three days' remission of his sentence in respect of each calendar month during which he has applied himself industriously to his work, and any remission so earned is not subject to forfeiture for any reason.

25. Prison offences should be tried before a prison court composed of three officers and there should be a right of appeal to the Board of Visitors. The rules governing prison offences should be simplified.

A. Inmates charged with disciplinary offences are tried before a Disciplinary Board composed of three officers. The decision of the Board is in all cases submitted to the Warden for review and in certain cases to the Commissioner of Penitentiaries for confirmation. Otherwise there are no provisions providing a right of appeal on the part of the inmate. The rules governing prison offences and scales of punishment for such offences have been simplified by regulations that came into effect on April 1, 1962.

26. Corporal punishment should be abolished except for the offences of assaulting an officer, mutiny, and incitement to mutiny.

A. Corporal punishment may be imposed for the offences of assaulting an officer, assaulting another inmate without provocation, destruction of government property without reasonable excuse, carrying a concealed weapon, mutiny and incitement to mutiny.

27. The several recommendations contained in chapter V of this report, in regard to prison discipline, should be made effective.

A. The recommendations referred to are reflected in the new Penitentiary Act, the Penitentiary Service Regulations and the Commissioner's Directives enacted thereunder.

28. Concessions should not be granted to prisoners because of riotous and mutinous behaviour. Necessary amelioration of prison conditions should be anticipated by the prison authorities and conceded only on their merits.

A. It is no part of the policy of the Penitentiary Service to grant concessions to inmates because of riotous and mutinous behaviour.

29. The principle contained in the International Standard Minimum Rules in regard to the use of firearms should be strictly adhered to, namely,—"Officials should never use their firearms nor force against a prisoner except in self-defence, or in cases of attempted escape when this cannot be prevented in any other way. The use of force should always be restricted to what is necessary."

A. The principle referred to in this recommendation is the policy of the Penitentiary Service and is part of the basic training of every officer.

30. Officers should be thoroughly trained in the use of firearms in order to eliminate inefficiency and danger in their necessary use.

A. Training in the use of firearms is part of the basic training of every officer.

31. The reckless use, or wilful misuse, of firearms or any unnecessary force, should be dealt with in respect to prison officers in the same manner as the commission of any other crime.

A. Such a use or misuse of firearms or the use of unnecessary force constitute a breach of service discipline on the part of an officer, for which he is liable to be tried and punished by a disciplinary board.

32. Gun cages in the shops and chapels should be abolished from all institutions except those for incorrigible or habitual offenders.

A. Gun cages have been removed from all chapels in all istitutions and in all shops except those in maximum security institutions.

33. Provision should be made for more outdoor physical exercise, on the principles suggested in chapter VIII of this report, with recreational games permitted according to the age and classification of prisoners. Further provision should be made on the same principles for more indoor recreation.

A. The Penitentiary Service operates, in each of its institutions, a well-organized program of indoor and outdoor recreation.

34. Conversation periods in cells should be abolished and provision should be made for conversation during recreation and exercise periods.

A. There are no restrictions upon conversation between inmates at any time in any federal institution.

35. Visiting and writing privileges should be extended in accordance with the recommendations contained in this report.

A. An inmate may correspond with and receive visits from any person, whether relative or not, who is on his approved list of visitors. That list may not contain the names of persons who, in the opinion of the Warden, may have an adverse effect upon the rehabilitation of the inmate.

36. Provision should be made in proper cases for the distribution of a weekly newspaper in each penitentiary.

A. There is no prohibition against the production, by inmates, of an inmate publication in any institution and most institutions produce such a periodical. Newspapers and magazines from free society are distributed, without censorship, in each institution.

37. A complete reorganization of the educational system should be made in accordance with the recommendations contained in chapter VIII of this report, with special consideration for the young offenders, more frequent library privileges, and a simplified system of book distribution.

A. The educational program for each institution has been substantially reformed since the Archambault Report was produced. Formal classes in education are conducted in every institution and correspondence courses are available to any inmate who is interested. Each institution has a good library and the system of book distribution has been greatly improved.

38. The medical service should be reorganized to eliminate the sources of criticism indicated in this report.

A. Complete medical service, including the daily attendance of a medical officer and the full-time assistance of hospital officers, is available at each institution.

39. After a careful survey of their respective requirements by the Prison Commission, provision should be made for psychiatric services at all penitentiaries.

A. At each maximum security institution the services of a psychiatrist are available five half-days a week.

40. Chaplains should be selected with a special regard to individual adaptability for prison service.

A. This recommendation is always followed in the selection of chaplains.

41. Chaplains should be permitted greater freedom in meeting the prisoners and be permitted to communicate with their relatives and to render further assistance than strictly spiritual services.

A. There are no restrictions on chaplains in meeting prisoners, communicating with their relatives or in rendering further assistance than is involved in conducting spiritual services.

42. A complete reorganization of prison industries should be made in all Canadian penal institutions.

A. There has been a complete reorganization of prison industries and a further reorganization is now in process.

43. A thorough survey should be made to discover the requirements of the various government departments and institutions that can be supplied by properly equipped prison industries.

A. Several surveys of this nature have been conducted during the past ten years and a substantial portion of production of penitentiary industries serves to supply the needs not only of the Penitentiary Service but of other government departments.

44. The prison work shops should be equipped with the necessary machinery for efficient production and employment of a maximum number of prisoners at productive labour.

A. The Penitentiary Service operates eighty industrial shops throughout its various institutions and employs thereat approximately two thousand inmates. All industrial shops are equipped with modern machinery.

45. Trade instructors should be relieved of all custodial duties in order that they may devote their entire time to their instructional duties. Only such trade instructors should be engaged as are equipped by training and experience to teach trades.

A. All trade instructors are able to devote their entire time to instructional duties. Only qualified trade instructors are employed in the Service.

46. No goods produced in the prison shops should be sold in the open market in competition with private enterprise.

A. No products of penitentiary industry are sold in the open market in competition with private enterprise.

47. A complete reorganization of the prison farms should be made to bring them up to maximum efficiency and production.

A. This recommendation has been fully implemented over the past fifteen years.

48. A thorough survey of each farm should be made to ensure proper drainage and the reclamation of areas now regarded as waste land.

A. The Penitentiary Service operates farms at five of its main institutions. Each farm is properly drained and no appreciable portion of any farm can be regarded as waste land.

49. Farm instructors should be agricultural college graduates and have sufficient practical experience to qualify them for these positions.

A. While few farm instructors are agricultural college graduates, all have had sufficient practical experience to qualify for their positions.

50. Canning factories should be established at one or more penitentiaries to supply the requirements of the penitentiaries and other government institutions.

A. The Penitentiary Service operates canning factories at two institutions.

51. Dairy herds should be established to supply, where possible, the dairy requirements of the respective penitentiaries.

A. Dairy herds are maintained at each institution that operates a farm.

52. All vegetables required in the penitentiary service should be produced on the penitentiary farms.

A. A very large proportion of the vegetables required in the Penitentiary Service is produced on penitentiary farms.

53. It should be permissable to supply surplus production to government institutions and sell the balance in the open market.

A. There is no surplus production of farm products.

54. Pay for prisoners now provided in Canadian penitentiaries should form the basis of further experiments, and, having regard to the experience of other countries, it should be directed to give reward for industry, measured rather by application and diligence than by volume of production.

A. This recommendation has been fully implemented under the regulations made pursuant to the new Penitentiary Act.

55. Arrangements should be made with the provincial authorities for the confinement of women prisoners, such as are now incarcerated in the Women's Prison at Kingston, in provincial jails and reformatories for women, and, when such arrangements have been made, the use of the Women's Prison at Kingston Penitentiary should be devoted to other penitentiary purposes.

A. Not implemented.

56. Canadian prisons should, at a minimum, conform in all respects to the standards of the International Standard Minimum Rules.

A. This recommendation has been fully implemented.

57. A complete revision of the Criminal Code should be undertaken at once.

A. A completely revised Criminal Code came into force on April 1, 1955.

58. Necessary amendments to the Criminal Code should be made to give effect to the recommendations contained in this report.

A. The changes made in the new Criminal Code of 1955 and subsequent amendments have taken into consideration many of the recommendations contained in the Archambault Report.

59. Amendments should also be made to provide for:

(a) Revision of the definition of "vagrancy"; (b) The embodiment of the principles of the English statutes in regard to allowing time for the payment of fines and imprisonment for the non-payment of fines; (c) Further restriction of the sale of offensive weapons; (d) Application for leave to appeal to the Court of Appeal *in forma pauperis* in criminal cases; (e) Giving power to trial judges to order photographs and finger prints destroyed in cases where the accused is found not guilty and the trial judge believes that this course ought to be taken; (f) A uniform instrument to be used in carrying out sentence of the court to whipping; (g) A central place of execution in each province.

A. The definition of "vagrancy" has been revised; the Criminal Code now permits the court to grant time for the payment of fines; the provisions of the Code relating to offensive weapons have been revised in certain respects and the sale thereof restricted; many provincial courts of appeal permit prisoners to appeal in writing; paragraph (e) of recommendation 59 has not been implemented; a uniform instrument is used in all penitentiaries in carrying out the sentences of whipping; the question of providing a central place of execution in each province is within provincial jurisdiction.

60. The appointment and discharge of police officers, whether federal, provincial, or municipal, and the administration of police departments should be entirely removed from the suspicion of political influence.

A. The Royal Canadian Mounted Police is the only federal police force and it has not been and is not subject to political influence. No information is available as to the provinces.

61. A definite system of training police officers along the lines now followed in Great Britain should be adopted in all provinces of Canada.

A. The Canadian Police College of the Royal Canadian Mounted Police trains their own

senior personnel performing provincial police duties in eight of the Provinces, as well as selected personnel from provincial and municipal police forces. In addition, personnel of Canadian, United States and Commonwealth provost services of the Armed Services are trained on these regular courses.

62. The interest of the public should be enlisted in an organized manner, having regard to the vital importance of the prevention of crime by reducing juvenile delinquency and the assistance of social service agencies and churches and schools in co-operation with the home should be organized to this end.

A. This recommendation has been increasingly implemented in recent years, by a public information program sponsored by the Department of Justice.

63. The responsibility of the state for the financial support of community clubs, boys' and girls' clubs, and leisure time programs should be recognized. They are a means of preventing or, at least reducing, juvenile and adolescent delinquency.

A. Not implemented.

64. The Prison Commission, in co-operation with the Dominion Bureau of Statistics, should plan a complete revision of the method of preparing statistical information. This revision should be designed to provide statistics that will show the success or failure of prison management and the cost of arresting, prosecuting, maintaining, and supervising prisoners.

A. The Penitentiary Service co-operates fully with the Judicial Section of the Dominion Bureau of Statistics in the preparation of statistical information designed to give effect to this recommendation.

65. Provision should be made for uniformity of statistical information in regard to all phases of the administration of the criminal law, including juvenile delinquency, probation, recidivism, etc.

A. The Judicial Section of the Dominion Bureau of Statistics has, in recent years, done a great deal to give effect to this recommendation. There was, in 1949, a Dominion-Provincial Conference on criminal statistics.

66. Criminal statistics should be extended to show the number of indictable offences reported to the police, as well as the number of charges laid and the number of convictions.

A. In co-operation with the Canadian Association of Chiefs of Police, the Dominion Bureau of Statistics has implemented a uniform crime reporting program for police statistics.

67. The Juvenile courts should be reorganized and the Juvenile Delinquents Act be amended in conformity with the policies expressed in chapter XVI of this report.

A. A committee of the Department of Justice has been appointed to study the whole field of juvenile delinquency including the organization of the juvenile courts and the provisions of the Juvenile Delinquents Act.

68. An auxiliary committee of citizens should be organized in connection with each training school for juvenile delinquents to assist in the rehabilitation of the boys and girls who leave such institutions.

A. This is essentially a provincial matter.

69. The principle of family courts, on the lines suggested by chapter XVI of this report, should be adopted.

A. This is essentially a provincial matter.

70. A probation system, modelled upon the system now in force in England, should be adopted through Canada, both for adults and young offenders.

A. This is essentially a provincial matter.

71. Probation officers recruited from the ranks of trained social service workers should be appointed by the courts.

A. This is essentially a provincial matter.

72. The services of such officers should be made available for the preparation of case histories of convicted prisoners and to furnish reports to the presiding judge or magistrate before the accused is sentenced.

A. This is essentially a provincial matter.

73. Probation officers should be given supervision of prisoners who are released on ticket-of-leave and should make the necessary investigations of persons with whom prisoners wish to communicate.

A. Arrangements have been made with most of the existing Probation Services, by which provincial probation officers do supervise men on parole, and also make community investigation reports for the Parole Board. This is done especially in outlying areas of the provinces where there are no after-care agency facilities available.

74. The pay and duties of probation officers should be the subject of an agreement between the provincial and federal authorities.

A. This recommendation has not been implemented because probation officers are provincial government employees and the terms and conditions of their employment are purely a provincial responsibility.

75. Judges and magistrates should cause reports to be made on prisoners, after conviction and before sentence, in order to determine the nature of the punishment that should be imposed or whether probation would be more effective.

A. This is a recommendation to judges and magistrates and while it is known that the

use of pre-sentence reports has been growing, precise information as to its present extent would have to be sought from the provincial authorities responsible for the enforcement of the Criminal Code.

76. All judges and magistrates required to try criminal cases should make periodic visits to the prisons to which they sentence prisoners.

A. The Department of Justice has an appropriation for the travelling expenses of federally appointed judges for the purpose of visiting institutions to which they sentence prisoners.

77. The Ticket of Leave Act should be amended to give effect to the recommendations contained in this report.

A. The Ticket of Leave Act was repealed on February 15th, 1959, and was replaced by the Parole Act which provided for a Parole Board.

78. The Remission Branch should be abolished, and the services now performed by it should be transferred to the Prison Commission, which will act as a central parole board.

A. The Remission Branch was abolished at the time the Parole Act was passed and the staff of the Remission Service was transferred to the staff of the Parole Board.

79. A parole officer should be appointed by the Prison Commission in each province or group of provinces, according to population, to investigate applications for parole and make recommendations to the Prison Commission.

A. Field Parole Officers have been appointed in ten different areas across Canada. They cover all the provinces. They interview inmates applying for parole, making recommendations to the Parole Board, and they have jurisdiction over parolees in their respective areas.

80. The administration of the Ticket of Leave Act should be definitely and completely removed from any suggestion of political interference.

A. The Ticket of Leave Act has been repealed and replaced by the Parole Act which created the Parole Board, so this question is no longer applicable.

81. There should be a definite rule that a prisoner who has already violated the conditions of a previous ticket of leave should not be permitted further benefits from the Act.

A. Previous Ticket of Leave, or parole, does not bar a man from being considered for parole again. The Parole Board believes a person should be judged according to his present and future intentions, rather than according to some arbitrary rule as to his past actions. In 1961, less than 7%, and in 1962 approximately 8% of paroles were granted to inmates who had previously been paroled.

82. When provision is made for a more efficient system of adult probation in Ontario and the administration of the Ticket of Leave Act as herein recommended, the provisions of the Reformatories Act providing for indeterminate sentences and parole in Ontario should be repealed.

A. The provision of the Prisons and Reformatories Act providing for indeterminate sentences and parole in Ontario have not been repealed.

83. The rules governing remission of sentence for good conduct should be simplified in accordance with the recommendations contained in chapter XVIII of this report.

A. The rules in question have been simplified by the Penitentiary Act, 1961, whereby an inmate is credited with good conduct remission amounting to one-quarter of his sentence when he arrives at the institution and is entitled to earn additional remission of three days a month through application and industry.

84. The efforts of the prisoners' aid societies should be co-ordinated in accordance with the principles applied in England and Wales under the authority of the Prison Commission and with a measure of financial assistance from the state.

A. For some years past discussions have been carried on with private after-care agencies by way of implementing this recommendation and, since 1949, Parliament has annually voted moneys to be paid these agencies by way of grants in aid.

85. A definite effort should be made to enlist the co-operation of the public in assisting discharged prisoners to find employment and become re-established.

A. This recommendation has been implemented increasingly in recent years through the public information program of the Department of Justice.

86. Associations similar to the Borstal Association in England should be organized to assist in the rehabilitation of youthful offenders.

A. This recommendation has not been implemented.

87. Certain experiments should be undertaken in selected Canadian institutions, patterned after the English system of voluntary visitors and under strict supervision.

A. This recommendation has been implemented in the federal penitentiary system through invitations to knowledgeable members of the public to take part in the institutional program on a voluntary basis.

88. The Prison Commission should effect the necessary changes to make the discipline

and routine in Canadian penitentiaries conform to the recommendations contained in this report, and should take steps to put into effect as soon as possible the detailed recommendations contained in Part III of this report to correct the conditions in the respective penitentiaries.

A. This recommendation has been implemented by the new Penitentiary Act, the regulations of the Governor in Council made thereunder and Commissioner's directives.

Inquiry No. 2 by the Honourable Senator Croll:

What specific action, if any, has been taken in implementation of the following recommendations contained in the Report of the Committee appointed to inquire into the principles and procedures in the Remission Service of the Department of Justice of Canada (Fauteux Report) presented on April 30, 1956, namely:

(Recommendations and answers follow)

1. A serious effort should be made by all governments concerned, whether federal, provincial or municipal, to acquaint the public with the purpose of a sound system of corrections and the benefits to be derived from it.

A. The Department of Justice, in recent years, has increasingly attempted to implement this recommendation by means of a public information program.

2. Some means should be found whereby the courts, at all levels, may be made more conscious that the true purpose of punishment is the correction of the offender and not mere retribution by society.

A. The Department of Justice has attempted to implement this recommendation by supporting conferences of magistrates and judges on the question of sentencing practices.

3. Each of the provinces should establish full-scale systems of adult probation.

A. This recommendation is directed toward the provincial governments.

4. The Parliament of Canada should give serious consideration to

(a) the abolition of a number of the restrictions on the power of courts to suspend the passing of sentence; and (b) the enactment of legislation to authorize probation without conviction.

A. With respect to paragraph (a), there have been no amendments to the provisions of the Criminal Code in relation to the power of courts to suspend the passing of sentence since the new Criminal Code came into force in 1955. The recommendation contained in paragraph (b) has not been raised in Parliament since the Fauteux Report was presented.

5. The provisions of the criminal law that authorize imprisonment in default of payment of fines by persons who are unable to pay them should be repealed.

A. This recommendation was implemented in part by amendments to the Criminal Code in 1959.

6. No distinction should be made in the law, as far as time for payment of fines is concerned, between indictable offences and summary conviction offences.

A. Since 1959 the court has been authorized to allow time for the payment of fines in relation to both indictable offences and summary conviction offences.

7. In passing sentences the courts should rely, to a much greater extent than they now do, upon pre-sentence reports.

A. This recommendation is directed to the courts. However, it is known that the practice of the courts in using pre-sentence reports is growing.

8. Appropriate arrangements should be made for visits by judges and magistrates to the penal institutions to which they sentence offenders who appear before them.

A. The Department of Justice has an appropriation for the travelling expenses of federally appointed judges for the purpose of visiting institutions to which they sentence offenders.

9. The respective Attorneys-General of the provinces should co-operate with each other to the full in implementing the provisions of section 421 (3) of the Criminal Code, whereby an inmate who is in custody under sentence in one province may plead guilty, in that province, to charges that are outstanding against him in another province.

A. This recommendation is directed to the Attorneys-General of the provinces.

10. The law should be amended to provide that a person who is convicted of an offence has, at that time, the right to have taken into consideration, for the purpose of sentence, all outstanding charges against him to which he is prepared to plead guilty. The practice of holding warrants until an inmate has been discharged from a penal institution should, as far as possible, be avoided.

A. The law now permits a convicted person to plead guilty to any outstanding charge against him except where the charge is one where trial by jury is mandatory. No legislation has been enacted in relation to the practice of holding warrants until an inmate has been discharged from a penal institution.

11. Appropriate arrangements should be made between the Attorneys-General of the respective provinces for the uniform enforcement, in all provinces, of the provisions

of the Criminal Code relating to habitual criminals and criminal sexual psychopaths.

A. This recommendation is directed to the Attorneys General of the provinces.

12. The provisions of the Prisons and Reformatories Act that authorize the imposition of determinate plus indeterminate sentences should be repealed and the parole boards of Ontario and British Columbia should be abolished.

A. This recommendation is still under consideration. The question cannot easily be resolved until the various matters discussed at the Dominion-Provincial Conference on corrections in 1958 have been finally decided upon and implemented.

13. In any case where a convicted person is between the ages of 16 and 21 or where a maximum term of imprisonment of two years or more may be imposed, no offender should be sentenced to any term of imprisonment without consideration, by the court, of a pre-sentence report.

A. This recommendation has not been implemented by legislation except in regard to imprisonment for nonpayment of a fine.

14. No sentence involving corporal punishment should be imposed upon any offender without prior consideration of a pre-sentence report concerning the physical and mental condition of the offender.

A. This recommendation has not been implemented by legislation.

15. No sentence of corporal punishment should be executed until full inquiry has been made by the Remission Service and the responsible authority has ordered that there will be no interference with it.

A. A person under a sentence of corporal punishment may apply to the Parole Board for revocation or suspension of the sentence. Upon the receipt of such an application the sentence of corporal punishment is suspended until an investigation has been completed and the Parole Board decides whether the application should be granted or refused.

16. Appropriate legislative amendments should be made immediately to provide that no person under the age of sixteen years shall be committed to penal institutions where adult prisoners are confined.

A. Section 21 of the new Penitentiary Act provides that where facilities exist for the separate confinement of young offenders within a region of Canada no person who, having been sentenced or committed to penitentiary, is under the age of sixteen years shall, within that region, be confined in association with persons who are twenty-one years of age or more unless the Commissioner otherwise directs in writing. The section also authorizes the transfer, between federal and provincial institutions, respectively, of inmates who are under sixteen years of age so that association by them with inmates of twenty-one years of age or more will be avoided.

17. Consideration should be given to the establishment of a procedure for the granting of pardons, with or without condition, on a much more liberal scale than is now the case. In the granting of pardons, resort should be had to the Criminal Code provisions that authorize the Governor General in Council to grant them rather than to grant them under the royal prerogative of mercy.

A. This recommendation is still under consideration.

18. Some means should be devised by which unjustified inequalities in the length of sentences of imprisonment, especially in the cases of co-offenders, can be remedied.

A. This recommendation has not been the subject matter of legislative proposals but it has been the subject of study, in recent years, at a number of conferences of judges and magistrates on the question of sentencing practices.

19. In all cases where the innocence of a convicted person is established, a free pardon should be granted, whether or not a free pardon is sought.

A. This recommendation has been implemented in full. A free pardon is invariably granted where the innocence of a convicted person is established.

20. The federal and the provincial governments should give serious consideration, in expanding their systems of penal institutions, to the establishment, on a medium security basis, of such additional institutions as may be required.

A. In so far as the federal government is concerned, the Penitentiary Service has, since 1952, converted two institutions from maximum to medium security and has constructed two new medium security institutions and fourteen minimum security institutions. Two additional medium security institutions have been under construction since the fall of 1963 and construction of three more medium security institutions will commence in 1964.

21. In the Women's Prison at Kingston, Ontario, a more intensified system of varied forms of treatment should be instituted.

A. A greatly intensified system of varied forms of treatment has been in effect in the Women's Prison at Kingston, Ontario, since 1961.

22. The federal and provincial governments should proceed, as quickly as possible, with the establishment and maintenance of more

specialized types of institutions for the treatment of various types of offenders.

A. The Penitentiary Service is proceeding to implement this recommendation, initially by the construction of a narcotic addict treatment institution at Matsqui, B.C., which is now under construction. Other specialized types of institutions will be developed when the current overcrowding problem in federal penitentiaries is relieved by the construction program that is now under way.

23. In relation to the operation of all penal institutions in Canada, more reception centres should be established to which inmates may be initially committed for classification and ultimate committal to the particular institution that provides the most useful form of treatment in their particular cases.

A. The present construction program of the Penitentiary Service calls for the implementation in full of this recommendation.

24. Classification staffs should be provided for all penal institutions in Canada and, where they already exist, they should be increased to an appropriate size.

A. Classification staffs in federal penitentiaries have been greatly increased in size since 1946 so that they now conform with the detailed recommendations of the Fauteux Report in this connection.

25. No penal institution in Canada, of whatever type, should contain more than 600 inmates.

A. The policy of the Penitentiary Service is to limit the accommodation of new institutions to 450 inmates.

26. Special types of institutions, with specialized treatment, should be provided for alcoholics, drug addicts, sex offenders and psychopaths.

A. In addition to the narcotic addict treatment institution, now under construction at Matsqui, B.C., the Penitentiary Service is proceeding with the construction of special detention units for difficult inmates in each region of Canada.

27. The present arrangements between the Government of Canada and the provincial governments should be reviewed in order to enable speedy transfer of insane prisoners from federal penitentiaries to provincial institutions that have suitable facilities for their care and treatment.

A. This recommendation has been fully implemented.

28. Every penal institution in Canada should institute an appropriate pre-release program for the benefit of inmates.

A. Pre-release programs for inmates have been instituted where facilities are available and overcrowding does not prevent such programs from being carried on. Present Penitentiary Service plans envisage suitable pre-release programs for all types of inmates.

29. The responsible authorities should examine the entire legislative framework of the Canadian correctional system for the purpose of providing a well co-ordinated statutory basis for the Canadian system of corrections.

A. Implemented in part by the Dominion-Provincial Conference on corrections in 1958 and the appointment in 1959 of the Correctional Planning Committee of the Department of Justice.

30. Until recommendation 31 can be implemented, any person who is sentenced to imprisonment for a total term of two years or more, by whatever combination of sentences this total is arrived at, should be confined in a penitentiary and not in a provincial institution.

A. Not implemented.

31. The provincial governments should be responsible for the care and treatment in penal institutions of persons sentenced to imprisonment for maximum terms of six months or less, and persons sentenced to imprisonment for periods longer than six months should be confined in penal institutions operated by the federal government.

A. Implemented in part by agreement in principle at the Dominion-Provincial Conference on corrections in 1958 to the effect that the Dominion should proceed to plan for a revised penal system of such character that it would be in a position to assume responsibility for persons sentenced under federal laws to terms of one year or more. Such plans to be formulated on the basis that the Dominion Government will have decided that sentences under federal laws of more than six months but less than one year should be eliminated.

32. If it is not possible to implement these recommendations, or most of them, within the next two or three years, amendments should be made immediately to the Ticket of Leave Act as suggested in Chapter VII of this Report.

A. The Ticket of Leave Act has been repealed. The system of granting statutory remission, as recommended in Chapter VII of this Report, has largely been implemented.

33. The Ticket of Leave Act, the Prisons and Reformatories Act and certain portions of the Penitentiary Act should be repealed and be replaced by one statute that deals in a comprehensive manner with all the matters now dealt with in those Acts and incorporates the recommendations in this Report.

A. The Ticket of Leave Act has been replaced by the Parole Act. Any changes in the Prisons and Reformatories Act are awaiting the outcome of the conference between the federal and provincial authorities of 1958.

34. The duty and responsibility of arranging for the transfers of inmates from penal institutions to hospitals for the purpose of medical attention should be removed from the Remission Service and left to the Commissioner of Penitentiaries in the case of federal penal institutions and to the responsible deputy head in the case of provincial institutions.

A. Section 26 of the new Penitentiary Act gives the necessary authority to the Commissioner of Penitentiaries in the case of federal penal institutions; the matter is still under advisement with respect to provincial institutions.

35. As soon as possible, a system of automatic parole review should be instituted for Canada, thereby dispensing with the present system which requires an application for parole.

A. The Parole Board is required to automatically review sentences of two years and over, whether or not an application has been received by or on behalf of the inmate. In practice, the Board expects the inmate to either apply for parole or at least indicate he is interested in the grant of parole, as some inmates are not interested in applying for parole.

36. The practice of seeking the views of the trial judge or magistrate, in the case of parole, should be abandoned, except in special cases.

A. The practice of seeking the views of the trial Judge or Magistrate when granting parole was abondoned in 1959. However, the trial Judge or Magistrate is invited to submit a report to the Board, if he cares to do so, as to his impressions of the accused, the existence of extraordinary circumstances and any special purpose he had in mind when giving the sentence. Special reports are requested in special cases.

37. Provision should be made for the official termination, at an appropriate time, of long-term paroles and those in special cases where the adjustment of the former inmate is obviously excellent and it is unlikely that he will resort again to crime.

A. Periodic revision of the terms and conditions of a parole is made in long-term paroles, for the purpose of modifying, reducing or removing them altogether in appropriate cases. There is no provision for officially terminating a parole, but this matter is being considered.

38. Some means should be found to provide specialized after-care for particular types of parolees, such as sex-offenders, drug addicts, alcoholics and psychopaths.

A. Specialized after-care for particular types of parolees such as sex offenders, drug addicts, alcoholics and psychopaths is provided whenever necessary and possible. Facilities for such treatment are limited, and such parolees are spread all over the country.

39. The federal and provincial governments should increase their financial grants to voluntary after-care agencies in order to enable them to work more effectively in the correctional field.

A. The federal government has increased substantially its annual financial grants to voluntary after-care agencies so that, as of 1964, the amount to be distributed will be approximately $200,000.

40. Voluntary after-care agencies should be subject to minimum standards and to evaluation and some workable system of agency certification should be established.

A. This recommendation cannot be implemented until agreement is reached between the Department of Justice, on the one hand, and the after-care agencies, on the other, concerning the precise nature of the future role of the agencies in the field of federal corrections.

41. The annual conference of after-care agencies and government services should be continued in the future.

A. Such a conference was held in 1963 and another will be held late in 1964 or early 1965.

42. A national parole board should be established as recommended in Chapter XI of the Report.

A. The national Parole Board was established in 1959.

43. The administration of federal correctional services should be organized as suggested in Chapter XII of the Report.

A. This recommendation has not been implemented.

44. The Department of Justice should organize and sponsor a national conference of representatives of Canadian universities to formulate university programs for the training of workers in the correctional field.

A. This recommendation has not been implemented.

THE SENATE

Tuesday, June 30, 1964

The Senate met at 3 p.m., Hon. Thomas Vien, Acting Speaker, in the Chair.

Prayers.

ROYAL ASSENT

NOTICE

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

GOVERNMENT HOUSE

Ottawa

30 June 1964

Sir,

I have the honour to inform you that the Hon. Ronald Martland, Puisne Judge of the Supreme Court of Canada, acting as Deputy to His Excellency the Governor General, will proceed to the Senate Chamber today, the 30th June, at 5.45 p.m., for the purpose of giving royal assent to certain bills.

I have the honour to be,

Sir,

Your obedient servant,

A. G. Cherrier

Assistant Secretary

to the Governor General.

The Honourable

The Speaker of the Senate.

EXPORT CREDITS INSURANCE ACT

BILL TO AMEND—FIRST READING

The Hon. the Acting Speaker informed the Senate that a message had been received from the House of Commons with Bill C-101, to amend the Export Credits Insurance Act.

Bill read first time.

MOTION FOR SECOND READING

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

Hon. Sydney J. Smith: Honourable senators, with leave of the Senate, I move second reading of this bill now.

Hon. Mr. Choquette: Do we have copies of it?

Hon. Mr. Connolly (Ottawa West): Yes. It is a House of Commons bill.

Hon. Mr. Croll: I do not appear to have a copy.

Hon. Mr. Hnatyshyn: I think it is in the honourable senator's desk.

Hon. Mr. Smith (Kamloops): The bill was distributed, I think, two or three weeks ago. I know I have had a copy since that time.

Hon. Mr. Connolly (Ottawa West): Honourable senators, I apologize. I thought a copy of this bill would be in each honourable senator's file of House of Commons bills, but apparently it is not. Perhaps it would be more convenient if we stood this matter until later this day. We can get copies of the bill and have them distributed. We could proceed now with the other items on the Order Paper.

Hon. Senators: Agreed.

The Hon. the Acting Speaker: Order for second reading stands until later this day.

DOCUMENTS TABLED

Hon. John J. Connolly tabled:

Report of the Fisheries Prices Support Board for the fiscal year ended March 31, 1964, pursuant to section 7 of the Fisheries Prices Support Act, chapter 120, R.S.C., 1952. (English text).

Copy of Agreement between the Parties to the North Atlantic Treaty for co-operation regarding Atomic information. (English and French texts).

Report of the Dominion Coal Board for the fiscal year ended March 31, 1964, pursuant to section 15 of the Dominion Coal Board Act, chapter 86, R.S.C., 1952. (English text).

Report of the Atlantic Development Board for the fiscal year ended March 31, 1964, pursuant to section 19 of the Atlantic Development Board Act, chapter 10, Statutes of Canada, 1962-63. (English text).

PETITIONS FOR PRIVATE BILLS

EXTENSION OF TIME FOR FILING

Hon. A. L. Beaubien, Acting Chairman of the Standing Committee on Standing Orders, presented the committee's second report as follows:

Your committee recommend that the time limited for filing petitions for private bills which expired on Friday, May 15, 1964, be further extended to Friday, July 10, 1964.

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

Hon. Mr. Beaubien (Provencher): I move, with leave, that the report be adopted now.

Report adopted.

PETITION

REPORT OF COMMITTEE—PROPOSED INCORPORATION OF MEOTA PIPE LINES LIMITED

Hon. A. L. Beaubien, Acting Chairman of the Standing Committee on Standing Orders, presented the committee's third report, as follows:

1. With respect to the petition of Stan Reesot Kaufman, Eric Sherwood, Isaac Sheldon Comfort and others of the City of Edmonton, in the province of Alberta; praying to be incorporated under the name of "Meota Pipe Lines Limited".

2. In the opinion of your committee the requirements of the 107th Rule are being satisfactorily complied with in all material respects.

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

Hon. Mr. Beaubien (Provencher): I move, with leave, that the report be adopted now.

Report adopted.

DIVORCE

REPORTS OF COMMITTEE PRESENTED

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports 371 to 411, inclusive, and moved, with leave, that the said reports be taken into consideration now.

Hon. Jean-François Pouliot: Honourable senators, this makes no sense. Only the other day I had occasion to speak on similar matters. Do you realize what this means? We have a judge who is not a judge. We are the judges. The Goddess of Justice, Themis, is represented as blindfolded, because she holds scales in her hands, and she is not supposed to see the scales. We are not blindfolded, but we are the judges and we know nothing of the cases that come before us.

This is not the first time I have warned the Chairman of the Divorce Committee (Hon. Mr. Roebuck), for whom I have a personal liking and a soft spot in my heart. However, he should not proceed in this way, because it is a discredit to the Senate. We have a man appointed as Commissioner—he was the man Friday of the Divorce Committee. What is he? I don't know. I give him the benefit of the doubt. I know from some members of the Divorce Committee that they were entirely dissatisfied with the manner in which he rendered judgment in some cases, especially when the parties admitted that they committed adultery and there was no evidence to that effect.

There are twenty-five members of the Divorce Committee, and how many take the trouble to read the evidence? If they do read it, it is the same as if they read the newspaper. They do not see the witnesses. They do not know what the evidence is. Then we have the reports, that mass of paper on the Clerk's table.

What do you know about it, Mr. Speaker? What do any one of my colleagues know about it? You know nothing about it, and if I asked the Chairman of the Divorce Committee a question about any particular case, he would be unable to answer. And here he is asking us to consider these reports now. I do not even know the names of the witnesses, and neither do you. We know nothing. It goes on like that. It is the most absurd situation I have seen.

Moreover, honourable colleagues, the Divorce Commissioner, who is now a judge—a judge nominally, not in fact—has not the power of the humblest of the justices of the peace, whom the Chairman of the Divorce Committee could dismiss or fire by a stroke of the pen when he was Attorney General of the great Province of Ontario.

This Commissioner has not the power of a justice of the peace, but he makes reports, and the reports come here to be judged. Not one of us knows anything about it, and the Chairman of the Divorce Committee dares to ask us to pass it in that manner. I find it revolting. I use a strong word, but it is time to use it and to stop that practice.

I shall have something more to say when the bill for the repeal of chapter 10 of the statutes of the last session comes up. But this is revolting. It is a shame for the Senate, to think that one of our colleagues is making fools of all of us. I protest energetically, and I have given the reasons why.

The Hon. the Acting Speaker: The question is on the motion of the honourable Senator Roebuck, seconded by the honourable Senator Croll, that the reports of the Committee on Divorce be now concurred in.

Hon. Mr. Pouliot: No.

The Hon. the Acting Speaker: If we have not the unanimous consent of the house, consideration will be at the next sitting.

Hon. Mr. Pouliot: I am adamant.

Hon. Arthur W. Roebuck: Honourable senators, there are two things in my friend's harangue that I must answer. One is the imputation that one of the members of the committee expressed dissatisfaction with regard to the Commissioner of the Senate. If such were the case, I think it would have been a fairer thing to allow that person to make his own protest rather than having it made

second hand. On the other hand, I think I can speak for every member of the Senate Divorce Committee in expressing satisfaction with the work being done by the Senate Commissioner.

Only this morning one of the members of the committee told me he had attended a divorce case hearing and was greatly impressed with the judicial manner, fairness and capability of the Commissioner. It is unfair to throw slurs on anyone who is not able to be here to defend himself, and particularly at the Commissioner who is doing his work industriously, carefully and capably, in the highest traditions of the legal profession.

The second thing I think I have to answer, and it is all I will answer, is the assertion that I cannot answer a question with regard to the divorce resolutions that I will present. That is entirely untrue.

Hon. Mr. Pouliot: Don't dare say that! Don't dare!

Hon. Mr. Roebuck: My friend has never asked me a question that I have not answered; and if there are any questions that he wishes to ask me now, I do not know that I can answer them off hand but I will answer them very shortly afterwards. That is all I have to say with regard to that.

On another occasion when I tried to give the best service possible, my friend objected. I said he had a perfect right to object if he cared to do so, and I was not angry at all with him for doing so, and I am not now. He is exercising a right which the rules give him, that of blocking the progress of the committee. That is his responsibility, not mine.

I know there happens to be in that list of cases one petitioner, a woman, who has been waiting a long, long time for her divorce—I was told four years, but that seems too long. Anyway, it is a matter of years. Her remarriage has been arranged for the middle of August. If her resolution were passed today that marriage could take place. She is marrying, I hope, a very much better man than she is losing. However, my friend has the perfect right to stop the marriage if he cares to do so, and in that case I can do nothing. I have done what I could to be kind and do service to these people. They are poor people, in trouble, as a rule; but, as I said, it is his right and I have no objection.

Hon. Mr. Pouliot: Honourable senators, if I am permitted, the honourable gentleman said at page 491 of Senate *Hansard* of April 11, 1962 that the committee could handle 6,000 divorces a year. I suggest that he follow the example of that French poet, a member of the French Academy, who, with the aid of an I.B.M. machine, could compose a million poems in a very short time.

The Hon. the Acting Speaker: Will the honourable senator allow the adoption of the reports on division?

Hon. Mr. Pouliot: No.

The Hon. the Acting Speaker: Consideration next sitting.

Hon. Mr. Horner: It is quite all right if the honourable senator agrees to allow them to pass on division.

Hon. Mr. Pouliot: I don't agree, Senator Horner.

Hon. Mr. Horner: I was going to plead with you.

Hon. Mr. Pouliot: There is no use pleading.

Hon. Mr. Horner: You are a kindly man. I admit, of course, I object so strongly to this new setup that I refuse to attend. But at the same time you are certainly not bringing any credit to the Senate. According to the rules, you are perfectly right in objecting, and I do not argue against that. But I would ask you to consider the position in which you are leaving so many people who are now living estranged, when the situation could be made regular. I plead with you to allow these reports to pass today. You have made your point very emphatically, but I think you should allow the reports to pass.

Hon. Mr. Pouliot: Does my honourable friend want an answer?

The Hon. the Acting Speaker: Honourable senators, I have allowed this discussion to take place because it is illuminating and it has permitted honourable senators to express their views; but it is out of order now to discuss at this juncture the propriety of the procedure adopted with respect to divorce bills. This is a matter of law. A law has been passed at a previous session of Parliament; a critical debate on the merits or demerits of that law is out of order today.

The question before this house concerns only our concurrence in the report of the committee, which report had been adopted by the committee in accordance with the provisions of the law as it now stands. We are not called upon to discuss the merits or demerits of the law, but the question is whether or not the report of the committee should now be considered and concurred in. Under our rules this requires unanimous consent; such consent not being given, concurrence must stand until our next sitting.

EXPORT CREDITS INSURANCE ACT

BILL TO AMEND—SECOND READING

The Hon. the Acting Speaker: It has been moved by honourable Senator Smith (Kamloops), seconded by honourable Senator Baird, that Bill C-101, an act to amend the Export Credits Insurance Act, be now read a second time. Honourable senators, is it your pleasure to adopt the motion? Honourable Senator Smith (Kamloops).

Hon. Sydney J. Smith: Honourable senators, Bill C-101 is similar to many other bills with which honourable senators are quite familiar in that it is not new legislation. The original Export Credits Insurance Act was passed in 1944 to provide facilities required at that time. The service provided under this act falls into two distinct classifications, namely, export credits insurance, and long-term export financing.

Referring particularly to the insurance service, the corporation issues policies of insurance for its own account, with total liabilities not to exceed $200 million, and no change is proposed in this regard in the new bill. The corporation also issues policies for the Consolidated Revenue Fund. This is done under section 21 of the act by authority of orders in council.

The corporation has insured more than $800 million of export sales and more than $500 million for account of the Government since starting to issue policies of insurance in 1945. It has facilitated export sales of more than $1.3 billion. This insurance coverage has been provided to hundreds of Canadian exporters from every province, and has covered sales to practically every country in the world. It is safe to say that much of this export business would not have been negotiated had the insurance service under the Export Credits Insurance Act not been available.

I should say that the corporation confines its insurance facilities only to the type of protection not provided by private commercial concerns, and it is important to note that it does not subsidize the exporter since he pays a proper premium for the insurance protection. This means that he has to compete in the markets of the world solely on a basis of price, quality and service. The act is operated on a nonprofit basis, but nevertheless the corporation has accumulated a modest surplus over the 18 years of its existence.

The corporation has paid off about $11 million in claims, but it has been successful in recovering about $9½ million. Losses written off amount to about $500,000. The figures I have given in relation to claims and loss apply entirely to insurance coverage related to export business. There has never been a single claim under section 21 transactions, which are those providing insurance for account of the Consolidated Revenue Fund.

Honourable senators will be interested to know that at a recent meeting of the board of directors of the corporation, taking into account the present position of the corporation's reserves, the proposed amendment under consideration in the present bill to exempt the corporation from income tax, and in conformity with the corporation's continuing policy of reducing premium rates wherever possible, it was decided to accord premium reductions on a selected basis applicable to about three-quarters of the countries of the world. This will have the effect of reducing the exporter's costs and thus helping him to meet the ever-increasing competition in foreign markets.

Both export credits insurance and long-term export financing are made available by the Government through this act to assist Canadian firms in their efforts to procure a fair share of the export business from countries throughout the world. About 550 Canadian companies have received orders to supply equipment and services as a result of contracts signed under section 21A of the act.

I hope all honourable senators now have a copy of the bill. I received one through the post office about two weeks ago, and I took it for granted that there had been a general distribution made at that time.

If honourable senators refer to the bill they will see that under clause 1 it is proposed that the Export Credits Insurance Corporation be no longer liable to income tax. Heretofore the corporation was specified in Schedule D of the Financial Administration Act, and section 84 of the Income Tax Act makes Part I of that act applicable to a corporation specified in Schedule D.

By clause 2 of the bill section 11A of the act is repealed as a consequence of the amendment in clause 1.

No similar export credits insurer in other countries pays income tax, and I should add that no commercial enterprise in Canada provides comparable services. If this amendment is approved the corporation will pay to the Receiver General the sum of $10 million in cash. This amount corresponds to the paid-up capital and surplus of the corporation, and will be credited to a special non-interest bearing account in the Consolidated Revenue Fund in the name of the corporation.

By clause 3, it will be noted, section 13 of the act is repealed and replaced by a new section 13. This proposed amendment would permit the corporation to insure an exporter against the risk of losing the ownership or control of equipment employed, or to be employed, by him in rendering technical services outside Canada. This insurance is not presently available from commercial sources.

This amendment also gives the corporation authority to re-insure risks with export credits insurers in other countries, and to accept re-insurance from them. This would provide the corporation with authority to take on additional insurable business of Canadian exporters. At the present time the Corporation can insure a Canadian exporter against nonpayment by a foreign buyer of exports from Canada. The proposed amendment will permit the corporation to enter into a contract of insurance with an export credits organization in another country.

This brings me to the major amendment contained in this bill, which proposes to increase the amount of liability under contracts of insurance entered into under section 21 of the act from $400 million to $600 million. Under this section the total current liability of the corporation as at April 30 of this year, under all policies, amounts to $235 million. Additional commitments have been made under authority of orders in council totaling $236 million. These commitments cover future shipments for which insurance has not yet been issued, and repayments under policies currently outstanding. It is considered by the corporation that they would not be called upon to exceed the present limitation of $400 million on any policies to be issued in the near future to cover current commitments. However, the increasing amount of export trade being insured makes it important that authority to insure additional business should be available.

Section 21A of the Export Credits Insurance Act allows the corporation to provide financing to Canadian exporters for heavy capital equipment requiring terms of payment extending beyond five years. This bill proposes to increase the amount of this long-term financing from $300 million to $400 million.

On April 30 last the corporation had entered into financial agreements under long-term export financing contracts totaling $184 million. Additional financing and guarantees have been authorized by orders in council totaling $33 million. Applications on hand total another $80 million. So, the financial agreements already signed, guarantees outstanding and agreements not completed total $297 million. It is, therefore, obvious that in order to continue this important facility it is necessary to increase the present ceiling.

I do not think I could emphasize the importance and urgency of passing these amendments as expeditiously as possible more than by reading two or three lines from a letter I received today from a firm presently negotiating a $2 million export deal. They are as follows:

> We could supply—
>
> And they mention their product.
>
> —a specific demand for approximately $2 million. This would produce 235,000 man hours of Canadian labour of various classes, semi-skilled, skilled and professional. The benefits would be spread from one side of Canada to the other since the content would be 100 per cent Canadian from the ore to the fabricated product.

Honourable senators, I suppose this is only one of probably hundreds of deals that are in the process of negotiation and which are dependent upon the facilities that will be provided by these amendments we have before us. I think I have outlined sufficiently the needs and the urgency, and thus have brought to the attention of all honourable senators the importance of the early passage of this bill.

Hon. M. Wallace McCutcheon: Honourable senators, I think I can speak for my colleagues on this side of the house and say that we are anxious to have this bill passed.

I introduced the last amendments to this act in this house. Those previous amendments were passed for the same reason that these amendments are being proposed today. At that time our export trade was increasing, and the limits that Parliament had imposed on the authority of the corporation, under either section 21 or section 21A, were becoming exhausted, and it was necessary that those limits be raised in order that the corporation could perform the function for which it was designed.

I welcome these amendments as being evidence of the increasing activity of Canadians in the export market, and of the fact that the corporation is performing the very function for which it was designed.

I am happy also to know that this particular Crown company is to be exempted from income tax. My honourable friend Senator Smith referred to the fact that from its inception up to December 31, 1963 the corporation had earned, on a very substantial volume of business, only some $3¼ million. The exact figure is $3,254,821. He went on to intimate that the purpose of the corporation was to provide these services effectively at cost, but, in fact, during that same period, of course, the corporation has paid some $2,861,000 in income tax, and has transferred $5 million to underwriting reserve. This means that the gross figure that exporters have paid is something over $11 million.

I do not think the exporters are seriously complaining of that, but as my honourable friend has said, the board of directors have now decided to reduce premiums in certain areas because, having paid back their paid-up capital and surplus to the Receiver General,

they are going to be exempt from income tax and, therefore, there is no necessity for their making underwriting reserves other than those that would be made in the normal course of business. There would be no tax incentive to make them. In view of that fact I am glad to hear that the premiums are going to be reduced.

I would like to investigate one aspect of this matter. If it were not for the fact that I am very anxious to see this bill passed so that the forward transactions that Senator Smith (Kamloops) referred to will not be held up, I would ask that the bill go before the committee. I am not going to ask that, but I would urge upon the Leader of the Government (Hon. Mr. Connolly, Ottawa West) that in addition to reducing premiums in areas where the corporation feels it may properly reduce them, the corporation should give consideration to extending the terms of credit, or to granting credit in areas where it does not now grant it. It should grant credit for longer terms in certain areas than it now grants it.

I know that we are a party to the Berne Convention. We are a party to many international conventions, and by and large we try to live up to them, but I think the time has come—and I say this very seriously—when we should take a second look at the Berne Convention and decide whether our co-signatories are living up to it, or whether their exporters are obtaining advantages by way of credit that our exporters are deprived of.

As I say, if this bill were going to a committee that is a question I would like to pursue at some length. But, I hope the bill will not go to a committee. I hope it will be passed today. I merely raise that point with the honourable Leader of the Government because I know he will refer it to the appropriate people.

Hon. John J. Connolly: Honourable senators, I am most interested in what Senator McCutcheon said about the Berne Convention and the question as to whether Canada is one of the few countries adhering strictly to its terms.

Certainly, this should be investigated and I will bring it to the attention of the minister and of the people responsible for the operation of the Export Credits Insurance Act.

I am gratified also at the attitude taken by Senator McCutcheon in respect of this particular bill. We in the Senate realize the important work done under the Export Credits Insurance Act. If this country is to prosper, it must have more and more trade. Here is an instrument which could do so much to encourage the feeling of security that exporters need when dealing with buyers in foreign countries. We also feel gratified that the management under this act has been conducted in such a provident way over the years, so brilliantly and with such evident success, as the figures mentioned by Senator Smith (Kamloops) and Senator McCutcheon indicate. This is a self-sustaining program; it is a useful program; it is a program which can encourage exporters to go into the export business with a feeling of security, knowing that they have the resources of this organization behind them in the work they do.

We thank Senator Smith for the very fine explanation which has been given. I thank Senator McCutcheon for his remarks and assure him that I will bring these remarks to the attention of the minister.

Motion agreed to and bill read second time.

THIRD READING

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

Hon. Mr. Smith (Kamloops): Honourable senators, I move, with leave, that the bill be read a third time now.

Motion agreed to and bill read third time and passed.

APPROPRIATION BILL NO. 6, 1964

THIRD READING

Hon. John J. Connolly moved the third reading of Bill C-105, for granting to Her Majesty certain sums of money for the public service for the financial year ending 31st March, 1965.

He said: Honourable senators, I think the only outstanding piece of business left in connection with this measure is the series of questions which Senator McCutcheon asked last evening. In reply, I should first refer to a report made on April 30, and adopted by the Senate on that day. It is a report from the Joint Committee of the Senate and House of Commons on Consumer Credit and is to be found on page 351 of Senate *Hansard*, as follows:

> Your committee recommend
>
> 1. That their quorum be reduced to seven members, provided that both houses are represented.
>
> 2. That they be empowered to engage the services of counsel, an accountant and such technical and clerical personnel as may be necessary for the purpose of the inquiry.

That report was adopted at that time. I understand it was adopted in the other place

on the same day. Pursuant to that report, I am informed that the Steering Committee of the Special Joint Committee of the Senate and House of Commons on Consumer Credit met on Tuesday, May 26 at 2 p.m. and that there were present the joint chairmen and in addition Messrs. Chrétien, Grégoire and Mandziuk. I have here a report of that meeting, in which it was resolved as follows:

> That the services of Mr. J. J. Urie, Q.C. of Ottawa, Ontario, be retained as counsel to the committee.
>
> That Mr. Urie be paid $250 for each day in which he devotes seven hours or more to the work of the committee and $25 per hour for the preparation of work.
>
> That the services of Mr. Jacques L'Heureux, C.A., of Ottawa, Ontario, be retained as an accountant to the committee.
>
> That Mr. L'Heureux be paid $100 for each day in which he devotes seven hours or more to the work of the committee and $20 per hour for preparation of the work.

Hon. David A. Croll: Honourable senators, I have a word to say in respect to this matter. It would appear that my friend Senator Choquette, when speaking to Appropriation Bill No. 6, was disturbed when he found that the Joint Committee on Consumer Credit had engaged the services of a solicitor at the rate of $250 for a seven-hour day and $25 an hour for preparation; and also the services of an accountant at $100 per day and $20 an hour for preparation. He used rather strong language. That is what brings me to my feet. He said he thought it was a scandal.

Hon. Mr. McCutcheon: I said that.

Hon. Mr. Croll: He said that—

Hon. Mr. Choquette: No. I did not say that. The reporter said that.

Hon. Mr. Croll: That is the report—

Hon. Mr. Choquette: It should be attributed to my friend. I forgot it, or I would have added it.

Hon. Mr. Croll: I am delighted to know it was Senator McCutcheon who said that, as I have something to say about him also. In any event, that statement troubles me. I should like to take a few minutes, as we have time today, to bring Senator Choquette back from 1930 to 1960 and particularly to 1964.

I do not know whether this house knows it, but in Toronto, when taxing costs between party and party—which is less than between solicitor and client—junior counsel will receive $250 a day and senior counsel a minimum of $500, and that the maximum goes up to $750 and perhaps beyond; that accountants receive at least twice what we are paying Mr. L'Heureux; that in the Supreme Court of Canada here in Ottawa—and this Senator Choquette should have known—the minimum that junior counsel will receive is $250 a day and senior counsel at least $500 a day and beyond—and none of them are overpaid.

Senator McCutcheon, surprisingly, was also disturbed and he is alleged to have referred to this as a scandal. I suppose the last time Senator McCutcheon paid a lawyer $250 a day was at the turn of the century, and at the same time he fired him for having so little appreciation of his own ability. He knows full well, if anyone knows, that you do not hire lawyers who are in the big league, or accountants who are in that league, for anything like such a sum.

Honourable senators, I am going to set the record straight. It is well to know that not only on this committee of consumer credit, but on all committees, members are heavily engaged in work. They do not have time to prepare for the involved and the intricate problems in most committees. This is particularly applicable to consumer credit, which is most involved, and the work we are doing there is of a pioneering nature.

Of course there are many excellent lawyers on the committee, but they sit there as parliamentarians to use their legal training and knowledge as lawyers. They are not there to practice law. I hope I have said that loudly enough.

Briefs are submitted before the Consumer Credit Committee by informed and skilled lawyers, accountants, economists and men of high managerial skill. In order to obtain information and to understand their testimony, preparations need to be made with men of the highest skill. This can be done only by obtaining able lawyers and accountants, and, in addition, interested members of the committee who will devote some extraordinary time to the problems before them.

I think it is well known—if Ottawa is too far from Toronto, and Senator Choquette does not know it, Senator McCutcheon does know it—that the Province of Ontario established a committee on consumer credit, hired eminent counsel and obtained the services of an accountant, and paid far more than we are paying for the same services.

I believe most members here know that the Province of Nova Scotia established a committee and employed legal counsel. I do not know what he is being paid.

Hon. Mr. Choquette: He is smiling!

Hon. Mr. Croll: I assume he would not work for anything like $250 a day, away

from his office, where the overhead would be at least 50 per cent of that amount.

There are before the Committee on Consumer Credit, and those of us in the Senate who have knowledge of the committee know this, important constitutional and other questions to be dealt with. The constitutional field is an involved one, and we had to obtain the services of a counsel who understands the problem. A skilled accountant was also required in order to advise the committee on matters pertaining to interest charges, costs of loans and credit, and to assist counsel and the committee members to understand more easily what a witness has to say. The witnesses appearing before that committee are highly-skilled persons.

I think it is clearly understood, but if it is not, I will make it clear now, that counsel and the accountant are paid on a *per diem* basis. They are paid for only the days the committee sits, which is once each week.

I said earlier that if anyone wanted to take the trouble, he could find what had been paid on previous occasions. The services of experienced counsel cannot be obtained for fees lower than those paid by the Department of Justice. If you take the trouble to find out what it has been paying for similar counsel, you will discover that we have been underpaying.

What amuses me a little, and I hope it amuses the house too, is that last year when the Senate Committee on Manpower and Employment—

Hon. Mr. McCutcheon: Last year?

Hon. Mr. Croll: 1960, rather. I was a member of the committee. For my purpose, the year makes little difference, except to make my point.

Hon. Mr. Choquette: Except that there was no counsel.

Hon. Mr. Croll: No, there was no counsel. I did not say there was. However, there were people there called economists, researchers, and whatnot, highly skilled, much underpaid. The people we hired to work for the commitee and make the report cost the Government $69,476.44. My friend never opened his mouth, when he sat on this side and had to deal with it at that time. It was quite all right as long as he was in the seat of the mighty and hired the people. We never said a word. We were delighted with the people we were able to hire at that time.

In 1955 the Special Committee on the Traffic in Narcotic Drugs in Canada hired legal counsel and spent a total of $27,865.44. I heard very little said about that in this house. However, when you hire counsel from Ottawa, some other local counsel do not care too much for that.

Honourable senators, I am not going to get involved in this Ottawa situation, except to indicate that counsel and the accountant are working out very well. They were active in preparing questions for people who appeared before us. We had a long session this morning. Some of the members of the Senate were present, when we discussed the bills that were referred to the committee.

This business of consumer credit is a highly involved problem, and we are receiving excellent value from both our legal counsel and our accountant. As far as I can gather, the members of the committee are delighted with the co-operation we are receiving.

Honourable senators, I make that explanation so that those who raised the matter would be fully acquainted with the facts.

Hon. M. Wallace McCutcheon: Honourable senators, I am sure that the members of the bar of the Province of Ontario are highly indebted to Senator Croll for the defence that he has put up on behalf of their fees. As a member of the bar, I am personally indebted to him, although I have not been practising recently.

Senator Croll, however, has not answered the question. I agree that we should not enter into a debate, but I feel that I could not let some of his remarks go by without comment. He has not really answered the questions which I put last night, but he has shown his usual adroitness. In the house yesterday, I described him as a great counsel, which he is. He has that remarkable adroitness that enables him to avoid the issue and go down the other side.

I suggested last night that the problems that come before the Banking and Commerce Committee and before the Finance Committee of this house are quite as difficult and quite as involved legally, financially, and in any other way, as those that are coming before the Joint Committee of the Senate and the House of Commons on Consumer Credit.

All that Senator Croll has convinced me of this afternoon is that the committee is paying either too much or too little for the services of which he spoke.

Hon. Donald Cameron: Honourable senators, I should like to make an observation or two in connection with this matter.

I came back from the west last night. While I was out there this particular news item was brought to my attention on a number of occasions in somewhat uncomplimentary terms as far as the Government is concerned.

Senator Croll has said that the $250 fee paid to counsel was a normal one for a

junior counsel. That may be. I hire many people every year—economists and specialists of that kind. I met the dean of a certain faculty recently, and he told me that his fee was $500 a day. I told him, "You won't get it from me." At Harvard, they ask for $250 and $300 a day, without batting an eyelid. Some members of Canadian university faculties are aspiring to the same status. Not long ago a certain distinguished professor in a university not far from here, whom I wanted to do some work for me next fall, told me that he had worked in Montreal a few days before and got $600 for the day.

Honourable senators, I cite these extreme examples to show that we have reached the point where this sort of thing is getting out of hand. I think legal counsel and others whom we hire are inflating their fees far too much, and that this is all part of the malaise which seems to be besetting our economy today—that the sky is the limit.

I am not usually pessimistic, I am not usually too conservative, but on this particular isue, not only with respect to counsel in Ottawa, but with respect to professional fees all the way along the line, I think we are getting far out of line, and that it behoves the Government to set an example by trying to set a reasonable standard. I know that if large employers, such as some of our leading businessmen, are accustomed to paying counsel fees of this kind it is pretty hard for governments not to do so. But I know a lot of these people; I know the training they have; I know that in many cases they are not worth that kind of fee; and I know it does not sit very well with the voters of this country.

Let me cite another case in point—and this was one in which there was a good deal of justification. If I have had one letter I have had 20 letters about the doubling of the salary of the President of the C.B.C. from $20,000 to $40,000. I know that particular officer very well. I also know he was offered much more to go with another organization, and that fees like that are quite common in that particular depressed industry. However, I have had people come to me just livid, asking, "What in the world is the matter with the Government when they make a deal of that kind and raise a man's salary from $20,000 to $40,000 at one fell swoop?" I am sure there are special circumstances, and I am not criticizing this particular man in any sense, but this is one more evidence of the kind of free-wheeling and almost irresponsible attitude towards spending which is down-grading our economy today. I think it is high time that both private industry and governments called a halt to this kind of inflated expenditure.

Hon. T. A. Crerar: Honourable senators, the last thing on earth that I wish to get involved in is this controversy, but I am bound to say that I was not particularly impressed with the arguments put up by Senator Croll. I should like to ask him a question, and then I may have further comment to make.

Has any estimate been made by the committee of the period of time the committee will require the services of these senior and junior counsel, if there are any, and accountants? In short, has any estimate been made of what the cost of this will be to the committee?

Hon. Mr. Croll: We cannot be too definite about it at the moment, but there are likely to be four, five, six, perhaps ten, twelve, fifteen sittings—or maybe more.

Hon. Mr. Crerar: I think that is a rather important question. There is perhaps a tendency to seek outside assistance when a committee, and particularly a joint committee of the Commons and Senate, is set up to make certain inquiries. I feel sure that we can find in that committee, members with the ability to do all the necessary probing.

Hon. Mr. Choquette: Certainly.

Hon. Mr. Crerar: I recall that not so many years ago we had a committee on the revision of the Criminal Code. I do not think there was a single outside expert—

Hon. Mr. Croll: There was counsel on that committee. I did not mention it to you before, but I remind you now.

Hon. Mr. Crerar: Who was the counsel?

Hon. Mr. Croll: I cannot remember who it was, but Senator Hayden pointed that out to me a little while ago.

Hon. Mr. Crerar: I know that Senators Hayden, Roebuck and Farris comprised a subcommittee that went over the Criminal Code, with the assistance of our highly esteemed Clerk. Reference was made to the Banking and Commerce Committee. Of course, the chairman of that committee is an eminent lawyer, and we have the advantage of his services.

I would remind the house—if, indeed, there is any possibility of it forgetting—that members of Parliament now are much too highly paid in the opinion of some people; and I do think it should be a very rare occasion indeed when it is necessary for a committee of this house or a joint committee of both houses to go out and pay $250 a day for a legal adviser to straighten out some difficulties that the committee might get into. Their duty is to avoid these difficulties.

I intended to skirt only on the periphery of this controversy, but I just could not sit

here without expressing an opinion on that particular point.

It may be that in this business of consumer credit, where there appears to be eternal annoyance, it is necessary to engage high-powered and high-priced counsel to protect the poor members of the committee against the wiles of witnesses who may be appearing before them. But still I am bound to say, honourable senators, that so far as that is concerned I am from Missouri.

Hon. Mr. O'Leary (Carleton): Senator Croll, could you tell the Senate the name of the legal firm with which Mr. Urie is connected, and the name of the chartered accountant firm with which Mr. L'Heureux is connected? I know Mr. Urie; the *Journal* has employed him. He is a competent man and, apparently, an expert on labour law. But who is Mr. L'Heureux, and to what firm of chartered accountants does he belong in Ottawa?

Hon. Mr. Croll: What is the name of Mr. Urie's firm?

Hon. Mr. Choquette: Ewart, Kelley, Burke-Robertson, Urie & Butler.

Hon. Mr. Croll: Mr. L'Heureux is a chartered accountant who has practised here for many years. He did a considerable amount of work with Caisses Populaires in Quebec and Ontario. He belongs to a two- or three-man firm, seems to be most competent, and came to us highly recommended. What else can I say to you? Just as Mr. Urie in his field appears to be most competent, so does Mr. L'Heureux in the accounting field.

Motion agreed to and bill read third time and passed.

MARRIAGE AND DIVORCE ACT

MOTION TO REFER BILL TO SUPREME COURT—ORDER STANDS

On the Order:

Resuming debate on the motion of the Honourable Senator Pouliot, seconded by the Honourable Senator Stambaugh:

That in the opinion of this House the Government should immediately refer to the Supreme Court of Canada, for the opinion of that Court, the question of the constitutional validity of Bill S-16, intituled: "An Act to amend the Marriage and Divorce Act".

Hon. Vincent Dupuis: Stand until July 20.

Order stands.

BUSINESS OF THE SENATE

Hon. John. J. Connolly: Honourable senators, I propose that the Senate do now adjourn, to reassemble at the call of the bell at approximately 5.35 p.m., just previous to the time set for royal assent.

The Senate adjourned during pleasure.

At 5.45 p.m. the sitting was resumed.

The Senate adjourned during pleasure.

ROYAL ASSENT

The Honourable Ronald Martland, Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned, and being come with their Speaker, the Honourable the Acting Speaker of the Senate said:

Honourable members of the Senate:
Members of the House of Commons:

I have the honour to inform you that His Excellency the Governor General has been pleased to cause Letters Patent to be issued under his Sign Manual and Signet constituting the Honourable Ronald Martland, a Puisne Judge of the Supreme Court of Canada, his Deputy, to do in His Excellency's name all acts on his part necessary to be done during His Excellency's pleasure.

The Commission was read by the Clerk.

The Honourable the Deputy of His Excellency the Governor General was pleased to give the royal assent to the following bills:

An Act to incorporate Evangeline Savings and Mortgage Company.

An Act respecting the Montreal Board of Trade.

An Act respecting the Commission established to administer the Roosevelt Campobello International Park.

An Act to incorporate Seicho-No-Ie.

An Act respecting The Dominion of Canada General Insurance Company.

An Act respecting The Casualty Company of Canada.

An Act to amend the Export Credits Insurance Act.

The Honourable Alan A. Macnaughton, Speaker of the House of Commons, then addressed the Honourable the Deputy of His Excellency the Governor General as follows:

May it please Your Honour:

The Commons of Canada have voted certain supplies required to enable the Government to defray the expenses of the public service.

In the name of the Commons, I present to Your Honour the following bill:

An Act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1965.

To which bill I humbly request Your Honour's assent.

The Honourable the Deputy of His Excellency the Governor General was pleased to give the royal assent to the said bill.

The House of Commons withdrew.

The Honourable the Deputy of His Excellency the Governor General was pleased to retire.

The sitting of the Senate was resumed.

ADJOURNMENT

Hon. Arthur L. Beaubien: Honourable senators, I move, with leave of the Senate, that when the Senate adjourns today it do stand adjourned until Monday, July 20, at 8 o'clock in the evening.

The Senate adjourned until Monday, July 20, at 8 p.m.

THE SENATE

Wednesday, July 15, 1964

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

Prayers.

NATIONAL DEFENCE ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-90, to amend the National Defence Act.

Bill read first time.

SECOND READING

Hon. John J. Connolly, with leave of the Senate, moved the second reading of the bill.

He said: Honourable senators, the bill before the Senate this afternoon is Bill C-90, intituled an act to amend the National Defence Act, which is chapter 184 of the Revised Statutes of Canada. The most important clause in the bill is the first clause. It amends section 19 of the act, by providing for the appointment of a Chief of the Defence Staff, who shall have control and administration of the Canadian Forces.

I would point out to honourable senators, in the first place, that the Chief of the Defence Staff will not have control and administration of the Department of National Defence: he will have control and administration of the Canadian Forces.

It is expected that the appointment of a Chief of the Defence Staff in the sense proposed will provide for an integration of the three defence forces under a single chief of staff. It is also expected that it will allow for a considerable reduction in the number of personnel in the three services. As a matter of fact, it is estimated that some 10,000 members of the services will be dispensed with one way or another in a two-year period.

Hon. Mr. Thorvaldson: May I ask if that is as a result of the unification of command proposed in this bill?

Hon. Mr. Connolly (Ottawa West): It is as a result of the integration of the forces that will follow the proposed change. It is also expected that the overhead and other prevailing costs which obtain in the Department of National Defence will be reduced by as much as $100 million per annum. It is also expected that the change will allow for the acquisition of more useful, more effective and more modern equipment and weapons. As honourable senators know, at the present time about 14 per cent of Canadian expenditures on defence goes for the acquisition of equipment and weapons. It is thought that a more realistic percentage of the total defence spending for this purpose would be 25 per cent.

It is also hoped, as a result of the change proposed, there will be better control, not only of defence spending but of defence operations. In a negative way, what will happen as a result of the amendment proposed to clause 1 of the bill is that the positions of Chairman of the Chiefs of Staff Committee, Chief of the Naval Staff, Chief of the General Staff and Chief of the Air Staff will all be abolished.

Before I proceed further, I should say that the level of government spending on defence for the past two fiscal years has approximated 25 per cent of all government spending. In the fiscal year 1962-63, the total government spending was $6,571,000,000. The defence spending was $1,574,000,000, and the percentage of defence spending to total government spending was 24 per cent.

In the fiscal year 1963-64, the total government spending was $6,881,000,000—these figures are incomplete yet—the total defence spending $1,683,000,000, and the percentage of defence spending to total government spending was 24.4 per cent.

Honourable senators are aware that the department of the armed services is quite different in its organization and function from the usual department of government. Traditionally, there have been two sides to a service department, the service side as such and the civilian. This was borne in upon me personally very clearly during the war years when I had the privilege of serving as assistant to the late and, I may say great, Angus L. Macdonald who in those years was the Minister of National Defence for Naval Services. Each morning I attended either with him or for him a meeting which was also attended by the Chief of the Naval Staff and the Deputy Minister of the department. The Chief of the Naval Staff—first Admiral Nelles and later Admiral Jones—would each morning brief the minister on the work of the force since the last meeting. The briefing was particularly on the operations in those days, when the convoy system was working and when the Canadian navy, especially in the North Atlantic, was doing such an onerous job and, I may say, doing it with outstanding success.

Hon. Mr. Brooks: May I ask the honourable Leader if that is not the system that is being abolished at this time? For instance, the Chief of the Naval Staff will not consult with the minister under the new system.

Hon. Mr. Connolly (Ottawa West): There will not be a Chief of the Naval Staff.

Hon. Mr. Brooks: There will be no Chief of the Naval Staff to make such a report?

Hon. Mr. Connolly (Ottawa West): That is right. Under the proposed amendment the report will be made by the Chief of the Defence Staff.

As I was saying, the Chief of the Naval Staff used to report on the operations on the service side on personnel, equipment and things that affected the force as such. The deputy minister, W. G. Mills, would attend those meetings too, and he would deal with problems affecting the administration of the department—financing, accommodation and all the things peculiar to the civilian side of defence.

What is proposed by this measure is that the Minister and Associate Minister of National Defence, who in a sense have had three such setups—one for the navy, one for the army and one for the air force—should now have one service organization under a single Chief of the Defence Staff. However, there has been one addition, and this has occurred since the end of the late war: I refer to the Chairman of the Defence Research Board. Of course, research was important during the war years, but operations were of primary importance. All honourable senators are aware of the great importance and the expansion of research in the field of defence, particularly since the end of the last war. The Defence Research Board was set up, and it continues to play an important role in the work of planning the defences of this country. Now, under the proposed legislation, the three top departmental officials sitting immediately under the minister and his associate will be the Chief of the Defence Staff on the service side, the Deputy Minister on the civilian side, and the Chairman of the Defence Research Board.

I have had circulated among honourable senators a number of documents. One is a chart taken from the material submitted to the Defence Committee in the other place when this bill was before that committee for consideration. It shows the chain of authority from Parliament, through the cabinet, to the cabinet Committee on External Affairs and Defence, to the Minister of National Defence and his associate. It shows immediately under the minister and associate minister there is the Chairman of the Defence Research Board, the Chief of the Defence Staff, and the deputy minister. I hope it will be of some convenience to honourable senators to have this chart before them.

Honourable senators will also note that to the left of that chart there is a block providing for a Defence Council. At the present time there is in existence a Defence Council consisting of the minister and his associate, the deputy minister and his assistant, the Chairman of the Chiefs of Staff Committee, the Chief of the Naval Service, the Chief of the General Staff, the Chief of the Air Staff, and the Chairman of the Defence Research Board—nine persons in all. At the present time this body has a purely administrative function.

It is now proposed that the Defence Council, as reorganized, shall be the policy board of the Department of National Defence. It will consist of the minister and his associate—and if there is a parliamentary secretary he also will sit in on its meetings—the deputy minister, the Chief of the Defence Staff, and his vice-chief, and the Chairman of the Defence Research Board. This means that instead of the nine members of the council, as at present, there will be six principal members. There will be provision for representation at the meetings of the Defence Council, on occasion, from the Department of External Affairs, the Department of Defence Production and the Department of Finance.

It is also proposed that the defence staff shall be organized hereafter not on the tri-service basis, as has been the case heretofore, but on a functional basis. The staff under the minister and under the Chief of the Defence Staff shall consist of four chiefs, and their duties and functions shall be allocated upon the basis of the work they do.

I have supplied another chart which I hope will be of assistance to honourable senators in understanding the type of organization proposed. By reference to this chart you will see that the four principal divisions concern, first, operations, secondly, personnel, thirdly, logistics and engineering, and fourthly, the office of the Comptroller General.

That is the general explanation of the scheme of organization proposed to be established in the Department of National Defence, if this bill is passed by Parliament.

Honourable senators, in March of this year a White Paper on Defence was published, tabled and circulated. It has six different sections. The first of these deals with the objectives of Canadian defence policy. These are to support the deterrents to aggression, support Canadian foreign policy in this respect, and to provide protection for the land, air space and the waters of Canada.

Section II contains a history of the defence policy of this country since 1945. Section III sets out some considerations with respect to the future defence policy of this country. Section IV deals with the organization of the forces. Section V deals with the requirements for the next decade as they can be foreseen.

Section VI deals with the very important subsidiary aspects of defence, namely, research and defence industry.

I would like to speak briefly about Section IV of the White Paper on Defence which is concerned with the organization of the forces. As honourable senators know, many of you having served in the forces, the defences of this country have been organized on the tri-service basis. This matter was looked into by the Royal Commission on Government Organization, known as the Glassco Commission. Its report made some very pointed recommendations in respect of the national defence organization of Canada. I quote from page 17 of the White Paper which, in turn, quotes from the Report of the Glassco Commission, to this effect:

> ..."Operationally, the anti-submarine forces of the R.C.A.F. bear a much more distant relationship to the Air Division in Europe or the Air Defence forces in NORAD than to the anti-submarine forces of the R.C.N.; both elements operate in the North Atlantic under the command of SACLANT."
>
> The Royal Commissioners also pointed to the rapid development of defence technology as further diminishing any value or significance of the individual services as independent entities.
>
> "Not only is the relative size of the 'administrative tail' growing steadily in all military forces—"

And examples are given.

> "...Consequently, there is a growing range of activities of common concern to the Services, for which the traditional basis of organization is unsuited. It is increasingly recognized that to maintain three separate organizations for such functions is uneconomic."

I continue reading from further down the page:

> "The traditional pattern also aggravates the rigidities in the defence establishment resulting from collective arrangements. It has meant, for example, that in finding signallers for the Congo at short notice, the Canadian Army could look only to its own resources in the Royal Canadian Corps of Signals having no access to the large reservoir of communications personnel in the other two Services."

The royal commission, by these remarks, indeed pointed to the need for a consideration of the integration of the services, of the amalgamation or the unification of the services, and it certainly pointed to the need for co-ordination of the work of the services—to the need of making one complementary and supplementary to the others.

This too has been reflected in real life in the operational theatres. Honourable senators will remember the importance attached to combined operations in the late war, and the impetus given to this kind of co-operative effort by Lord Mountbatten. Indeed, if honourable senators think of some of the principal engagements in that war, such as Dieppe, the landings in North Africa, in Sicily, the massive landings in Northwest Europe and also in Korea, they will know that it was the co-operative effort by all services which made these landings the successes they were.

The commanders who had responsibility for the major undertakings of the war have pointed in this direction in what they have said and written since those days. General Eisenhower, speaking of this matter, said that "separate ground, sea and air warfare is gone forever." Field Marshal Montgomery spoke of "gripping the forces tightly at the top." General MacArthur said that "success in war depends now upon the complete integration of the services." Sir Arthur Harris said that "there must be only one service."

These are men who have dealt with this problem in the real world because they have had the responsibility not only of conducting military operations on a great scale but also the responsibility of conserving the lives of their own people. This is the way they see the general aspect of defence.

Section III of the White Paper is entitled, "Considerations affecting future policy." Today, honourable senators, it is impossible to think of the future defence policy of this country without thinking of it in terms of what the Western world, and indeed the whole world, has to face. When we consider the size of Canada we realize that we cannot win a global war. There are in existence nuclear weapons of cosmic power. They are capable of being delivered with great accuracy and precision by intercontinental rockets. The powers that unleash these forces know too that they cannot expect to win such a war because the letting loose of such forces would set off countervailing forces of as widespread destructive power. The only ultimate answer to this kind of cataclysmic conflict is deterrents which some have described as a balance of terror—a stalemate in mutual destruction—which, of course, they are. Perhaps that is the first step the nations must take to preserve at least the civilizations they have.

In my opinion the peace-loving peoples everywhere feel that the possession and the

manufacture of these weapons must be controlled. It would not be in the interests of greater peace for Egypt, for example, to have weapons of this kind. I mention Egypt only as one example; there are, of course, other nations. The ultimate purpose must be disarmament—disarmament which is controlled, agreed to and policed in such a way that the people of the world can be assured that such weapons could not be used even for blackmail purposes.

In the meantime, countries like Canada, which have no imperial ambitions, in prudence, must attach themselves to alliances like NATO and the United Nations in order to work with like-minded countries towards preserving and keeping the peace. The democratic nations of the Western world have a moral obligation to promote disarmament. Sometimes it is a frustrating experience. The Geneva Conference on Disarmament has been sitting for nearly two years, yet its most notable achievement has been the test-ban treaty. I think it must continue to sit in the hope that some workable disarmament can be brought about. The Romans had a phrase, *si vis pacem, para bellum,* a rude translation of which is "God is on the side of the big battalions." In other words, it appears that even the most peace-loving of peoples cannot take a chance on being unprepared, or on failing to do everything which can be done to safeguard the bastions of peace which exist in the world and which we want to see maintained.

Honourable senators, the objection has been raised that the establishment of a Chief of the Defence Staff in the sense suggested in this bill would put too much on the shoulders of one man, perhaps even making him a dictator. It has been suggested that this is flying in the face of years of experience in other countries. It has been suggested, for example, by the Esher Report, which was made in 1904 in England, that a committee type of organization at the top for the forces was better. However, the conditions in the England of 1904 were not the conditions in the England of 1939-45 and certainly they are not the conditions in Canada in 1964. There are great difficulties mitigating against the possibility of great powers like Britain, France, the United States and others, doing what is proposed by this bill. Their forces are much vaster and much larger than ours. They are widely dispersed. They also have long-established traditions and procedures built in, making it extremely difficult to effect the kind of change proposed by this measure. Indeed, some of those powers have thought about it, and some would like to see it; but from a practical point of view they find that it is a little beyond their reach. This is a new concept and perhaps it is possible because we are a smaller country, with relatively smaller forces, performing rather specialized functions.

The objection which might be made on the grounds that the Chief of Defence Staff would be a dictator is obviated pretty well by built-in proposals for the circumstances in which he will work. He will be surrounded by people from the staffs of the three services as they have existed heretofore. In policy matters, he will be one man and one member of the Defence Council, as I have described it. He will be under the minister. The minister in turn will report to the Defence Committee of the cabinet. The cabinet itself controls the Defence Committee. Parliamentary control is also superimposed upon them.

The functions of the deputy minister are not to be enlarged by any legislative proposal in this measure. There are no changes in the responsibilities which the deputy minister has had heretofore, but his position I think will be strengthened. The organization that he proposes to establish on the civilian side in the Department of National Defence will roughly parallel the function of the organization that is proposed for the service side.

For the record, perhaps I might say that on page 115 of the evidence taken before the Defence Committee in the other place, a chart is set out showing the organization under the Deputy Minister of National Defence. I thought it unnecessary to bring that chart here this afternoon in special form, because when I say that it parallels the staff organization on the service side it might be sufficient for all honourable senators' purposes.

I said at the beginning it might be expected that the size of the Canadian Forces within the next two years will be reduced by some 10,000 people.

Hon. Mr. Aseltine: Would you give the breakdown of the $100 million you mentioned a while ago?

Hon. Mr. Connolly (Ottawa West): Yes, I will come to that.

Many of these people will go voluntarily because they are close to retirement age and normal attrition looks after many of the retirements from the services. Many of them will be forced to go, through no fault of their own, and it is proposed that people who are compulsorily retired should be paid a rehabilitation grant. For example, those with 15½ years of service will be paid a lump sum in cash, equivalent to 10 months' pay. This is a taxable payment but it will be taxable at 85 per cent of the rate applicable to normal service income.

This is a rather complicated proposal and I thought it might be convenient for honourable senators to have before them now an outline of retirement service benefits payable to service personnel compulsorily retired. This is a three-page memorandum which may be of interest and which I will leave for the personal and private digestion of all honourable senators.

In the Defence Committee of the other place there were three important witnesses. I hope it might be of service to honourable senators if I say who they are and briefly what they said. I may add that not all of them agreed with the proposal contained in this legislation.

The first witness was Brigadier Richard F. Malone, who gave a good practical historical survey of the problem of how governments should establish or organize the service side of the Department of National Defence.

Hon. Mr. Haig: He is also editor of the Winnipeg *Free Press*.

Hon. Mr. Connolly (Ottawa West): I am glad the honourable senator reminded us of that. Brigadier Malone has also written a great deal on defence. He is well known to many honourable senators.

Brigadier Malone favours a unified service. He opposes the commander-in-chief concept, because he objects to the idea, as he put it, of control by one man. He favours rather control by the Defence Council. Perhaps the wish may be realized, as it is fair to say that when the minister in the other place discussed this evidence, he said he was not proposing something that was hard and fast for all time. Indeed, in the establishment that is set out and which I have referred to when producing these charts earlier, it seems quite possible that many of the views expressed by Brigadier Malone may be brought to fruition through the operation of the Defence Council which has been described.

Another witness before the committee was Air Marshal W. A. Curtis, who has had a brilliant and a gallant career in the armed forces of this country, under the ministership of the honourable member from Gulf, when he was Minister of National Defence for Air Services. As was to be expected, Air Marshal Curtis, who was brought up in one service, was strongly in favour of retaining the tri-service aspect of defence organization in this country. He, too, emphasized the importance of a defence council. He felt that the three chiefs of the three services should be retained and that each chief should have access to the minister. He said that under the arrangements proposed he expected there would be great savings, but he did favour the single responsible chief as is proposed in this legislation.

The other witness who gave lengthy evidence, and good evidence, before the committee in the other place, was Major-General W. H. S. Macklin. He was very outspoken in many aspects of his evidence. He said that in his view the old system of three services never really worked. He was critical of the air force for claiming too much for itself. He was critical of the navy because it had no transport, and because it was not keeping up, as he thought, with new anti-submarine problems. He was critical of NORAD—indeed, of the army. He did say that the new principle was a sound one. He is critical of civilian control. He says that the step that is proposed to be taken is enough —nothing more, and no further reorganization should be undertaken beyond this.

I ask honourable senators to read the evidence given by these witnesses. I draw it to their attention only because I think it important. I also say that it is very readable.

I should like also to refer to another matter which I hope will be of help to honourable senators. There were six or seven very good position papers presented to that committee, which are well worth reading. One is by James Eayrs, I believe of the University of Toronto, on Canadian defence policy since 1867. This is an historical review of defence policy in this country since Confederation was established and is an exceptionally good paper.

These papers can be made available to all honourable senators, and if there is any difficulty in obtaining them, I hope anyone interested will communicate with my office, and I will see that they are made available.

Another paper is by G. Rosenbluth, entitled "Economic Consequences of Disarmament." He discusses defence expenditures in relation to the gross national product and in relation to government spending from 1947 to 1963. He makes comparisons in this field with other countries. He deals with the composition of defence expenditures, pay, weapons, supplies, construction and other matters. He even alludes, at the end of the paper, to disarmament and what it would mean to the economy.

Then, there was a paper submitted by some officials in the department dealing with defence expenditures and their influence on the Canadian economy. It covers such matters as the impact of defence expenditures on the level of business. There is an analysis given with relation to the principal industries affected, like the aircraft, shipbuilding and electronics industries. There is a discussion of the influence of defence expenditures on the

balance of payments, as well as some discussion as to what direction Canada should take in planning its defence expenditures on the economic side.

As I have stated, I think these papers are well worth reading by anyone who has an interest in national defence matters, and I am sure many honourable senators are in that category.

To conclude, the priorities for future defence policy are set out on page 24 of the White Paper, and the choice of priorities is based, it is said, on the following assessments:

1. Forces for the direct protection of Canada which can be deployed as required.

2. Forces-in-being as part of the deterrent in the European theatre.

3. Maritime forces-in-being as a contribution to the deterrent.

4. Forces-in-being for UN peace-keeping operations which would be included also in (1) above.

5. Reserve forces and mobilization potential.

As honourable senators know, defence policy in Canada has been to support the alliances of which Canada is a member. The principal ones are NATO, NORAD and the United Nations—if the United Nations can be called an alliance.

There is a constant need for an adjustment and the contribution that is to be made by Canada under treaties to the requirements of the day. This has been particularly true in our activities in the North Atlantic Treaty Organization. We have in Europe the brigade which is serving not only a military but, as well, a valid political purpose at Soest in Germany. Quite recently, the brigade and all its members were given the freedom of the City of Soest. We have in Europe also the air division. We have forces available to the Supreme Allied Commander of the Atlantic with headquarters at Norfolk, Virginia. Also we are continuing our participation in the NORAD organization for the defence of North America—hardly separable from the general work of NATO. Under the aegis of the United Nations we have peace-keeping operations which we believe are performing a valid purpose in many parts of the world—in Cyprus, in the Congo, on the Gaza Strip, in Lebanon, in Yemen and in Palestine. Nobody claims that these forces can perform miracles. But if they manage to prevent even a major outbreak of serious hostilities, I think the Canadian people will be gratified that it is possible for their forces to make this kind of contribution.

Hon. A. J. Brooks: Honourable senators, having listened to the Leader of the Government (Hon. Mr. Connolly) explain this bill, I am sure we all realize just what an important step is contemplated by this bill. He would be a bold layman indeed, and I certainly am not the one who would undertake to discuss a bill on the defence matters of this country, in a short time, even if one had the information to do so. It takes only a glance at the sketches which were handed to us just before the afternoon session commenced, to realize that even to understand what is contained in them would take more than just a few minutes to digest. Indeed, they require careful study.

The honourable leader has told us of the many calls that have been made on our defence forces in recent years. He spoke about NATO and NORAD, which of course are for the defence of Canada. We have also taken a great part in the work of the United Nations.

We are not now being asked, but it is suggested that there might be a Commonwealth force, and the Leader of the Government has suggested that the United Nations might set up a peace force. It must occur to other honourable senators, as it does to me, that the prime purpose of our defence force is definitely the defence of Canada, and our Canadian force is entitled to be the most efficient we can possibly produce. I believe the honourable Leader of the Government said that a few moments ago. It should be the best equipped force we can possibly obtain, because an army is no good unless it is well equipped, and it should enjoy high morale. As anyone who has had anything to do with armed forces knows, if morale is poor then the results are poor. As was also emphasized by the Leader of the Government, everything that can possibly be done should be done to see that we get as much for the money we spend on our defence as we possibly can; there should be nothing wasted.

After listening to the splendid explanation by the Leader of the Government, we realize there is far, far more to this bill than meets the eye. One provision in the bill which is of prime importance is the abolition of the Chiefs of Staff of the navy, army and air force, and substituting therefor one Chief of the Defence Staff. The honourable Leader of the Government did not tell us whether this system has been or is being adopted by any other country. As a matter of fact, I do not believe that it has or is. The older countries—such as Great Britain, France, and the United States—have systems under which they are reorganizing and achieving unification of their forces.

The Leader of the Government mentioned the last war and the co-ordination between

the army, navy and air force. Well, that has been going on for years: it was in effect in the First World War; it was in effect in the Second World War. He also mentioned the fact that when he was the assistant to the to the Minister of National Defence for Naval Services during the Second World War the information the minister wished to receive was from the Chief of Staff of the Navy and not from some civilian source. I am sure my good friend, the honourable Senator Power, who did such wonderful and magnificent work for the air force, not only in Canada but for the Commonwealth as well, would agree that it is the head of the force—whether it be the air force, the navy or the army—from whom you wish to obtain your information.

Hon. Mr. Power: I did not always follow the advice given.

Hon. Mr. Brooks: You followed it when it was good, and if it was not good, you did not follow it. I am sure of that.

Honourable senators, it is not my intention particularly to get involved, because this is just the opening wedge of this change in our defence policy. I think the honourable Leader of the Government intimated that we will have other bills and many other opportunities, I judge, in the future to discuss these problems which will arise out of the reorganization of the Canadian forces.

I did not follow the debates in the other place very closely, but I have read the report of them and the many questions that were asked of the minister and, I am sorry to say, the few satisfactory answers given. I have also read the information obtained in the Special Committee on Defence, which sat for a considerable length of time and heard the the distinguished men whom the honourable Leader of the Government mentioned this afternoon, but whose evidence he passed over lightly. Having read this lengthy record, I do not think we can say that the former head of the air force, Air Marshall Curtis, gave evidence against this proposed system because he was an airman and wanted to protect the air force. I do not think it is fair to Air Marshal Curtis to make such a statement.

Hon. Mr. Connolly (Ottawa West): I do not like to interrupt the honourable gentleman—

Hon. Mr. Brooks: That is all right.

Hon. Mr. Connolly (Ottawa West): I hope he did not take that understanding from the remarks I made. I made no such allegation with reference to Air Marshal Curtis. I said that Air Marshal Curtis could understandably be married to the idea of the tri-service organization. He came up through that organization.

Hon. Mr. Brooks: I understand that.

Hon. Mr. Connolly (Ottawa West): So far as he is concerned, I think his loyalty to the service in which he had such a distinguished career is most commendable, but I say when it is a matter of assessing evidence one must take these factors into consideration.

Hon. Mr. Brooks: Well, Air Marshal Curtis was a witness, and he gave evidence against adopting this system. As I understand it, he thought that a defence council was better, where you would have the heads of staff available for consultation; and I am sure that he is not opposed to this system because he was an airman and because the chief of the air force will not be consulted as closely as he was in the past. That is the observation I wished to make in that connection.

I have just pointed out, honourable senators, that this is an important bill. I might say that the unification of forces is nothing new. The Leader of the Government mentioned General Eisenhower. General Eisenhower had a number of nations to deal with and he had to be the head of all these individual forces, not only because the army, navy and air force were involved but because there had to be unification of command of the French, Polish, British, United States and Canadian forces, and so on. It was a magnificent job which General Eisenhower and his staff did during the Second World War.

Fully to appreciate the import and to be able to more fully understand this bill we have to go back, as the honourable Leader mentioned, to March of this year when a White Paper on Defence was presented to Parliament. I refer to page 19 of the White Paper, under the heading "Integrated Forces." And I might say there is a difference between "unification" of forces and "integrated" forces, because Great Britain has unification of forces but you cannot say she has integrated forces such as are envisaged under this scheme. I quote in part from page 19:

> To the extent that operational control is exercised by Canada, it is the view of the government that it can be most effectively exercised by a single command.

The document goes on further to say:

> The present headquarters organization of the Department of National Defence is far too large.

And a little further on, still quoting from page 19 of the report:

> Thus, integration will result in a substantial reduction of manpower strengths

in headquarters, training and related establishments, along with other operating and maintenance costs.

Then the White Paper makes reference to the importance of morale and esprit de corps. As I said a moment ago, any armed force without high morale and esprit de corps would be practically ineffective. Notwithstanding what I have already quoted from the paper, it states unequivocally that the Government has no thought or intention of eliminating worthwhile traditions.

I may say, honourable senators, if you will read the speeches in opposition to this bill in the other place and also much of the evidence given before the committee, it is apparent that those are the points which were objected to very strenuously: first, the loss of morale as far as the troops are concerned and, second, the loss of tradition. I am not of the view that we should stick to tradition if by doing so we lessen the efficiency of the service, but I do think that loss of tradition can help to lessen the morale.

Honourable senators, this extraordinary White Paper is supposed to be the keystone of a 10-year plan for national defence. I do not know if the honourable leader mentioned that or not. I understood him to say that the 10,000 men would be let out within two years. I had the impression this would happen over a longer period. It is described as a 10-year plan that has as its goal integration, which will supposedly result in maximum flexibility and mobility, and also in a great saving. There are very grave doubts about this. We have also been told that there will be a saving of $100 million a year. A question in this connection was asked of the minister, and I think if you read his speeches you will find that the answer given was not very satisfactory or, indeed, very convincing. As a matter of fact if he makes the reforms necessary, and if he purchases the new equipment necessary in the matter of nuclear weapons, it is considered by experts that not only will it fail to result in a saving of $100 million, but it will, in fact, cost considerably more than we are now spending.

The bill before us implements the first phase of the planned integration, that is the setting up of a Chief of the Defence Staff. It will eliminate the present Joint Chiefs of Staff and replace them with one supreme chief who will be known as Chief of the Defence Staff. This in itself is radical enough. However, we have reason to believe, and in fact we know that much more is envisioned by this bill. I have already mentioned this, as has the sponsor of the bill. It will mean a complete reorganization of National Defence Headquarters which, under present legislation, is organized as a tri-service establishment with each service having its own command.

Much has been said on this subject since the bill was first introduced some time ago. It has been the subject of an exhaustive, comprehensive study by a committee of the other house as well as a substantial debate on the second reading stage in the other place. As one who has had some little experience with the armed forces, I can say that I have very serious reservations on this legislation. In my opinion it could have a demoralizing effect on the members of the armed forces. It will, notwithstanding what the White Paper on Defence says to the contrary, eliminate worthwhile traditions. It will place in the hands of the proposed Chief of the Defence Staff far too much power and far too much responsibility.

The honourable leader mentioned the Esher report in Great Britain in 1904. At that time a very thorough study was made. While that was a long time ago, they followed a system whereby during the First World War and the Second World War the Chiefs of Staff were continually in touch with the minister. As a matter of fact, speaking of the British Defence Council, the Secretary of State, which is the equivalent of our Minister of National Defence, is at the head of that council, and under him there is a minister for the navy, a minister for the army, and a minister for the air force. These all form part of the Defence Council in Great Britain, with other specialists attached.

These are points, honourable senators, which I am sure could be debated at length, and will be debated at great length when other bills are introduced in the future.

Under the new plan there are to be four areas of responsibility, each with a separate chief responsible to the Chief of the Defence Staff. They will be the Chief of Operational Readiness, the Chief of Personnel, Chief of Logistics and Engineering, and the Comptroller General. They are all set out in the chart. These four areas of responsibility will have jurisdictional control over the three services which, it must be remembered, will still exist as separate and distinct services, the difference being that instead of each service having its own chief and chain of command, there will now be four chiefs whose chain of command will reach into each of the three services. But we must remember that these are not operational men, they are not like the head of the navy, or the head of the air force, or the head of the army. These men have to do with recruiting, with logistics, engineering and personnel, but they are not the men who really understand the main

points regarding a fighting force. This, in my opinion, will make for confusion, and will, I feel, be most cumbersome.

This is obviously the Government's way of obtaining unification of command and the eventual unification and integration of the services. We are all in agreement with the need for maximum efficiency and economy, but I question whether this is the way to achieve it. I might add that all who have spoken on this subject, whether for or against this bill, were of the opinion that unification was necessary, but the point they wished to emphasize is that Canada is not going about it in the right way, nor are we going about it in the way in which other countries which have had far more experience in military matters than we have had have gone about it.

I might say that this concept of a single defence chief has been tried in other countries without success. It was in effect in Great Britain up to 1904, and, according to the report of the royal commission which studied the armed forces at that time, and to which I have already referred, it made for inefficiency which resulted in many military disasters in the previous century. We all know that this was the concept in effect in Germany in 1914 and again in 1939. In this case you virtually had a state within a state and the creation of a powerful military elite. We all know the tragedy of that experiment.

Coming again to Air Marshal Curtis, in his evidence before the committee of the other place he said that as a result of integration our services are going downhill both in respect of morale and spirit. Those are the words of one of Canada's senior military men. I should like to quote a little more extensively from what Air Marshal Curtis said when giving evidence before the Defence Committee of the other place on June 9. I read from page 164 of the evidence:

> I feel that to do away with the chiefs of staff is a terrible thing to do to the services. I do not care what you do, you are not going to have one service immediately. You may get it in 20 years but, in the meantime, our services are going to go down hill both in respect of morale and spirit.
>
> I feel the three different services are like ships without a rudder; they are tossing around on the sea without a chief or a leader to lead them. That is what the C.A.S. is, the same as the C.G.S. and the C.N.S. And, you cannot substitute a chairman who is removed two or three times and who is bound to be from one of the other services. He cannot possibly have the same intimate knowledge of every service that the chiefs have.

There is no question but that that is true. It was borne out by the evidence of Brigadier Malone, who gave far more evidence before the committee than we are given to understand by what the honourable Leader of the Government said this afternoon. I point out that Brigadier Malone is considered an authority on this particular matter.

I submit, honourable senators, that the Government is embarking on a course of action, the consequences of which it is not fully aware, and of which, I might say, the country is not fully aware. We are running the risk of losing some of our highly skilled and trained officer personnel. We have already lost some of them. These are well qualified men who have been trained at great expense to the taxpayer.

We are told that there is to be an eventual reduction of 10,000 personnel in the present strength of the armed forces. As the honourable Leader of the Government has said, many of these men will be approaching the age of retirement, but their total number will not be 10,000 in two years. Although some may be reaching the age of retirement during the next two years, it is my opinion that we may be getting rid of some very fine and highly trained men. This is the reason why we have been told, that throughout the country the morale of the different branches of the services is being lessened.

In terms of economizing, perhaps this reduction in personnel is a good thing, but that is something that will have to be considered very carefully. How many more of our senior officers will be resigning to take positions available to them in civilian life because of the uncertainty of their future? This is a question that cannot be answered at the present time, but we feel there will be very many.

Such questions as these greatly concern the members of the armed forces. We might ask many other questions. Senator Aseltine asked about the $100 million. We would like to know just how it is proposed to make that saving while at the same time we are increasing the amount spent on equipment. We would like to know definitely how the morale of the navy, army and air force is being affected at the present time. What great overall saving is there to be in this scheme?

I do not think there is more I need say at this time, although I do point out that this is a very important matter and one which should receive careful consideration. This bill's tour through the other place has not been altogether satisfactory. Great differences of opinion were expressed before the Defence Committee and in the House of Commons. The bill was not passed by the other place unanimously; it was passed on division. If we can judge accurately from reports in the

newspapers and conversations with military men throughout the country it would seem that there is much concern over what is going to happen in the Department of National Defence.

Perhaps we do not look upon the Canadian militia as we used to, although it is a very important branch of the service. I understand that many of the old regiments are to be disbanded and others are to be amalgamated. I am not suggesting that units should be kept on if they are not necessary, but I point out that they have always had some function in the defence scheme of our country, and I would like to know if there is not still some function for them to perform. Civil defence is a branch of national defence which the militia can undertake very well. I hope that every effort will be made to keep these old regiments that have served the country for so long, and that they will be given something to do that is of value to the country. It is possible to do that, and I do not think there would be any great saving in disbanding some of them.

Honourable senators, these are questions of great concern to all Canadians.

Hon. Mr. Connolly (Ottawa West): Honourable senators—

The Hon. the Speaker: I must inform honourable senators that if honourable Senator Connolly speaks now it will have the effect of closing the debate.

Hon. Mr. Connolly (Ottawa West): I apologize to the honourable Leader of the Opposition (Hon. Mr. Brooks) and to Senator Aseltine for sitting down without dealing with a matter which I said I would deal with before I finished.

Hon. Mr. Aseltine: I used to do that too.

Hon. Mr. Connolly (Ottawa West): Perhaps there is more excuse for me—I am older!

Senator Aseltine referred to the fact that early in my remarks I said it was estimated that the saving which would result from the reduction of personnel would be in the order of $100 million per annum. That is an estimate. It results not only from a reduction in pay and allowances but also in all the overhead that is involved in keeping 10,000 men in the forces.

However, I do say—and perhaps I did not make this clear when I was speaking on this point—that this is not a dollar saving in the estimates of the Department of National Defence. As I mentioned, only some 14 per cent of the expenditures of that department is in respect of equipment and weapons. That is thought to be an unduly low percentage. Because of that fact, and also because of the fact that obsolescence is a way of life for equipment in the services, in order to bring the equipment available to the services up to the standard required to do the defence work within the alliances, it will be necessary to spend a great deal more money, and to raise that percentage of the defence expenditures to 25 per cent. I point out that these are estimates.

I do not say that this is necessarily an absolute saving. What might be saved as a result of the reduction in personnel, and the more economical or more efficient use of personnel, may be offset by expenditures of great magnitude on the equipment and weapons side. I hope that that answer is satisfactory. There was a great deal of discussion of this in the material to which I have referred.

Hon. Mr. Brooks: May I ask the honourable Leader of the Government if there will be other opportunities of discussing these matters? There will be other bills, will there not, in connection with defence?

Hon. Mr. Connolly (Ottawa West): Not in this session, if that is what the honourable leader means.

Hon. Mr. Brooks: No, not in this session. I point out that this sort of discussion has been going on over a period of ten years.

Hon. Mr. Connolly (Ottawa West): Of course there are always opportunities for such discussions as this when appropriation bills are before us. The honourable Leader of the Opposition is referring to bills amending the National Defence Act. I think that from time to time we can expect further proposals for the amendment of the act. A rather radical change such as the one proposed here may very well mean that other legislative proposals will have to be placed before Parliament.

Hon. Mr. Brooks: I am sure you are correct.

Hon. Mr. Connolly (Ottawa West): I think that is so.

I want to refer to one other matter mentioned by the honourable Leader of the Opposition. I do hope he does not suggest—and I am sure he does not—that the very brief summary I made of the evidence given by Brigadier Malone, Major-General Macklin and Air Marshal Curtis, was by any means complete. I did not claim that.

Hon. Mr. Brooks: I was referring to the deductions.

Hon. Mr. Connolly (Ottawa West): First of all, I wanted to acquaint this house with the fact that the evidence given before the committee of the other place was not unanimously

in favour of this measure. Some critical evidence was given, and I think in fairness to all honourable senators I should point that out.

I repeat what I said in my opening remarks, that I hope honourable senators will read this evidence, because even if I try to give it in a much more extensive form than I did I still would not reflect it as it was given by the witnesses themselves.

I say the same thing about the papers to which I referred. I touched upon only the highlights of them. I did not attempt to set out in detail all that these position papers contain. I hope that my remarks will be at least notice to honourable senators that this material is available. On the subject matter, either of the evidence of the witnesses or of the material in the papers, I simply suggest to honourable senators that they read the material themselves and form their own conclusions.

Hon. Mr. Aseltine: I wish to thank the honourable Leader for the answer he has just given me. When he sat down earlier without answering the question, I thought of one or two occasions when I, as Leader of the Government, probably had done the same. I remember when I was occupying the position the honourable Leader occupies now, one of my supporters made the remark: "When you are asked a question, you sometimes say 'I am just coming to that,' and you never come to it."

Hon. Mr. Choquette: May I ask the honourable Leader a question? I suppose that this bill will be sent to committee, but there are one or two questions I would like to clear up. Is he in a position to say whether the Government has any plans to help rehabilitate these service people? For instance, in the event of an effort being made to absorb them in the Civil Service, would they have some preference, such as that given to the veterans of the last two wars?

Hon. Mr. McCutcheon: There are enough people in the Civil Service.

Hon. Mr. Connolly (Ottawa West): I think the veterans' preference is available to people who come out of the armed forces, and certainly those who have been in the armed forces will have all the preference available to people who served in the wars.

On the question of rehabilitation, there was considerable discussion on the point as to whether or not some active steps should be taken to deal with this special class of people who are forcibly discharged from the services. At the moment, no one can say how many will go out on this basis. There will be the usual attrition by people retiring in the normal course. Those who are involuntarily discharged will be given these rehabilitation benefits. It was thought the recipients could use the money so paid for rehabilitation purposes in a way which they might deem more suitable than if some plan were imposed upon them.

Hon. Mr. Brooks: I understand 500 were released from the air force. Do they come under this scheme?

Hon. Mr. Connolly (Ottawa West): I may be wrong about this, but I understand that the group to which the honourable leader refers is not included. That exodus antedates this legislation. However, I may be wrong. I will look into the matter and inform the honourable senator privately.

Hon. Mr. Brooks: I think you are right, but I am not sure.

Hon. Mr. Connolly (Ottawa West): In answer to Senator Choquette, may I say there are trade schools and other places where not too junior people may go for retraining. It was felt that the individual's choice of such an allocation of his rehabilitation fund should prevail over some imposed type of training.

Hon. Mr. Macdonald (Cape Breton): May I ask one question? I notice in the outline of retiring benefits that all the examples given are based on a length of the service of five years or more. Are there any benefits for those with less than five years' service?

Hon. Mr. Connolly (Ottawa West): In the memorandum which was distributed, about the middle of page 3, there is a reference to "Officers serving on short-service commission, based on time to serve to end of current fixed period." Those are all short-service commissions, so called, and I think they are less than five years.

Hon. Mr. Macdonald (Cape Breton): I was not concerned with the officers. I was wondering about the privates.

Hon. Mr. Connolly (Ottawa West): You are asking about the men? These are examples and it might well be that people who are discharged involuntarily with less than five years' service would get a commensurate allowance.

Hon. Mr. Hayden: At the bottom of the second page, what is meant by the table which says that the special benefit is cut down as the years go down?

Hon. Mr. Connolly (Ottawa West): I will try to get some information on that point and will send it to the honourable senator.

Hon. Mr. Molson: May I ask the honourable Leader of the Government if the answer he gave a minute ago, regarding these air force

officers, would imply that these 500 who are being let out before their normal term would not benefit by similar provisions? It sounds extraordinary, if that be the case, that a group as large as that, and on permanent or short-service commission, should be released a short time before this legislation and should have to fend for themselves.

There are some others who certainly are of an age where such things as retraining in vocational schools would not be of any help. There are men of 45, with children starting in university and so on, who come under this heading. I had taken it for granted that they would be given the full benefits provided in this case.

Hon. Mr. Connolly (Ottawa West): I may be wrong, but I think that the group to which the honourable senator refers is not being retired as a result of the amalgamation of the services, as proposed in this legislation. I believe that their term of service, which is short term, is being drawn to a conclusion for other reasons. I will ascertain what precise provision is being made for them and will inform the honourable senator as soon as I can.

I wish I could put my finger on the evidence given in the committee of the other place in respect of this. I remember reading it, but at the moment I do not know where it is to be found. Undoubtedly, provision was made for their retirement; but I understand it is not the same type of provision as is proposed for those to be compulsorily retired under this legislation.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

Hon. Mr. Connolly (Ottawa West): Honourable senators, if the consensus is that it is desirable to send this bill to a committee, I would be happy so to move. It seems to me that, in the circumstances in which we meet this afternoon, the appropriate committee would be the Standing Committee on Banking and Commerce. Is that desirable?

Hon. Mr. Brooks: This is a very important bill and I know that many of my colleagues would like to consider it.

Hon. Mr. Connolly (Ottawa West): Very well; I will so move.

On motion of Hon. Mr. Connolly (Ottawa West), bill referred to the Standing Committee on Banking and Commerce.

APPROPRIATION BILL NO. 7, 1964

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-109, for granting to Her Majesty certain sums of money for the public service for the financial year ending 31st March, 1965.

Bill read the first time.

SECOND READING

Hon. John J. Connolly, with leave of the Senate, moved the second reading of the bill.

He said: Honourable senators, we have before us this afternoon Bill C-109, which is Appropriation Act No. 7, 1964. There is being distributed at this moment a statement of earlier appropriation bills which have come before Parliament during this session. I used a similar type of statement when the previous appropriation bill came before us, and found it was a general convenience to all honourable senators to have this information before them. I do not propose to review the statement in detail. I should say, however, that the total of the main and supplementary estimates for the current fiscal year, as the statement shows, amounts to $7,217,102,244. Of this amount, $4,356,282,247 is to be voted.

We have already had before us three appropriation acts called interim supply bills. Appropriation Act No. 1 was for $684 million-odd. Appropriation Act No. 5, the second one, was for $338 million-odd. Appropriation Act No. 6 was for $469 million-odd. Appropriation Act No. 7, which is now before us, is for $183,433,000.67.

If this bill is passed, Parliament shall have voted supply in the amount of $1,674,998,399 so far this session, and there will be a balance of some $2,682,000,000 left to be voted by further appropriation bills.

Honourable senators, the bill before us is not a bill of interim supply, as were Appropriation Acts Nos. 1, 5 and 6, to which I have just referred. This bill provides final supply on the two items set out in the schedule to the bill. They are, items 56a under National Defence, and item L17a in respect of the Department of Finance.

Now that honourable senators have the bill in their hands, perhaps I might refer to its short provisions.

Section 1 simply gives the title to the bill.

Section 2 indicates that the amount to be granted is $183,433,000.67 and that this is the remaining balance of the two items in the schedule to which I have referred.

Sections 3, 4 and 5 are the usual sections that are contained in final appropriation bills.

They were used in Appropriation Acts Nos. 2, 3 and 4, which dealt with the final Supplementary Estimates E for the last fiscal year. Honourable senators are familiar with the provisions in these bills.

The two items in the schedule to this bill were not in the main estimates, but they do appear in the Supplementary Estimates A which were tabled in this house on June 10 last.

I should add further that in Appropriation Act No. 6, which was passed just before the end of June this year, the interim supply bill, four-twelfths of the Supplementary Estimates A were granted, and included of course were four-twelfths of these two items. This Appropriation Act No. 7 purports to grant the remaining eight-twelfths of these two items. Neither of these items was reached in the other place in its consideration of the estimates when this bill was introduced.

May I now come to the items themselves. Item 56a under National Defence generally deals with pension and other benefits. This item provides authority in respect of the payment of pensions to service personnel compulsorily retired during the period from May 7, 1964, to May 7, 1966, as a result of the operation of the bill to which the Senate has just given its consideration. The effect of the item is to waive the penalty which is now contained in the Canadian Forces Superannuation Act. The penalty in that act provides for a reduction of pension and other benefits on early retirement. The authority provided by the item will waive that penalty in respect of service personnel who are compulsorily retired from the services in the circumstances which we discussed earlier this afternoon.

May I say also that this item, which is a dollar item, is not a budgetary item. It is a charge to the Canadian Forces Superannuation Account, and for that reason it appears in the supplementary estimates as a one dollar item.

May I say further that there are examples of what might happen under the operation of this item in the outline of retirement payments for service personnel who are compulsorily retired. Honourable senators already have that information in their hands as a result of the earlier debate.

Hon. Mr. Crerar: May I ask the honourable leader if the purpose is to amend provisions already existing in the Defence Act?

Hon. Mr. Connolly (Ottawa West): No. The purpose is to amend a provision contained in the Canadian Forces Superannuation Act. It allows the penalty provided because of early retirement in that act to be waived for the personnel compulsorily retired.

Hon. Mr. Crerar: Is there an explanation for that? Why the change?

Hon. Mr. Connolly (Ottawa West): Because of the compulsory retirement. It only applies to the service personnel who are compulsorily retired as a result of the proposal for the amalgamation for the unification of services—the cut-down of personnel. It is felt that these people who are put out of the services through no fault of their own, but because of this reorganization and this attempt to reduce the number in the forces by 10,000 personnel, should not suffer unduly as the result of this step.

Hon. Mr. Hayden: The requirement is on the basis of 20 years' service.

Hon. Mr. Connolly (Ottawa West): Yes, 20 years' service. That language actually appears in the item.

Hon. Mr. McCutcheon: Provided they have served 10 years?

Hon. Mr. Connolly (Ottawa West): Provided they have served 10 years.

May I come to item L17a—Finance. I should say, in the first place, that this item is not an expenditure. It is a "loan-investment" item, and "loan-investment" items are found at the end of the main and supplementary estimates and cover loan and investment requirements or proposals which emerge from various departments of government. This particular item deals with a situation which arises under the Columbia River Treaty and Protocol. On about October 1, 1964, it is expected that pursuant to the provisions of that treaty, the United States will pay Canada some $254.4 million in American funds for the Canadian share of the downstream benefits to be developed as a result of the work proposed under the Columbia River Treaty over the next 30 years. Upon that payment being made, the federal Government in Canada will pay British Columbia the equivalent in Canadian funds, or approximately $275,149,500.

Hon. Mr. Willis: Canadian.

Hon. Mr. Connolly (Ottawa West): Yes, Canadian.

There is one reservation I must make to that statement. If British Columbia requires any portion of the money payable to Canada under the treaty in the form of U.S. funds to redeem its outstanding debt—the debt owed by British Columbia in the United States—the amount of U.S. funds required will be transferred to British Columbia for this use, and the amount of Canadian funds will be proportionately and appropriately reduced. British Columbia will apply the remaining amount of Canadian funds and, indeed, the equivalent amount of American

funds it might receive under this arrangement, to the Columbia development in British Columbia.

Normally, this huge transfer of $254 million U.S. funds to Canada could have serious repercussions on the U.S. balance of payments position, especially if done in one year. So, to even out the flow of such U.S. funds into Canada, the Government has agreed, in effect, —and I put this very simply—to leave the money in the United States for a longer period, and meantime to earn what interest it can upon those funds. The method of doing that has been discussed with the officials of the U.S. Treasury, and I think it is a convenience to them and a wise step for Canada to take.

The method proposed is this. Canada will invest in medium-term nonmarketable securities of the United States Government. By "medium term" it is understood that the maturity of these obligations could be anywhere from three months to two years, in the examples that I have been given. These medium-term nonmarketable securities of the United States Government will be held in a special account by the Minister of Finance. They will not be held in the exchange account, although, as has been explained in the other place, they will be available in an emergency, if there should be a crisis related to foreign exchange in U.S. holdings in Canada. As these securities mature the proceeds will find their way normally into the exchange fund. Then, under the normal practice, they would be invested in short-term U.S. government securities.

The cost of this method of handling, it is expected, will be about $1.1 million per annum. It results from the fact the interest received on the U.S. securities will be slightly less than the interest which the federal Government must pay on the moneys to be paid to British Columbia and which will be secured by the Government from the market in Canada.

In effect, honourable senators, the item authorizes the investment in medium-term nonmarketable United States securities for the purpose I have indicated in connection with the Columbia River treaty.

Hon. M. Wallace McCutcheon: Honourable senators, I have no intention of taking any great amount of time on this bill. It is unique as an appropriation act in that under our system of keeping accounts it imposes no strain on the budget. When we go to committee on the bill which we were just discussing, some of us will have questions as to really what the effect of this $1 item is on the Canadian Forces Superannuation Fund because sooner or later—and I am not quarrelling with it, but I think we are entitled to get some indication of the amount—the special retirement allowances and the waiver of reduction in pensions due to early retirement are going to have to be paid for, and they are not going to be paid for by contributions of members of the armed forces. Sooner or later we are going to see a special item from the Government of Canada to that fund.

Hon. Mr. Hayden: The superannuation fund?

Hon. Mr. McCutcheon: Yes. I do not quarrel with that, but we will be interested to know what the estimate is and, from time to time, we will be interested to know what the actual amount is.

Vote L17a, as the Leader of the Government has said, is an item to authorize the Government to re-invest in medium-term non-negotiable U.S. securities the funds which are received from the United States, as a result of the Columbia River Treaty, less whatever funds the Province of British Columbia may require to meet its indebtedness in the United States. I am a little puzzled about that. I understood that the Province of British Columbia was a debt-free province, but apparently they have some requirements, I believe for maturities in New York coming up this fall.

Hon. Mr. Hayden: It is domestic debt-free.

Hon. Mr. McCutcheon: That is probably the answer, senator. Thank you very much. This is not the first time such an arrangement has been made with the United States. I like to think we have a common capital market north of the Rio Grande. We should impose as few restrictions on the movements one way or another as is compatible with our own self-interest, and at the same time we should be prepared to accommodate our neighbours, just as our neighbours are prepared to accommodate us from time to time. When the Government of Canada borrowed $250 million from a half dozen American insurance companies in September 1962, following discussions with the U.S. Treasury, it agreed to draw down that money not immediately, in one sum, but over a period of time. That is exactly what we are doing here.

Hon. Mr. Power: Is that the same kind of transaction as is provided for here? It does not appear to me to be.

Hon. Mr. McCutcheon: As I see it, it is the same.

Hon. Mr. Hayden: We are doing it in reverse.

Hon. Mr. McCutcheon: We are doing it in reverse. The mechanics are a little different but the effect is the same. We do not put the drain on the U.S. balance of payments at one fell swoop.

I was a little puzzled when the Leader of the Government spoke about investing in medium-term securities. I may not have heard him correctly, but I thought that he referred to medium-term securities as being three months to two years. In my language those are short-term securities, and I yield the floor to the Leader if he can tell me whether I am correct or not.

Hon. Mr. Connolly (Ottawa West): I would have thought that what the honourable senator used as an adjective in respect of these securities was, in fact, "short-term" securities.

I have a memorandum here which refers to the fact the U.S. Government has arranged for the sale of nonmarketable securities to a number of countries over the past few years. I thought they were giving me examples of the maturity of medium-term securities. They may not be the "medium-term." Perhaps medium-term securities, in the sense indicated here, would be for a longer maturity period than three years. Upon reflection, when I look at this, I must say it does not specify that these are medium-term, but are in fact nonmarketable securities.

Hon. Mr. McCutcheon: That is the point I wanted to clear up. A medium-term security is one which matures in not less than three years, perhaps three to seven years. I am not making any issue on that point but simply raised it because I did not understand the example given of three months to two years, which in the market place are definitely short-term securities.

We are going to accommodate our friends for some time, and as the Leader of the Government said, it will probably cost us $1,100,000 a year. However, I do not think we should be concerned about that because the fact is that if we had this windfall, if I may call it that, of United States dollars paid to us in the normal course, with no special arrangement at all, we would probably put it into the exchange fund, invest it in short-term United States securities, and the actual cost to the treasury would be more than we will now have to bear. In the meantime we have this backlog which, while it is said to be non-negotiable, in an exchange crisis—which I do not anticipate and I hope will not arise—would be very valuable to our exchange reserves.

I would hope that all our appropriation bills could be disposed of in as easy and as friendly a fashion as this one.

Hon. Mr. Hayden: Perhaps all the measures should be appropriation bills with no budgetary items.

Hon. Mr. Hugessen: I wonder if the honourable leader could add a few words to what he said when he let fall the remark that the cost of this process to the Canadian Government would be of the order of $1.1 million a year. I assume that this arises from the fact that if we had not made any special arrangement with the Government of the United States, and if we had received this $275 million in Canadian funds and invested it in the best possible way and to the greatest possible advantage, it would have earned more in interest than the interest which we will receive from these short- and medium-term securities of the United States Government. Is that the explanation?

Hon. Mr. McCutcheon: They would have earned less.

Hon. Mr. Connolly (Ottawa West): The situation is this. When the Canadian Government receives the $254.4 million from the United States in United States funds, it will pay out the equivalent of that in Canadian funds to the Government of British Columbia in pursuance of the provisions of the treaty. For the moment let us not bother with whether or not British Columbia will take some portion of the money in United States funds. To obtain the required Canadian currency, the Government will go to the market and will pay the going interest rate at that particular time on, say, the $275 million Canadian.

At the same time it will invest the $254 million in United States securities. These will draw down a little less in the way of income than will be paid out for the money borrowed in Canada. It will put British Columbia in funds to the extent of, say, $275 million. Let us say the interest received on the United States securities is X dollars and the interest paid out on the advance to British Columbia is Y dollars. Subtracting X from Y, the difference is going to be $1,100,000. That is what it is going to cost the federal exchequer to do it in this way.

Hon. Mr. Burchill: On whose account will that be, on the federal account or the British Columbia account?

Hon. Mr. Connolly (Ottawa West): On the federal account.

Hon. Mr. Roebuck: Why? Why do we not hand over the United States securities to British Columbia and let them finance this?

Hon. Mr. Connolly (Ottawa West): The arrangement is being carried out pursuant to the agreement.

Motion agreed to and bill read second time.

On motion of Hon. Mr. Connolly (Ottawa West), bill placed on the Orders of the Day for third reading at the next sitting.

YOUTH ALLOWANCES BILL

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-108, to provide for the payment of Youth Allowances.

Bill read the first time.

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

Hon. John J. Connolly: I think all honourable senators are agreed that we should take this bill at eight o'clock this evening. Perhaps it will suit the convenience of the Senate generally if we take it at that hour because it may be possible for senators to attend at that time who could not be in attendance this afternoon.

I would propose, if it is convenient to the house, that the Senate do now adjourn to resume at the call of the bell at approximately eight o'clock. We can then deal with this measure, and then with routine matters. Therefore, I suggest that we consider this bill on second reading later this day.

Hon. Senators: Agreed.

The Senate adjourned during pleasure.

At 8 p.m. the sitting was resumed.

SECOND READING

Hon. Fred A. McGrand, with leave of the Senate, moved the second reading of Bill C-108, to provide for the payment of Youth Allowances.

He said: Honourable senators, I wish to say a few words in explanation of Bill C-108. It provides for the payment of $10 per month to the parents of children between the ages of 16 and 18 years and who are attending school. It provides also for an equal amount to be paid to the parents of children between the ages of 16 and 18 years who, because of mental or physical disability, are unable to attend school. The bill provides that in order to receive the allowance the children must attend school full time. Those whose training is limited to night courses are not included.

For children suffering from severe mental or physical disability this bill proposes to bridge the gap between the cessation of family allowance at 16 years of age until they are able to qualify for the permanent disability payment provided by the federal-provincial agreements. The parents of the children must make application for this allowance to the Minister of National Health and Welfare, and in order to receive the allowance they must be residents of Canada. The allowance will not be paid to those who are not residents of Canada.

The allowance may be paid to children attending school outside of Canada as long as they are substantially maintained by their parents who are residing in Canada. The payment ceases if the child ceases to be a resident of Canada. The allowance will be paid to the mother of the child, as in the case of the family allowance.

It has been asked, and will be asked again, why this allowance could not be made by amending the Family Allowances Act because there is a similarity between the payments proposed by this bill and those made under the Family Allowances Act. The family allowance is paid to all children of a family for the purpose of equalizing the cost of rearing a family. The payment in respect of a child stops when the child reaches the age of 16 years, the age when the child is no longer compelled to attend school. Bill C-108 is designed to meet a somewhat different situation. It is hoped it will provide an incentive for parents to keep children in school until the age of 18 years. It is also expected to persuade those who have dropped out of school to return.

Everyone is conscious of the fact that among our unemployed is a large number of unskilled persons who could have improved their skills by returning to school.

This bill differs from the Family Allowances Act because it provides for payment for a large group to which compulsory school attendance does not apply.

These monthly payments will be made for a period of twelve months. During the summer months when the child is not in school the allowance is not paid, but when the vacation is over and the child returns to school in the fall the parents can obtain those payments for two months which would have come due during the holiday period. In providing the payments, which are contingent on the youth being dependent on his parents and on his attendance at school full time, it is necessary to make special provision for youths who are unable to attend school because of disability. In this age group, a somewhat different approach was needed.

In the case of the Province of Quebec, where allowances were already being paid, it would not have been reasonable that a $10 monthly allowance on behalf of dependent youth be paid by both Quebec and the federal Government. In 1961 the Province of Quebec began the payment of a schooling allowance for the ages 16 to 18, making a

monthly payment of $10 for ten months. Quebec now proposes to extend this to a 12-month year and to cover disabled children, so that their legislation will parallel that of the federal Government.

If a child attends school during the year and takes summer employment, he is not disqualified, because the summer employment is but a small contribution towards his full support. If a child contributes towards his own maintenance by means of a part-time job, but his parents are still substantially supporting him, he is eligible for the allowance.

If the parents reside in Quebec, the child will not receive youth allowance from the federal Government. If the parents are of Ontario or any other province but Quebec, and send the youth to school or college in Quebec, the allowance will be paid.

As in the case of the family allowance, if the child is maintained by the parents in an institution the allowance is still paid. The youth allowance will be paid to parents who maintain their child in an institution.

Supposing there is a child-caring agency maintaining a child, and the agency places him in an institution, the agency will then be paid the youth allowance. If the parent is responsible for placing a child in an institution, the parent is entitled to $10 a month, but if the legal guardian is a children's aid society the allowance goes to the society.

If the child has no natural parents, no adopting parents or childrens' aid society maintaining him, but is in an institution as a ward of a province, the allowance is not paid to the institution. The province is responsible for maintaining the child and the allowance is not paid. This occurs in the case of foundlings.

This bill in no way takes over what has been the provincial responsibility. Reform institutions are not paid youth allowances for inmates. There is an attempt, however, to encourage foster homes. If the child has a foster mother she can claim allowance for the child as she is maintaining him substantially.

This allowance will not be taxable. This means that tax exemption as it now stands for these children will remain the same at $550 per annum. At the present moment if a child is registered for family allowance the parents are entitled to $300 exemption only. When they reach the age of 16 the exemption becomes $550. There will be no change in this situation. The exemption will still be $550.

Of the 502,000 in the 16-18 age bracket, it is estimated that there are 350,000 presently at school and that with the advent of this legislation there will be some incentive for a certain number to return to school. It has been assumed for estimate purposes that the total number of children in this bracket who will return or stay will be roughly 375,000. This excludes the Province of Quebec.

The estimated total cost for the year 1965-66, the complete cost, will be about $61 million.

Hon. Olive L. Irvine: Honourable senators, the Government is to be commended for getting around at last to the introduction of Bill C-108. During the election campaign of 1963 a promise was made that the first legislation to be introduced would be legislation to ensure that young men and women of 16 and 17 years of age, described in the legislation as youth, would merit the immediate payment of a family allowance.

I am sorry that it was not found possible simply to extend the provisions of the Family Allowances Act. This, however, seems impossible, and now the department is faced with the terrific cost of getting the contents of this new bill into operation before September 1, 1964.

We all heartily agree that Bill C-108 represents a magnificent step forward. It will encourage our young people to make the most of their opportunities. Our family allowances program has been in operation since 1945, but has only provided assistance to parents of children under 16 years of age. We are all aware of the fact that it takes more to keep 16- and 17-year-olds at school than it does to look after dependent children of younger ages. Youths of this age are uneasy and unsettled. They imagine how wonderful it would be to have their own money —their own car, regardless of vintage—and be independent. Rarely do they look ahead and figure out what the future holds for them.

Something like 502,000 children in Canada, apart from Quebec, will be in this age bracket, and in the neighbourhood of 350,000 are attending school at the present time.

In 1959 it was found that 70 per cent of the available jobs in Canada required skilled labour, and only 30 per cent unskilled. The Government of the day approached the provinces regarding this problem. They agreed completely, but pointed out that they did not have the facilities with which to train young Canadians to acquire the necessary trades and skills. The federal Government realized of course, that education was under provincial jurisdiction, and with the co-operation of the provinces and municipalities, within two years, it built a sufficient number of schools to accommodate 139,000 students yearly.

This bill, in my humble opinion, is designed to assist the student so that he will have a better opportunity to become qualified,

so that in this advancing industrial age he will not be thrown on the labour market because of lack of academic or other qualifications. If he or she is not in the academic field, then there will be the technical school program. This plan will be advanced and expanded so that many students in the 16 and 17 age group will be able to take advantage of it.

The question uppermost in my mind is this. Is 17 years the proper age to stop this "youth allowance"? There are no provinces in Canada, that I know of, where the average student graduates with a Grade XII certificate at 17 years of age. In Ontario, of course, there is a Grade XIII course, thus making the graduating age one year later. A little simple arithmetic will show that most children start school in the kindergarten class at six years of age. At seven years of age they enter Grade 1. If you add 12 grades to age six, you will find that Grade XII students will average 18 years of age when they receive their diploma. Many of these pupils will celebrate their 18th birthday in the beginning or the middle of the school year, but we are informed that their allowances will not continue until the end of the school year. These students will be very much in the position of veterans attending university after World War II. When they reach the age of 18, that will be the last month in which they will receive a cheque. Many parents and pupils will consider this fact when plans are being made to continue their education.

I realize this new bill will take a great deal of mechanical administration and a large increase in staff to get it into operation before September 1. Notices are to be sent to parents whose children will qualify for payments, and whose birthdays fall in August or September. But what about the thousands of young people who are now 17, or are just coming up to their 17th birthday and have been off family allowance payments for 8, 10 or more months?

Application forms will be available, but I fear that many parents—especially in rural areas—will fail to realize that they can take advantage of this legislation designed to meet these special circumstances. Extensive advertising will have to be done.

Honourable senators, members of the Conservative party have urged for some considerable time that a measure such as this now before us should be presented to Parliament. During the last campaign this was part of our platform, and we are willing to support it in every possible way. We realize how important it is to encourage young people to remain in school as long as possible. We hope that it may have a speedy passage through the Senate.

Hon. Edgar E. Fournier: Honourable senators, may I be permitted a few minutes to express my humble opinion on Bill C-108, an act to provide for the payment of Youth Allowances. Like many others here tonight, I saw the bill for the first time this morning and have read its contents with great attention.

I wish to congratulate the honourable Senator McGrand, who introduced the bill and gave us such a clear explanation of its contents.

I have also read very carefully the debates which took place in the other house, and I am satisfied that the bill as presented to us has been fully studied by those duly elected by the people, representing their respective political parties; so, I have no intention of disagreeing with what has been said by the honourable gentlemen of the other house.

The bill in itself is not of a contradictory nature. It merely puts into effect a measure to extend youth allowances to students attending school and who are between the ages of 16 and 17. Every party of the opposition had for a long time advocated such an extension. The only reproach is to the slow-moving body, the Government of today, for its delay in introducing the legislation. However, it is here now.

It is interesting to note that approximately 502,000 of our population are between 16 and 17 years of age—this is excluding the Quebec figures; but it is most unfortunate to learn that only about 350,000 of that group are attending school, leaving approximately some 152,000 out of school. This, honourable senators, is a very serious situation, especially when one realizes that today in many instances a Grade XII education is required even for employment as a common labourer, and that it is essential for learning a trade and specializing as a tradesman—occupations which, I regret to say, are fast fading out through automation.

I am confident that the extra $10 per month will assist parents in financing their children's education, just as I am confident—except perhaps in a very few cases—that parents are anxious to provide their children with the best possible education. Thousands of parents know that a higher education is needed and that the required standard is rising every year. Parents realize that their children, when facing manhood, will not be able to find ways and means of establishing a home and raising a family under similar conditions to those under which they did. The cost of living, in all its shapes and forms, necessitates a substantial permanent income, and many in our society cannot find permanent employment.

Education, to me, is Canada's No. 1 problem today. The evolution of the past few years has brought about the most serious problems in education, financially and physically. The urge and the need for education are now fully recognized. Billions have been spent to build schools of all categories. Universities, the existing ones of which are already crowded, become filled to capacity as fast as they can be built. This extra $10 will by no means solve the problem, and I am sure it is not intended to, but surely it will greatly help the poorer class to keep their older children in school.

In my province the burden of education is felt mostly, I regret to say, by the French population. And why? Because it is there we find the largest families. Six, seven, eight, ten, twelve or fourteen children of school age in one family is not an uncommon situation, and a large number of children creates serious problems. The problem is even greater when the head of the family is poorly educated, with no specialized trade, and can only get part-time employment. Many children in those large families, boys or girls, have to leave school at an early age and try to help the parents. What else can they do? The most unfortunate result is that these young people in a very few years will find themselves lost in this modern world and are likely to become public charges.

During the last eight or ten years Canada has been struggling to provide living assistance to approximately a half million people, with a periodical variation. I hope I am wrong in saying this, but I predict if we are not careful with this automation and push-button race, in ten years we will find ourselves with an average of one million jobless in Canada. What is going to happen then? Honourable senators, your guess is as good as mine.

Perhaps I have got away from the contents of this bill, but I just wanted to point out the great need for education, and also to point out that this new legislation will be welcomed by everybody, especially by the poorer class of people with large families. I am also glad to learn that the extra $10 per month allowance will apply to mentally or physically handicapped children whether attending school or not. As we all know, for some unknown reason there is a gap of two years between family allowances and the disability pension. This act will make it possible now for the parents to receive this allowance which in most cases is badly needed.

Honourable senators, I am sure that no one will oppose this legislation. We may perhaps regret that it does not go far enough to relieve the misery which exists in some families, misery imposed by the burden of trying to give an adequate education to a large family. In the meantime while looking forward to better legislation, I consider this to be good legislation and it has my entire support.

Hon. Allister Grosart: Honourable senators, one aspect of this bill before us which I am sure all will welcome is the fact that it appears to indicate a new trend in the legislative procedures of the present Parliament. I refer to the trend for the expeditious passing of important legislation.

The present bill was introduced in the other place on July 2, by resolution and first reading, and was passed on July 7, receiving second and third reading on the same day. It was passed by general agreement among all parties with the possible exception of some spokesmen for one party who still felt that it involved an infringement of certain provincial rights. However, in general there was agreement not only in the principle of the bill but also in the fact that it should be passed as speedily as possible.

I share with other speakers the regret that this legislation has been so long delayed. It is a matter of record that similar legislation, or legislation to achieve the same effect through the extension of family allowances, had been prepared by the previous administration, and would have been introduced by them had they not been defeated in the house and in the last general election. It is also a matter of record that the official Opposition introduced a resolution, the main content of which was to speed up this legislation. The date of that resolution was February 26 of this year. The majority of the house in the other place voted against that resolution, and have now brought forward this excellent bill to achieve this very desirable result.

In my regret about the delay in bringing this bill into effect as an act of this Parliament, it is with some reluctance that I bring to the attention of the Senate that this chamber has been brought under criticism in the matter. In the discussions which have taken place in the other place, and in the press, it has been pointed out that we are only dealing with this matter tonight and that this has meant a delay of some nine days.

Hon. Mr. Croll: That was said in the debate on the National Defence bill, not on this bill.

Hon. Mr. Grosart: With respect to the intervention of Senator Croll, I would point out to him that that criticism was directed to this chamber in respect of this bill. He will find the reference at page 5180 of the *Hansard* of the other place.

It is true that some four different speakers criticized the Senate with respect to the bill

to amend the National Defence Act. That criticism was more stringent, perhaps, because those who made it—and I must say I had not intended to bring this up, but the honourable senator has suggested it to me—pointed out that the Minister of National Defence had said that every day of delay in the passage of that bill meant a lessening of the morale of the armed forces and the incurring of costs to the extent of tens of thousands of dollars a day.

I refer to that, not to be critical of the honourable Leader of the Government in this house (Hon. Mr. Connolly, Ottawa West) because I have the very greatest admiration for all that he has done and is doing to maintain and, indeed, increase the prestige of the Senate. I refer to it for two reasons only. First, I think it would be unfortunate if criticism of this kind is made and we give the impression that we are burying our heads. Second, we should be prepared to accept this kind of criticism, to consider it carefully, and perhaps to be more careful in future in respect of allowing a situation to develop in which we can be accused of interrupting the normal legislative process because we do not happen to be in session.

I make no criticism of any individual senator, because I am fully aware of the fact that there are many reasons why senators are not always in their places here. On many occasions they are performing important and often essential public duties elsewhere. However, as a chamber I think we should consider carefully our duty to the public interest in this respect.

Another aspect of the bill before us is, of course, that it is another extension of the welfare state. I myself do not object to it on that ground. We are told that these provisions will cost another $61 million a year, which has to be added to the average of $300 million a year which is spent on family allowances, and which over the years since 1945 has meant a total expenditure of $6.5 billion for that purpose.

I am not surprised to find that there are some who criticize any extension of the welfare state on the ground that the Government is spending too much money; that people are being deprived of their incentive by measures such as this. It has always been my practice to ask such people: "If that is correct, will you tell me which of these welfare state extensions you would now rescind?" I have never received an answer to that question. Not one of those who criticized these extensions has yet said he would turn back the clock with respect to veterans' allowances, allowances to the aged, the blind, the disabled and the unemployed. I merely point out to this house that this is another extension of the welfare state—a costly one, but one of which I entirely approve.

A factor that has not received much comment in the discussion so far is the special provision made in the bill respecting the Province of Quebec. As the Minister of Finance told us, there is to be a financial equivalent paid to Quebec so that that province can operate its own youth allowance legislation. I do not object to that. It is my own feeling that any method that can be devised by the mind of man to smooth out some of these difficulties encountered in federal-provincial cultural and fiscal relations is all to the good. However, there is one feature of this bill that perhaps the honourable Leader of the Government would explain to us, because I do not understand it.

From my reading of the bill and the explanations given of it I understand there will be a deadline for opting out; that the bill as drafted allows any province which is already in the youth allowance business, if I may use that phrase, prior to royal assent, in effect, to make its own arrangements subject to financial reimbursement by the federal Government. But the statement has been made by the minister that after royal assent no other province may elect to do the same thing. I find that surprising. To me it is a retrograde step in the working out of a formula to meet the problem of provincial rights in this whole field of culture and education.

This is an entirely new principle, and I do not understand it. In other legislation where the principle of special consideration for those provinces which take a special stand on their provincial rights is involved, any province at any time can avail itself of the exemption. In the discussion of this bill it was clearly stated that that would not apply here; so that under this bill—unless it is amended as of the time of royal assent—no other province will be able to take advantage, if it wishes to, of the special consideration given to Quebec because that province is already in this field.

Finally, reference has been made to the question of what someone has called the age gap; that under this legislation these very generous allowances are available to 16- and 17-year-olds only. I say they are generous allowances because of the ancillary income tax provisions which greatly add to their family value, and because of the fact that they are to be available twelve months a year. Those are generous terms, and the Government is to be commended for going as far as it has.

However, as has been pointed out, very few students graduate from high school at the

age of 17 years. I am not going to suggest today that these youth allowances should be immediately extended to the age of 18 years, although it is obvious that that would be desirable. We are told that that would cost an additional $30 million a year. But we might as well prepare ourselves for that kind of extension, because it seems to me that before too long there will be a demand, and a supportable demand, for it to be made in order to keep young people in school until they complete grade XII and possibly grade XIII.

In spite of the expedition that was given to the passage of this bill in the other place it was thoroughly discussed, and I would hope that it is in the program of the honourable Leader of the Government to give it the same expedition here even if that means bypassing the usual custom of sending it to a committee.

Hon. David A. Croll: Honourable senators, I am not going to enter into a discussion of any criticism of this house. I do not think it is worth while. But I would like to set the record straight with respect to the suggestion that Quebec enjoys some advantage as a result of this bill. That is not true in fact. Quebec has been in this field for some time. It has been paying youth allowances on the basis of ten months a year.

Hon. Mr. Grosart: Honourable senators, I wonder if I might be allowed to interrupt the honourable senator to say that if he is assuming I was criticizing any special consideration given to Quebec, then he has completely misunderstood my meaning. I did not intend any criticism in that respect. My point was that whatever consideration is given to any province should be available after royal assent to all provinces. I want to make it very clear that I am not one of those who takes the attitude that the legitimate claims and considerations of Quebec in respect of its view of provincial rights are to be derogated. I do not take that view, and I did not raise the point to suggest in any way that that was my viewpoint. My only reason for raising the matter was to say that whatever considerations are given to any one province should, in my view, be given to all provinces.

Hon. Mr. Croll: I know my honourable friend well enough to know that he would not make any such suggestion, and I did not intend to indicate that he did. I just wish to put the facts squarely.

Quebec had been paying youth allowance since, I think, 1961 on the basis of 10 months a year. The administrative machinery was there; they took some pride in the fact that they were first in that aspect, and when it came time to disassemble that machinery for the purpose of introducing federal machinery, they said "No, we will continue on." That seemed to make sense, because they now agree to pay for 12 months instead of 10; so, it will cost them something more than it did before. There is no problem there. Those are the facts. The other provinces did not have any machinery or any administrative staff, and they in effect said, as long as we can leave that to the federal Government, why not let them pay for the administrative staff. That is the normal thinking of the average province in Canada, as I understand it from my experience.

In that way this situation came about. To the other provinces this is like a red hot stove. They would not touch it; they would rather leave it where it is at the present time. But Quebec, having the machinery, continues on in that way.

It is not my intention to suggest that the honourable senator was attempting to indicate that Quebec was being favoured, but for the purposes of the record I thought it worthwhile to indicate that they are under some obligation and responsibility in expenditure as a result of the youth allowance.

Hon. Mr. Grosart: Will the honourable senator not agree that it is not really a question of how long they have been in that field but merely the fact that they have expressed a view—

The Hon. the Speaker: Order.

Hon. Mr. Grosart: Am I not permitted to ask a question?

The Hon. the Speaker: It is a strange form of question. If the honourable senator wishes only to ask a question, I will allow it.

Hon. Mr. Grosart: With due respect, Your Honour, I believe I did phrase my question in an interrogative way, because I began by saying: "Will the honourable senator not agree?" I was about to ask him if he would agree that the essence of the matter is merely the desire of any one province to assert its provincial rights in a certain manner.

Hon. Mr. Croll: I do not think I can answer the question.

Hon. Muriel McQ. Fergusson: Honourable senators, I had not intended to intervene in this debate tonight, but I wish to say how delighted I am that this legislation is before us. Since I would like it to pass as expeditiously as possible, I certainly do not intend to make a lengthy speech. However, I wish to express my approval.

As many honourable senators may know, before I was appointed to the Senate, I administered for some years the family allowances in New Brunswick. I found that a

delightful position, particularly for a woman. There are not many female regional directors, but there should be, as it is a position in which a woman can find satisfaction and also contribute a great deal. During that time many cases came to my attention where parents with low incomes said that if we would continue the family allowances for a couple more years they were sure they could manage to put their children through high school. They seemed to think I had authority to make such payments, but I had to point out that I could pay only the allowances authorized by legislation.

This is a matter on which women's organizations have presented many briefs, both to me and to the federal Government, and I know that the present legislation will receive the highest commendation from the women's organizations.

I cannot recall any request being made to me to continue payments after age 18. Most parents seem to feel they could look after the situation if payments could be made for two years longer than is at present allowed under the Family Allowances Act.

Honourable senators, this is legislation for which I have been working. I feel it has been delayed too long already, so I will say only that this bill has my full support.

Motion agreed to and bill read second time.

On motion of Hon. Mr. McGrand, bill placed on the Orders of the Day for third reading at the next sitting.

DOCUMENTS TABLED

Hon. John J. Connolly tabled:

Copy of a letter, dated June 26, 1964, addressed by the Prime Minister of Canada to all Provincial Premiers concerning a proposed conference to consider the Report of the Royal Commission on Health Services. (English and French texts).

Report of the Board of Trustees of the Queen Elizabeth II Canadian Fund to Aid in Research on the Diseases of Children, including the Auditor General's Report on the Financial Statements of the Board, for the fiscal year ended March 31, 1964, pursuant to section 15 of the Queen Elizabeth II Canadian Research Fund Act, chapter 33, Statutes of Canada, 1959. (English and French texts).

Report of the Farm Credit Corporation, including its Accounts and Financial Statements certified by the Auditor General for the fiscal year ended March 31, 1964, pursuant to sections 85(3) and 87(3) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French texts).

Report on the Operations of the Municipal Development and Loan Board for the fiscal year ended March 31, 1964, pursuant to section 20 of the Municipal Development and Loan Act, chapter 13, Statutes of Canada, 1963, including its Accounts and Financial Statements certified by the Auditor General. (English and French texts).

Report of the National Librarian for the fiscal year ended March 31, 1964, pursuant to section 13 of the National Library Act, chapter 330, R.S.C., 1952. (English and French texts).

Report of the Army Benevolent Fund Board for the fiscal year ended March 31, 1964, pursuant to section 13 of the Army Benevolent Fund Act, chapter 10, R.S.C., 1952, including its Accounts and Financial Statements certified by the Auditor General. (English text).

Report of the Agricultural Products Board for the fiscal year ended March 31, 1964, pursuant to section 7 of the Agricultural Products Board Act, chapter 4, R.S.C., 1952. (English and French texts).

Report of the Atomic Energy Control Board of Canada for the fiscal year ended March 31, 1964, pursuant to section 21(1) of the Atomic Energy Control Act, chapter 11, R.S.C., 1952. (English and French texts).

Report of Defence Construction (1951) Limited, including its Accounts and Financial Statements certified by the Auditor General, for the fiscal year ended March 31, 1964, pursuant to sections 85(3) and 87(3) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French texts).

Report of the Canadian Commercial Corporation, including its Accounts and Financial Statements certified by the Auditor General, for the fiscal year ended March 31, 1964, pursuant to sections 85 (3) and 87(3) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French texts).

Report of the Eastern Canada Farm Survey 1963. (English text).

Statutory Orders and Regulations published in the *Canada Gazette*, Part II of Wednesday, July 8, 1964, pursuant to section 7 of the Regulations Act, chapter 235, R.S.C., 1952. (English and French texts).

Report of the Canadian Broadcasting Corporation, including its Accounts and Financial Statements certified by the Auditor General, for the fiscal year ended March 31, 1964, pursuant to section 36 of the Broadcasting Act, chapter 22, Statutes of Canada, 1958, and sections 85(3) and 87(3) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French texts).

Report on the Operation of Agreements with the Provinces under the Hospital Insurance and Diagnostic Services Act, for the fiscal year ended March 31, 1964, pursuant to section 9 of the said Act, chapter 28, Statutes of Canada, 1957. (English text).

Report of the National Capital Commission, Part I, for the fiscal year ended March 1, 1964, pursuant to section 85(3) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French texts).

PRIVATE BILL

MEOTA PIPE LINES LTD.—FIRST READING

Hon. John A. Robertson presented Bill S-39, to incorporate Meota Pipe Lines Ltd.

Bill read first time.

Hon. Mr. Robertson (Kenora-Rainy River) moved that the bill be placed on the Orders of the Day for second reading on Tuesday next.

Motion agreed to.

HARBOURS AND PILOTAGE ACTS

BILL TO REPEAL—FIRST READING

Hon. John J. Connolly presented Bill S-40, intituled an act to repeal certain acts of the Province of Newfoundland respecting harbours and pilotage.

Bill read first time.

On motion of Hon. Mr. Connolly (Ottawa West) bill placed on the Orders of the Day for second reading Tuesday next.

DIVORCE

REPORTS OF COMMITTEE PRESENTED

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports 412 to 444, inclusive, and moved that the said reports be taken into consideration at the next sitting.

Motion agreed to.

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of reports of the Standing Committee on Divorce Nos. 371 to 411, inclusive, which were presented on Tuesday, June 30.

On motion of Hon. Mr. Roebuck, Chairman of the Standing Committee on Divorce, reports adopted, on division.

RESOLUTIONS PRESENTED

Hon. Mr. Roebuck, Chairman of the Standing Committee on Divorce, presented the following resolutions:

Resolution 352, for the relief of Marjorie Edith Taylor Leroux.

Resolution 353, for the relief of Anne-Marie Balazs Somlo.

Resolution 354, for the relief of Giovanni Pallotta.

Resolution 355, for the relief of Barbara Ann Bell Sobrian.

Resolution 356, for the relief of Gilbert Long.

Resolution 357, for the relief of Helen Mary Mackay Moffat.

Resolution 358, for the relief of Horst Axmann.

Resolution 359, for the relief of Betty Audrey Sims Brendish.

Resolution 360, for the relief of Gisele Morency Houle.

Resolution 361, for the relief of Jean Lavaud.

Resolution 362, for the relief of Joseph Gaston Montpetit.

Resolution 363, for the relief of Jean Pelletier.

Resolution 364, for the relief of Yvonne St. Aubin Lemieux.

Resolution 365, for the relief of Irma Patricia Sabloff Robin.

Resolution 366, for the relief of Andree Akerib Levy.

Resolution 367, for the relief of Una Elizabeth Pritchard Dobell.

Resolution 368, for the relief of Yves Marie Aime Jouanet.

Resolution 369, for the relief of Howard Alexander Brown.

Resolution 370, for the relief of Dorothy Helen Websdale Ryan.

Resolution 371, for the relief of Magdalene (Madeline) Stefan Ruck.

Resolution 372, for the relief of Konrad Seitz.

Resolution 373, for the relief of Helen Schlesser Browman.

Resolution 374, for the relief of Rene Carrier.

Resolution 375, for the relief of Paul Romain Bernard Babeu.

Resolution 376, for the relief of Augustine Gingras Simard.

Resolution 377, for the relief of Rejeanne Fortin Bertrand.

Resolution 378, for the relief of Nell Gwendolyn Fleury Jull.

Resolution 379, for the relief of Jean Matton.

Resolution 380, for the relief of Shirley Grace Reid Ramsay.

Resolution 381, for the relief of Lew Shedlack.

Resolution 382, for the relief of Gilbert Gagnon.

Resolution 383, for the relief of Madelene Stattner Bornstein.

Resolution 384, for the relief of Edgar Louis Chaddock.

Resolution 385, for the relief of William Leathem.

Resolution 386, for the relief of Aglaia Valentza Papageorgiou Antypas.

Resolution 387, for the relief of Mary Theresa Johnson Mitchell.

Resolution 388, for the relief of Heidi Gertrude Kuss Foster.

Resolution 389, for the relief of Sotirios Steve Chiotakakos.

Resolution 390, for the relief of Glorie Louise Hercus Gallacher.

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

Hon. Mr. Roebuck: Honourable senators, I move that these resolutions be considered at the next sitting.

Motion agreed to.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, July 16, 1964

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

Prayers.

DOCUMENTS TABLED

Hon. John J. Connolly tabled:

Report of The Canada Council, including the report of the Auditor General on the Financial Statements of the Council, for the fiscal year ended March 31, 1964, pursuant to section 23 of the Canada Council Act, chapter 3, Statutes of Canada, 1957. (English and French texts.)

Report of Canadian Overseas Telecommunication Corporation, including its Accounts and Financial Statements certified by the Auditor General, for the fiscal year ended March 31, 1964, pursuant to sections 22 and 23(1) of the Canadian Overseas Telecommunication Corporation Act, chapter 42, and sections 85(3) and 87(3) of the Financial Administration act, chapter 116, R.S.C., 1952. (English and French texts.)

Report of Canadian Arsenals Limited, including its Accounts and Financial Statements certified by the Auditor General, for the fiscal year ended March 31, 1964, pursuant to sections 85(3) and 87(3) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French texts.)

Report of the Centennial Commission, including its Accounts and Financial Statements certified by the Auditor General, for the fiscal year ended March 31, 1964, pursuant to section 16 of the Centennial of Canadian Confederation Act, chapter 36, Statutes of Canada, 1963. (English and French texts.)

Report of Atomic Energy of Canada Limited, including its Accounts and Financial Statements certified by the Auditor General, for the fiscal year ended March 31, 1964, pursuant to sections 85 (3) and 87(3) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French texts.)

Copies of letters received by the Prime Minister of Canada from the Premiers of Alberta, British Columbia, Manitoba, Nova Scotia and Quebec, dated July 3, 6 and 7, 1964, concerning a proposed conference to consider the Report of the Royal Commission on Health Services. (English and French texts.)

Report on Prairie Farm Rehabilitation and Related Activities for the fiscal year ended March 31, 1963, pursuant to section 12 of the Prairie Farm Rehabilitation Act, chapter 214, R.S.C., 1952. (English text.)

Report of the Economic Council of Canada, including its Accounts and Financial Statements certified by the Auditor General, for the fiscal year ended March 31, 1964, pursuant to section 21(1) of the Economic Council of Canada Act, chapter 11, Statutes of Canada, 1963, and section 85(3) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French texts.)

Report of the Agricultural Stabilization Board for the fiscal year ended March 31, 1964, pursuant to section 14 of the Agricultural Stabilization Act, chapter 22, Statutes of Canada, 1957-58. (English and French texts.)

Report on the Technical and Vocational Training Assistance Act, for the fiscal year ended March 31, 1964, pursuant to section 13 of the said act, chapter 6, Statutes of Canada, 1960-61. (English text.)

Report of the Northern Canada Power Commission, including its Accounts and Financial Statements certified by the Auditor General, for the fiscal year ended March 31, 1964, pursuant to section 24 of the Northern Canada Power Commission Act, chapter 196, R.S.C., 1952, as amended by chapter 42, Statutes of Canada, 1956, and sections 85(3) and 87(3) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French texts.)

Capital Budget of the Northern Canada Power Commission for the fiscal year ending March 31, 1965, pursuant to section 80(2) of the Financial Administration Act, chapter 116, R.S.C., 1952, together with copy of Order in Council P.C. 1964-992, dated July 3, 1964, approving same. (English text.)

PRIVATE BILL

THE GUARANTEE COMPANY OF NORTH AMERICA—REPORT OF COMMITTEE ADOPTED

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill S-37, respecting The Guarantee Company of North America, and had directed that the bill be reported without amendment.

Report adopted.

THIRD READING

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

Hon. Paul H. Bouffard: With leave of the Senate, I move that the bill be read the third time now.

Motion agreed to and bill read third time and passed.

NATIONAL DEFENCE ACT

BILL TO AMEND—AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Mr. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the following report of the committee on Bill C-90, to amend the National Defence Act:

> Your committee recommend that authority be granted for the printing of 800 copies in English and 300 copies in French of their proceedings on the said bill.

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

Hon. Mr. Hayden: I move, with leave, that the report be adopted now.

Report adopted.

REPORT OF COMMITTEE ADOPTED

Hon. Mr. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill C-90, to amend the National Defence Act, and had directed that the bill be reported without amendment.

Report adopted.

THIRD READING

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

Hon. Mr. Connolly (Ottawa West): With leave, I move that the bill be read the third time now.

Motion agreed to and bill read third time and passed.

ADJOURNMENT

Hon. John J. Connolly: Honourable senators, before the Orders of the Day are called, I move, with leave, that when the Senate adjourns today it do stand adjourned until Monday, July 20, 1964, at 8 p.m.

An Hon. Senator: On division.

Hon. A. J. Brooks: I take it the honourable Leader is expecting legislation from the other place by that time?

Hon. Mr. Connolly (Ottawa West): Yes, that is quite right. I expect by that time we will have for consideration the bill with respect to student loans and perhaps one other measure.

Motion agreed to.

HARBOURS AND PILOTAGE ACTS

BILL TO REPEAL—CONSIDERATION JULY 20

Hon. John J. Connolly moved, with leave, seconded by honourable Senator Hugessen, that Order No. 3 on the Orders of the Day for Tuesday, July 21, 1964, be discharged and that the Bill S-40, intituled: "An Act to repeal certain Acts of the Province of Newfoundland respecting Harbours and Pilotage", be placed on the Orders of the Day for second reading on Monday next, July 20, 1964.

Motion agreed to.

APPROPRIATION BILL NO. 7, 1964

THIRD READING

Hon. John J. Connolly moved the third reading of Bill C-109, for granting to Her Majesty certain sums of money for the public service for the financial year ending 31st March, 1965.

Motion agreed to and bill read third time and passed.

YOUTH ALLOWANCES BILL

THIRD READING

Hon. Fred A. McGrand moved the third reading of Bill C-108, to provide for the payment of Youth Allowances.

Motion agreed to and bill read third time and passed.

DIVORCE

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of reports of the Standing Committee on Divorce Nos. 412 to 444, inclusive, which were presented yesterday.

On motion of Hon. Mr. Roebuck, Chairman of the Standing Committee on Divorce, reports adopted, on division.

RESOLUTIONS PRESENTED

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the following resolutions:

Resolution 391, for the relief of Nessie Brown Keller.

Resolution 392, for the relief of Anne Catherine Johnstone Faithful.

Resolution 393, for the relief of Doreen Elizabeth Greene Favreau.

Resolution 394, for the relief of Antoinette Fortier Douglas.

Resolution 395, for the relief of Jocelyn Penfold Tetley Davoud.

Resolution 396, for the relief of Eleanor Saller Gottlieb.

Resolution 397, for the relief of Jacqueline Valois Simard.

Resolution 398, for the relief of Laura Berbrier Barmash.

Resolution 399, for the relief of Marie Ghislaine Helen Lecouve Weir-Cowan.

Resolution 400, for the relief of Thérèse Cossette Blanchard.

Resolution 401, for the relief of Roslyn Doris Greenbaum Amar, otherwise known as Lynne Doris Green Amar.

Resolution 402, for the relief of Bela Torma.

Resolution 403, for the relief of John William Simon.

Resolution 404, for the relief of Mary Noreen Smith Griffith.

Resolution 405, for the relief of George Alfred Cote.

Resolution 406, for the relief of Leah (Laura) Goldstein Singer.

Resolution 407, for the relief of Alice Marie Fernande Demblon Xanthos, otherwise known as Alice Marie Fernande Demblon Xanthospolides.

Resolution 408, for the relief of Elise Desaulniers Laliberte.

Resolution 409, for the relief of Shirley May Anderson Bartos.

Resolution 410, for the relief of Arthur Stoltze.

Resolution 411, for the relief of Aviam Barbara Judith Resin Capelovitch.

Resolution 412, for the relief of John Bligouras.

Resolution 413, for the relief of Dina Canzer Soiffer.

Resolution 414, for the relief of Freda Linden Greenblatt.

Resolution 415, for the relief of Helen (Helene) Kupay Galaska.

Resolution 416, for the relief of Joan Eileen McEvoy Collard.

Resolution 417, for the relief of Marcel Renaut.

Resolution 418, for the relief of Mary Dombrosky Aspinall.

Resolution 419, for the relief of Raymond St-Jacques.

Resolution 420, for the relief of Lillian Dauber Haller.

Resolution 421, for the relief of Jean Paul Plante.

Resolution 422, for the relief of Marie Celine Sabine Ranger Albulet.

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

Hon. Mr. Roebuck: Honourable senators, I move that these resolutions be placed on the Order Paper for consideration on Monday next.

Motion agreed to.

RESOLUTIONS ADOPTED

The Senate proceeded to consideration of resolutions numbered 352 to 390, inclusive, which were presented yesterday.

Hon. Mr. Roebuck, Chairman of the Standing Committee on Divorce, moved the adoption of the following resolutions:

Resolution 352, for the relief of Marjorie Edith Taylor Leroux.

Resolution 353, for the relief of Anne-Marie Balazs Somlo.

Resolution 354, for the relief of Giovanni Pallotta.

Resolution 355, for the relief of Barbara Ann Bell Sobrian.

Resolution 356, for the relief of Gilbert Long.

Resolution 357, for the relief of Helen Mary Mackay Moffat.

Resolution 358, for the relief of Horst Axmann.

Resolution 359, for the relief of Betty Audrey Sims Brendish.

Resolution 360, for the relief of Gisele Morency Houle.

Resolution 361, for the relief of Jean Lavaud.

Resolution 362, for the relief of Joseph Gaston Montpetit.

Resolution 363, for the relief of Jean Pelletier.

Resolution 364, for the relief of Yvonne St. Aubin Lemieux.

Resolution 365, for the relief of Irma Patricia Sabloff Robin.

Resolution 386, for the relief of Andree Akerib Levy.

Resolution 367, for the relief of Una Elizabeth Pritchard Dobell.

Resolution 368, for the relief of Yves Marie Aime Jouanet.

Resolution 369, for the relief of Howard Alexander Brown.

Resolution 370, for the relief of Dorothy Helen Websdale Ryan.

Resolution 371, for the relief of Magdalene (Madeline) Stefan Ruck.

Resolution 372, for the relief of Konrad Seitz.

Resolution 373, for the relief of Helen Schlesser Browman.

Resolution 374, for the relief of Rene Carrier.

Resolution 375, for the relief of Paul Romain Bernard Babeu.

Resolution 376, for the relief of Augustine Gingras Simard.

Resolution 377, for the relief of Rejeanne Fortin Bertrand.

Resolution 378, for the relief of Nell Gwendolyn Fleury Jull.

Resolution 379, for the relief of Jean Matton.

Resolution 380, for the relief of Shirley Grace Reid Ramsay.

Resolution 381, for the relief of Lew Shedlack.

Resolution 382, for the relief of Gilbert Gagnon.

Resolution 383, for the relief of Madelene Stattner Bornstein.

Resolution 384, for the relief of Edgar Louis Chaddock.

Resolution 385, for the relief of William Leathem.

Resolution 386, for the relief of Aglaia Valentza Papageorgiou Antypas.

Resolution 387, for the relief of Mary Theresa Johnson Mitchell.

Resolution 388, for the relief of Heidi Gertrude Kuss Foster.

Resolution 389, for the relief of Sotirios Steve Chiotakakos.

Resolution 390, for the relief of Glorie Louise Hercus Gallacher.

Resolutions adopted, on division.

MARRIAGE AND DIVORCE ACT

MOTION TO REFER BILL TO SUPREME COURT—DEBATE CONTINUED

The Senate resumed from Tuesday, June 2, the adjourned debate on the motion of Hon. Mr. Pouliot:

> That in the opinion of this House, the Government should immediately refer to the Supreme Court of Canada, for the opinion of that Court, the question of the constitutional validity of Bill S-16, intituled: "An Act to amend the Marriage and Divorce Act."

(Translation):

Hon. Vincent Dupuis: Honorable senators and distinguished colleagues, I rise to take part in this debate only to express my personal opinion on the motion under consideration.

You can be sure that in no way do I intend to cast any doubt on the arguments invoked by the sponsor of this measure, my distinguished colleague, Senator Jean-François Pouliot. In my opinion, he is one of our best jurists and I have great respect for him. However, for reasons which seem sensible to me, I disagree with him and I am sure he will not deny me the right to do so.

What is this bill about?

It amends the legislation concerning the salary and income of married women.

Paragraph 3A, which is an amendment to the Act, reads as follows:

> All the wages and the personal earnings of a married woman, and any acquisitions therefrom, and all proceeds and profits from any occupation or trade which she carries on separately from her husband...

This bill contains four other clauses concerning married women's rights.

Now, the married women's rights are personal rights, civil rights applicable to the individual. Consequently, I submit, without fear of contradiction, that this bill comes under the jurisdiction of paragraph 13, section 92 of the British North America Act, which reads as follows:

> In each province, the legislature may exclusively make laws in relation to matters coming within the classes of subjects herein after enumerated...

And in paragraph 13, the subjects enumerated are:

> Property and civil rights in that province.

Consequently, the bill which my learned colleague, Senator Pouliot, asks us to accept and to approve, is a bill coming under the exclusive jurisdiction of the provinces. I do not think I have to speak at length on jurisprudence to explain better than does the British North America Act in section 92(13).

However, in my humble opinion,—and this is the opinion I express under this restriction —this bill should be passed, if necessary, by the Quebec legislature.

Therefore, I say that I will vote against this bill.

[*Text*]

Hon. L. M. Gouin: Honourable senators, on June 2 of this year Senator Flynn delivered a very interesting address concerning the motion before us. I wish to congratulate him, and to say that I support the opinion he expressed concerning this matter.

I also follow Senator Flynn's example in paying my compliments to Senator Pouliot, who is the author of a remarkable law book entitled *Droit Fabricien,* which in English is "Parochial Law". It is a large volume which is really a mine or treasure house of information. I have consulted it again and again in my practice of law. It is a most useful treatise. The documentation it contains is very precious to all those who have studied the contemporary problems of the *fabrique,* the corporation in charge of the administration of our parishes.

I wish to add that the bill before us is a public one. It could be called a private member's public bill. Last year a law officer of the Department of Justice expressed the opinion that senators did not have the right to introduce public legislation. In the other place every year as all honourable senators know, dozens and dozens of public bills are introduced by members. I fail to find any provision that would put us on another footing and deprive us of that initiative.

Hon. Mr. Roebuck: Hear, hear.

Hon. Mr. Gouin: I am of the opinion that Senator Pouliot has the right to introduce the legislation that is before us. By this motion we are given an opportunity of refreshing our memories on constitutional matters. I admit that I have been obliged to read again a certain number of cases so as to discover how our courts have interpreted our constitution concerning the jurisdiction of this Parliament on the subject of marriage and divorce, under paragraph 26 of section 91 of the British North America Act.

I have examined also the jurisdiction of the provincial legislatures, to which Senator Dupuis referred a few moments ago—that jurisdiction with respect to property and civil rights given them by paragraph 13 of section 92 of the British North America Act, and also the jurisdiction with respect to the solemnization of marriage given by paragraph 12 of section 92.

The question which Senator Pouliot wishes to submit to the Supreme Court concerns the capacity of married women. It must be kept in mind that he does not deal with the capacity of women to contract a marriage. This bill pretends to regulate the civil effects or consequences of marriage. If we adopt the opinion that is embodied in this bill it seems to me that married women would practically be deprived of the provisions of the Civil Code, and that anything they might or might not do would be beyond the jurisdiction of the local Parliament. In trying to ascertain the rights of married women we have to ask ourselves if such rights as contained in the present legislation are a matter of federal or provincial jurisdiction.

Provincial jurisdiction in the matter of civil rights is, in my opinion, the cornerstone of our Constitution. Quebec would never have entered the federal Union in 1867 if assurance had not been given that its legislature would be competent in the matter of civil rights. In other words, it was assured its legislature would be competent in the matter of private law. Quebec was anxious to retain the custom of Paris as it is embodied in the Code, which at that time had just been adopted. The Civil Code came into force in Quebec in 1865.

The civil effects of marriage form an important part of the Civil Code, and the jurisdiction given the Canadian Parliament by section 92 concerning marriage and divorce is an exception, an established exception to the general jurisdiction given the provincial legislature with respect to property and civil rights.

Then there is an exception to the exception, which is the solemnization of marriage. The Fathers of Confederation and the population of Quebec in 1867 were considering federal jurisdiction in respect of marriage and divorce in so far as it affected divorce. In other words, they were considering that, in all the matters which are consequences of marriage but which have not a direct bearing on the validity of marriage, the provincial legislature was competent.

For a long time that was the current opinion, the opinion of the people at large and even of the legal faculty when I studied, but we were still under the impression that this section concerning marriage and divorce meant the jurisdiction limited to marriage with respect to divorce. The section in question, section 91, paragraph 26, was originally described as being mentioned to make sure that a marriage valid in one province, celebrated according to the *lex loci,* the law of the place, could not be contested in another province. There is a statement of some of the Fathers of Confederation to that effect. In other words, they wanted to avoid a conflict of laws, a conflict between the statutes of the different provinces in the matter of marriage. I admit that the jurisdiction is interpreted by our courts as being favourable to the federal power.

This point in particular is clearly illustrated by the case cited by Senator Pouliot in the matter of the reference to the Supreme Court of Canada of certain questions concerning marriage. We find the judgment of the Privy Council in this case in 1912 Appeal Cases at

page 880. It has been decided that the Canadian Parliament has exclusive jurisdiction concerning the validity of marriage, subject to the exceptions covering the conditions affecting the solemnization of marriage.

Therefore, I am inclined to believe that the Canadian Parliament would be competent to legislate concerning the impediments to marriage, such as consanguinity and impotency. But, except for precisely the questions of the impediments to marriage, the Canadian Parliament has not adopted any legislation which would affect our Civil Code in the matter of marriage except, as is well understood, the divorce bills which are exceptions to the general law of the province and which are valid according to the Constitution.

What I wish to make quite clear is that our Civil Code remains in force as long as it is not repealed to some extent by legislation within the jurisdiction either of the Canadian Parliament or of the provincial legislature. The only case which I know of was where an amendment was introduced here in Ottawa to allow a widower to marry the sister of his deceased wife and to allow a widow to marry a brother of her deceased husband. The same provisions were afterwards extended to the niece or nephew of the deceased husband or deceased wife.

The Parliament of the United Canada which adopted as a statute our Civil Code of Lower Canada, that Parliament was not a federation. Its constitution was in the nature of a legislative union and all the jurisdiction, all the powers which were divided in 1867 between the central power and the local powers, between the Parliament and the legislatures, those powers at that time were fully possessed by the single Parliament of the United Canada.

But what is the problem? It is the amendments which might be introduced in the chapters concerning marriage. It is the amendments which could be introduced by the revision of our Civil Code which is still being made in Quebec. As a matter of fact, Senator Pouliot was one of the jurists chosen at the origin to prepare that revision.

Now we come to Bill S-16 which pretends to confer some rights on all married women. I understand that it would apply from coast to coast, but you will realize that I will limit my remarks to the Province of Quebec. The intentions of Senator Pouliot were excellent, and I am sure that all the women of Quebec are very thankful to him. He thought that it was necessary to do something to remove the limitations, the restrictions which were affecting the married women in Quebec. As a matter of fact, they were put in the list of persons who are incapable of contract.

All this has been changed. Clause 3A in the bill before us is no more necessary, for the following reasons. First of all it was already covered to a great extent by Article 1425a of our Civil Code which was enacted in 1931. That article gives to married women who are working the full ownership of the proceeds of their personal work; it gives to them also the full ownership, the administration and disposition, of the assets which they buy, which they acquire with the proceeds or with the economies of the proceeds of their work.

Another bill numbered 16—and Senator Flynn remarked that it was a curious coincidence that the bill in the good old city of Quebec and the bill here in Ottawa bear the same number, 16—received royal assent on June 18, 1964. That Quebec statute is, so to speak, the emancipation of the married women of the Province of Quebec. They may dispose of their personal property moveable or immoveable. They may appear in court for actions which are of a moveable nature or of a possessory nature. In fact with respect to clause 3a in the bill before us, these provisions are already existing in the provincial legislation to which I have just referred.

The next clause is number 3B and concerns bank deposits of married women. Our Bank Act here in Ottawa, chapter 41 of the Revised Statutes of Canada 1952, by section 75 gives to any person, including married women of course, the full capacity to make deposits for any amount in any chartered bank, and to withdraw them. In the Quebec Savings Banks Act, which is chapter 42 of our Revised Statutes of Canada, we find the same provision. We find it also in the credit unions, which are so dear to the heart of Senator Vaillancourt. Under the 1963 Quebec statute, chapter 57, section 16, married women may now deposit money at any credit union or caisse populaire and they may withdraw that money without any authorization being necessary.

Clause 3c of the bill deals with the case of fraud by the husband. Of course the general provisions of our Civil Code are sufficient to cover any case of fraud, and we have the axiom that fraud corrupts anything, *fraus corrumpit omnia*.

Next we come to clause 3D concerning the debts of the wife. The wife is responsible for her own debts. As a general rule, the husband is not responsible. He may be responsible if it is what we call the "necessities of life" which have been purchased for the household. I understand that is the same as the principle in English common law. As a matter of fact, the household has benefited

by the food or clothes which have been purchased. Under the present system, with bill 16, the Quebec statute, the married woman has, as I have already explained, the administration and disposition of her personal property and she has the judicial capacity which I have described.

If we look at the jurisprudence, we find the decision of *Conger vs. Kennedy (1896)*, volume 26 of the Reports of the Supreme Court of Canada, at page 397, concerning the Northwest Territories. The local authority had been given practically the same powers as the provincial legislature, in particular, powers concerning property and civil rights. The point in question was whether the expression "personal property" was a subject falling within the jurisdiction of the Lieutenant Governor in Council of the Northwest Territories, or a subject concerning marriage and divorce, falling under the jurisdiction of the federal authority.

The argument of Senator Dupuis and Senator Flynn is also my argument, that the personal property of a married woman is a question concerning property and civil rights. In other words, it was within the jurisdiction of the local authority and did not affect marriage and divorce; it was not concerning the capacity of the wife to contract a marriage, and so on.

Under those circumstances, I am sorry, but I cannot find any reason to refer to our Supreme Court the bill which has been introduced by our honourable colleague. Moreover, I would add that it is not opportune under the present circumstances to contest, so to speak, indirectly the jurisdiction of the provincial legislature in a matter which is so important in its civil consequences as marriage.

I submit that when there is a revision of our Civil Code, then will be the proper time to introduce legislation here in Ottawa, if we consider it to be necessary. At the present time there is, so to speak, confrontation of the federal power with the provincial legislatures, and I do not feel that we have any reason to introduce legislation here which surely is of doubtful character in its nature, and which I believe the great majority of the population clearly feels is within the scope of the powers of the Quebec Legislature.

(Translation):

Hon. Gustave Monette: Honourable senators, I did not expect to speak to this bill.

[*Text*]

I was not expecting to speak on this matter. However, in spite of circumstances which have caused my absence from the Senate for some time, now that I am here, I feel this question is so important that I should enunciate what in my opinion are a few essential points.

I fully agree with the views expressed by the honourable Senator Dupuis, the honourable Senator Gouin and the honourable Senator Flynn.

I have studied the decisions of our courts, which have been referred to this afternoon, and I do not intend to discuss them. What I have in mind is to clarify two points in this debate. The first concerns the capacity of men and women to enter into contracts. My second point is that once a man or woman or both have the capacity to enter into such a contract, how far can they go with respect to the contract they have made? That has been made more clearly in relation to marriage.

Before Confederation, the provinces dealt with the question of marriage. At the time of Confederation, however, the Fathers of Confederation had before them the problem of separating the federal and the provincial powers. It was made clear in the Constitution that personal property and civil rights, before Confederation, were within the jurisdiction of the provinces, which was to remain unchanged except by amendment, which would make an exception to the well-understood rule. Civil rights did not return to the federal jurisdiction just because there was a Confederation.

What are property and civil rights, and in what way were they affected by Confederation? The Fathers of Confederation decided on the question of marriage, which in itself was most important and had not been considered by a federal organization or a government, so-called, before Confederation.

What would they do concerning the right to contract marriage? Would that continue to be under the jurisdiction of the provinces or would it be transferred to the federal authority? If it was to be transferred, as it was, to the federal authority, that would be an exception to the character of legislation dealing with property and civil rights; it was a right to legislate on human property—on the association of man and woman. Therefore, the Fathers of Confederation considered that the right of men and women to marry would be better governed by federal law.

Contracts between the parties after marriage were to be regarded as contracts in consequence of their right to marry. The right to marry, in a way, was a civil right, but it was also a social right, and the Fathers of Confederation decided, quite properly, that that social or civil right should be within the jurisdiction of the federal authority.

Therefore, honourable senators, let us make a distinction between the authority to involve

oneself in the contract of marriage, and the authority after marriage to enter into contracts under civil law, dealing with civil property, and so on. The right to enter into marriage is in accordance with the Bible, and the principle already set down in the days of the ancient Hebrews, that after marriage the spouses would become as one flesh and one body.

The Fathers of Confederation decided that jurisdiction over marriage belonged to the federal authority. That is why we have section 91 of the British North America Act. Section 91 says:

> It shall be lawful for the Queen, by and with the Advice and Consent of the Senate and House of Commons, to make Laws for the Peace, Order, and good Government of Canada, in relation to all Matters not coming within the Classes of Subjects by this Act assigned exclusively to the Legislatures of the Provinces . . .

So the principle is there: the federal authority will have the right exclusively to pass laws on all matters not assigned especially to the provinces. That is clear enough.

> . . . but not so as to restrict the Generality of the foregoing Terms of this Section, it is hereby declared that (notwithstanding anything in this Act) the exclusive Legislative Authority of the Parliament of Canada—

"Exclusive" means very strongly in favour of the federal authority.

> —extends to all Matters coming within the Classes of Subjects next hereinafter enumerated.

So, the "subjects next hereinafter enumerated" are conferred exclusively on the federal authority.

With that in mind we have subsection 26, "Marriage and Divorce." So it is clear that the Confederation Act gives the exclusive power over legislation to the federal authority in all matters herein mentioned provided they do not encroach on matters vested exclusively in the provinces. We see here that the federal right exclusively to legislate on matters refers to the following subsections, and I am dealing especially with subsection 26, "Marriage and Divorce." So let us be clear: it is not concerned with the civil consequences of marriage and divorce; it is more general than that. One could say it covers every point or distinction that arises out of the question of marriage and divorce. But it is said that the federal power is given:

> . . . in relation to all Matters not coming within the Classes of Subjects by this Act assigned exclusively to the Legislatures of the Provinces.

So that is the exception.

When we come to the subsections of section 91 enumerating the powers that are within the exclusive jurisdiction of the federal authority, we see that "marriage and divorce," is included. But let us not forget the exception:

> . . . in relation to all Matters not coming within the Classes of Subjects by this Act assigned exclusively to the Legislatures of the Provinces,

So now we know that "marriage and divorce", in general terms, is a subject matter of federal legislation exclusively. Does the same act make an exception in relation to what we are discussing now, property and civil rights? Yes; that is by section 92. It says:

> In each Province the Legislature may exclusively make Laws in relation to Matters coming within the Classes of Subjects next hereinafter enumerated . . .

That section deals with the exclusive powers of the provinces, and that is the exception to the enumerated subsections in section 91. So whatever you read in section 91, especially as to marriage and divorce, if there is an exception that touches the matter even in a restricted sense, if you find that restriction in section 92 as to exclusive provincial powers, then the restriction in the provincial powers carries over the federal powers.

Let us read again from section 92:

> In each Province the Legislature may exclusively make Laws in relation to Matters coming within the Classes of Subjects next hereinafter enumerated . . .

That is the power of the provinces, and under it we find subsection 13, "Property and Civil Rights in the Province." So, on the one hand the constitution has given the federal authority the exclusive power to legislate in matters related to marriage and divorce, with such exception as may exist regarding the provincial power; and in section 92, under the provincial powers, we find as an exception that the provinces alone have the exclusive right to legislate in regard to matters of property and civil rights.

We have to see if there can be any reconciliation between the exclusive jurisdiction granted to the federal authority concerning marriage and divorce and the exclusive jurisdiction given to the provinces concerning property and civil rights. That is where we have to consider the essence of what is meant by those two exceptions.

Is there any possibility of reconciling the two? They are very easily reconciled when you consider the federal power regarding

marriage and divorce is one specially given as to the persons of the contracting parties as to, not the devolution of their property but the devolution of their human essence; and when you consider that under the provincial rights what is given as a power which the federal authority cannot touch is the power to pass exclusive laws on property and civil rights.

So, once the parties want to get married they have to go and, if I may say so, consecrate their person in that divine institution of marriage. That should be a federal power throughout the whole country. Once they are married they can enter into any kind of contract between themselves or with other parties, as to their individual property, and so on. They can do that by contracts that are in conformity with the provincial laws.

I am sorry that I could not give this matter more preparation and address you with greater clarity, but to me it seems clear. If it were only my authority, it would not mean much, but jurisprudence has been developed to that effect. Therefore, let us consider in the future that it has been well decided by our courts that when our boys and girls want to marry and enter into a contract, a saint contract, a social contract, they will have to follow the federal law respecting this matter. After marriage, if they have to deal with a crime it would still be under the federal law because the criminal law is governed by our Criminal Code. But if they have to deal between themselves or with other people, or pass property from one to the other, or sell a house that the wife has received from her father, it is according to the laws of the province, and any account she has as a consequence of that is governed by provincial law. She does not have to account to her husband in that matter because provincial law does not cover it. That is the whole story.

I could take a minute more, but I do not want to do so, to enumerate the many contracts the wife could make with other people regarding her rights, the right to work, the right to be paid a salary, and so on. These rights are governed by provincial law and they will cease to be so governed only when provincial authorities pass a law to that effect.

That is what I am told they are discussing in Quebec, but let us hope they will not change that because it is the essence of Confederation. Confederation brought together a number of provinces, some of which were not already provinces, with the idea of helping them to live in a common nation, a common state, and to preserve their civil rights, their civil life, and their civil property. All that they have. These rights the governments of the provinces already had, and the property of the provinces remained the property of the provinces after Confederation. To my mind that appears clear.

At this point I should like to render homage to the honourable senator who spoke for the bill, for it is obvious that he has given the matter great study. He has approached the question in such a way as to make it possible for everybody to think more of it, and he deserves many thanks for having opened the eyes and ears and intelligence of so many people on the matter. It has brought many senators from Quebec to a sense of distinguishing between the essence of the contract of marriage and the subsequent arrangement that the man and wife might make between themselves or with other persons.

Hon. Jean-François Pouliot: Honourable senators, I feel rather dazed as I rise from beneath the avalanche of beautiful flowers which have been showered upon me by my learned and generous colleagues. Therefore, I move the adjournment of the debate to Tuesday, July 21.

Debate adjourned.

MARRIAGE AND DIVORCE ACT

BILL TO AMEND—ORDER FOR SECOND READING STANDS

On the order:

Second reading of Bill S-16, intituled: "An Act to amend the Marriage and Divorce Act".—(Honourable Senator Pouliot).

Hon. Jean-François Pouliot: Honourable senators, I ask that this Order stand until Tuesday, July 21.

Order stands.

CRIMINAL CODE (HABEAS CORPUS)

BILL TO AMEND—MOTION FOR SECOND READING—DEBATE CONTINUED

The Senate resumed from Wednesday, June 17, the adjourned debate on the motion of Hon. Mr. Lang for the second reading of Bill C-35, to amend the Criminal Code (*Habeas Corpus*)

Hon. Arthur W. Roebuck: Honourable senators will remember that this bill was explained in a very masterly and comprehensive fashion by Senator Lang not so very long ago. Since, however, it deals with a matter which is rather complicated I think some further remarks are in order. Let me preface my remarks by saying that I do not speak on the bill in any sense of controversy with what my honourable colleague Senator Lang has said, nor, indeed, do I disagree with what was said by Senator Macdonald (Cape Breton), or by Senator Croll, my deskmate.

Honourable senators, this bill looks simple indeed. Its purpose is to add just three words, "or *habeas corpus*", to a clause already existing in the Criminal Code. This clause provides for an appeal to the Court of Appeal in certain matters, and is not altered except by the addition of appeal in *habeas corpus* proceedings. Moreover, *habeas corpus* should be well understood, as it is an ancient right much cherished in English law for upwards of ten centuries.

Habeas corpus is primarily for the protection of the individual and for the liberty of the subject. It is in principle a prerogative of the Crown. The Monarch is supposed to be concerned with the wellbeing of everyone within the realm, and therefore the Crown has both the right and the duty to inquire into the legality of imprisonment or detention of the individual subject. Literally, the phrase means "produce the body" and the writ is directed to the jailer, custodian or captor or any person detaining another person.

There is record of the use of the principle in the reign of Edward the Confessor, prior to the Norman conquest, and it is one of the concessions exacted from King John at Runnymede, and incorporated in *Magna Carta*. It first appears in statutory law in England in 1679, the preamble to the act reading "For the better securing of the liberty of the subject."

I quote Lord Mansfield, one of the great judges of the past:

> If any man be imprisoned by another *habeas corpus* can be granted to those who imprison him, for the King ought to have an account rendered to him concerning the liberty of his subjects and the restrain thereof.

The amendment to the Code proposed in this bill certainly has the virtue of brevity, but the subject is not as simple as the brief amendment and the economy of words would make it appear. While I approve the general purpose of the bill, I submit that it requires careful consideration in committee and amendment in important respects. It is for that reason I speak to you rather than leave the matter entirely to my friend Senator Lang. I trust, therefore, that honourable senators will bear with me when I try to make clear an important subject and a decidedly confusing and complicated procedure.

The bill mentions the two words *habeas corpus*, but there have been in the past no less than five distinctively different proceedings known in English law under that name, any one of which in its modern form might conceivably be mistaken for the one intended.

For example, there was *habeas corpus ad justificandum*, which required the person to whom the writ was directed to be present and give evidence before the court of issue. In modern times, we call this writ a subpoena. We certainly have no desire to grant appeal from a subpoena in all matters covered by the Criminal Code.

Then there was *habeas corpus ad respondendum*, which required the production of the named prisoner lawfully detained in order that he might answer further charges to be laid against him. This result is now accomplished by an order of the judge. We surely have no desire to give the prisoner the advantage of possible confusion and delay by granting him a right of appeal in circumstances such as those.

I pass over two more forms of the writ and come to the most important of the several writs of *habeas corpus*, namely that used by Edward I, mentioned in *Magna Carta* and adopted by Parliament in 1679, and which, no doubt, was intended to be affected by this bill. This is the writ of *habeas corpus ad subjiciendum*, and has to do with the liberty of the subject or of anyone within the realm.

Honourable senators may observe that the draftsmen of the dominion Supreme Court Act took no chances on any confusion in *habeas corpus* terminology. If they turn to section 27(1) of that act, they will note that the writ which is the subject of this proposed legislation is mentioned specifically by name as *habeas corpus ad subjiciendum*. If we are to grant the proposed appeal mentioned in this bill we should certainly amend the wording accordingly.

Furthermore, in order to adequately consider the substance of this bill, honourable senators should realize that there are several classes of circumstances in which this writ has application. It is applied in both civil and criminal proceedings. The writ may issue in civil matters such as the custody of children, mental cases and confinement for offences under provincial statutes. These are, of course, within provincial jurisdiction.

I am very much interested and somewhat concerned with the provincial phases of this situation. There is upon the statute books of the Province of Ontario an act entitled "The *Habeas Corpus* Act", being chapter 163 of the Revised Statutes of Ontario, 1950. Section 1(1) of that act is as follows:

> Where a person, other than a person imprisoned for debt, or by process in any action, or by the judgment, conviction or order of the Supreme Court, court of general session of the peace or other court of record is confined or restrained of his liberty, a judge of the Supreme

> Court, upon complaint made by or on behalf of the person so confined, or restrained, if it appears by affidavit that there is reasonable and probable ground for the complaint, shall award a writ of *habeas corpus ad subjiciendum* directed to the person in whose custody or power the person so confined or restrained is, returnable immediately before the judge so awarding the same, or before any judge of the Supreme Court or before the Court of Appeal.

According to section 8 of this act—and presumably this is in the law of other provinces, although I did not check because it was not necessary—a person dissatisfied with the judgment rendered by the court on the return of the writ may appeal to the Court of Appeal, which is clothed with all the powers of the court below, to confirm the detention or discharge the prisoner. But I call special attention to the fact that while there is an appeal from the judgment rendered on the return of the writ, there is no appeal by either the applicant or the Crown or any one interested against the refusal or granting of the writ.

I mention this provincial law because it would seem that the Province of Ontario gives us a lead, in that it gives an appeal from judgments on the return of the writ in matters within provincial jurisdiction but gives no appeal with regard to the issue of the writ. Incidentally, I might also mention that it refers to *habeas corpus* by its full and proper name.

I turn now to *habeas corpus* arising out of matters within dominion jurisdiction, because this is what is interesting at the present time. This too is divided into two classes, one civil and the other criminal. If the applicant for a writ is liable to be charged under a dominion statute, other than the Criminal Code, the matter is considered a civil proceeding and is governed by the dominion Supreme Court Act. There is a special division of that act devoted to *habeas corpus, and* section 57, under the heading *"Habeas Corpus"*, is as follows:

> (1) Every judge of the Court—

That is, of the Supreme Court of Canada.

> —except in matters arising out of any claim for extradition under any treaty, has concurrent jurisdiction with the courts or judges of the several provinces, to issue the writ of *habeas corpus ad subjiciendum,* for the purpose of an inquiry into the cause of commitment in any criminal case under any Act of the Parliament of Canada.

Not only do the judges of the Supreme Court of Canada have the right to issue these writs and to carry the cases through to the rendering of judgment in *habeas corpus* proceedings, but there is also a provision for appeal. Subsection (2) of section 57 reads:

> If the judge refuses the writ or remands the prisoner, an appeal lies to the Court.

That is, after you issue your writ out of the Supreme Court of Canada and you have your case tried before a judge of the Supreme Court of Canada, there is then an appeal to the full court. But, as I understand the law, there is not an appeal if you issue your writ in the Supreme Court of Ontario or, presumably, in the Supreme Courts of the other provinces. I have described the right of appeal that there exists. It is from the judgment of the Supreme Court of Ontario only, and not from the refusal or granting of the writ.

It was partly because of this section—that is, the section giving a right to a judge of the Supreme Court of Canada to entertain an application for a writ of *habeas corpus* and to hear the case on the return of the writ—that when the Senate revised the Criminal Code in 1951-52—we did not amend section 691, that is, the one which is before us in this Bill C-35, by including *habeas corpus* in the right of appeal in criminal matters. At that time it was recognized practice by common law for counsel to shop from judge to judge and from court to court until a *habeas corpus* writ was obtained and the desired relief secured. Under such circumstances there was no need of appeal. The appeal which was suggested at that time was restrictive rather than enlarging the right of the person affected by the writ. It was suggested in the act passed in the Commons that an appeal be granted, but it was so restrictive that we of the subcommittee felt that we should refuse to carry it into effect, and so we did not amend the Code at that time. Under such circumstances there was no need for an appeal, because the door of the Supreme Court of Canada was wide open to applications in the first instance. I may say that had we thought differently at that time, and had we suggested an amendment of the Code such as is before us now, I am quite sure that the wording of the amendment would have been very different from that which we will find in Bill C-35, to which I am now speaking.

Please note that the drafters of the Supreme Court Act carefully specified the particular writ of *habeas corpus* intended, by spelling it out, *"habeas corpus ad subjiciendum."* Note also that while this act clothes the

judges of the Supreme Court of Canada with all the powers of the judges of the several provinces, it provides a dissatisfied applicant with a right of appeal to the full court under section 1(2), which I have just read.

The draftsmen of this act evidently realized, as seemingly the drafters of this Bill C-35 did not, that there are two separate and distinct stages in *habeas corpus* proceedings. There is first the application for the writ, which may be granted or may be refused; and next there is judgment which is given on the return of the writ, after the hearing of the evidence. Note that the appeal applies to both proceedings—number one, if a judge refuses the writ, and number two, on the writ's return if he remands the prisoner.

The federal Supreme Court Act continues to specify and amplify the powers of the court in *habeas corpus* proceedings. Section 58 is as follows:

> In any *habeas corpus* matter before a judge of the Supreme Court, or on any appeal to the Supreme Court in any *habeas corpus* matter, the Court or judge has the same power to bail, discharge or commit the prisoner or person, or to direct him to be detained in custody or otherwise to deal with him as any court, judge, or justice of the peace having jurisdiction in any such matters in any province of Canada.

The powers of the judges of the Supreme Court of Canada pertaining to the liberty of the subject are not to be exceeded by the powers of any other court in Canada. Apparently, these powers apply to appeals.

Section 59, subsections (1) and (2) still further amplify the powers of the Supreme Court in *habeas corpus* matters on appeals, to direct the appellant to be present or left in charge, unless on bail.

It has been submitted that appeals in *habeas corpus* matters should not be allowed to the Crown because of the possible delays involved in the hearing of appeals. This is cared for, at least to some degree, in the Supreme Court Act, in section 60, which says:

> An appeal to the Supreme Court in any *habeas corpus* matter shall be heard at an early day, whether in or out of the prescribed sessions of the Court.

That is to say, in the matter of the liberty of the subject, vacations do not count in the Supreme Court of Canada.

Honourable senators, I have described rather fully these provisions of the Supreme Court Act, showing how carefully and comprehensively *habeas corpus* matters have been dealt with in dominion legislation.

Now there comes the weakness, at which this bill points. One might readily jump to the conclusion that these sections include both criminal and civil matters, that is, *habeas corpus* arising out of a criminal charge or prospective criminal charge, or out of a civil matter such as I have enumerated, the care of children, and so on. Unfortunately, this is not so. Section 40 of the Supreme Court Act prohibits appeals to the Supreme Court in proceedings for or upon writs of *habeas corpus* arising out of a criminal charge. It is this that justifies something of the nature of the bill that is before us. It was because of section 40 in the Supreme Court Act and also because of the confusion that exists in the matter of appeals from the Supreme Court of Ontario and other provinces, and in the provincial law, that Chief Justice McRuer of the Supreme Court of Ontario, in the case of *Re Shane*, urged the action which I trust Parliament will take now in connection with this matter.

In the *Re Shane* case the court of appeal held there was no right of appeal from a decision of a judge of the High Court of Ontario to the Court of Appeal in extradition proceedings and, by necessary implication, in *habeas corpus* proceedings.

Mr. Justice McRuer, in connection with that case—speaking *obiter*, it is true—said it was formerly assumed that the applicant for relief by way of *habeas corpus* in criminal matters could apply to every judge in turn. His Lordship found that the right at common law was not to go from judge to judge but rather from court to court. As the Judicature Act had combined all these former courts in one court, the Supreme Court of Judicature, a judgment of any judge of that court was final and conclusive. Mr. Justice McRuer conclude his judgment as follows:

> In disposing of this case, I respectfully suggest that prompt action shall be taken by the proper authorities to resolve the confusion that now exists and to provide for the right of appeal in *habeas corpus* matters that was thought to exist prior to the decision of the Court of Appeal in this case. In a case involving the liberty of the subject, the decision ought not to rest in the hands of one person, nor should there be any question of a right to prolong the final disposition of a case by making successive applications to thirty-one Judges each exercising coordinate jurisdiction as a Judge of the Supreme Court of Ontario.

In the *Re Shane* case, the court held there was no right of appeal. Mr. Justice McRuer continues, in an *obiter* way, but nevertheless in a most authoritative manner, to end what we lawyers have always thought of as "shopping from judge to judge," in order to find

some judge among the 31 who would grant our request. In my judgment that is out. I do not think the statement made by the Chief Justice is binding upon his fellow judges, because it was not necessary to the decision—it was *obiter*. However, I am perfectly satisfied that from now on the judges of the Province of Ontario, if not of other provinces, will adopt his view, that the decision of the first judge will be final and conclusive.

I thoroughly agree with Chief Justice McRuer, and accordingly I submit that we of the Senate should examine most carefully Bill C-35, which is now before us.

Section 691(1) of the Criminal Code says:

> An appeal lies to the Court of Appeal from a decision granting or refusing the relief sought in proceedings by way of *mandamus, certiorari* or prohibition.

And it is suggested in this bill that at the end of that clause in the code now existing, there be added the words, "or *habeas corpus*".

I have already explained why we should specify *habeas corpus ad subjiciendum,* if one is to avoid possible further confusion; and while I approve very strongly the general object and purpose of this proposed legislation, I submit that it should be very carefully considered. I have some serious reservations with regard to the present bill.

This bill as it now reads would confer a right of appeal in applications for writs of *habeas corpus* upon the Crown, represented as he may be by the Attorney-General or one of his representatives, upon anyone detaining or having custody of another person, as well as upon the applicant for the writ. In my opinion, if any judge is convinced that someone in detention should be brought before the court in order that his jailor, custodian or captor be required to justify his actions, that, in my opinion, should be final.

The possible victim should be produced forthwith and immediately, or at such time as the court may direct or order. There should be no right of appeal to prevent or delay prompt inquiry into the legality of his detention. There is no virtue in appeals against the issue of the writ. Immediately and forthwith, let those in authority state their right, if right does exist, by which they abridge the liberty of the subject.

It is quite another matter when the writ is refused to an applicant who claims to be the victim of illegal detention, and who may be. I am repeating the thought which my friend Senator Macdonald stated so clearly. I again quote the Chief Justice:

> In a case involving the liberty of the subject, the decision ought not to rest in the hands of one person.

There should surely be appeal available to an applicant to whom the writ is refused, but to no one other than the applicant; certainly not to those called before the court to account for some arbitrary detention of another person. I think we should always have had that appeal, and we should certainly have it now, since shopping from court to court has been abolished, I think, by the *obiter* statement of Chief Justice McRuer.

The judgment on the return of the writ is, again, quite a different matter. Here, both applicant and custodian are present including, it may be, the Attorney-General, the Superintendent of Prisons, the Chief of Police, the head of some public institution or a committee or guardian. None of these should be subject to the decision of one person.

I can think of circumstances in which the freeing of someone in custody might be attended by serious consequences.

On the return of the writ there should be an appeal to all parties concerned.

I wish to raise a further question, and a new one, of considerable gravity. I question whether an appeal to the provincial court of appeal is sufficient in all cases. Why prohibit appeals to the Supreme Court of Canada in *habeas corpus* proceedings in criminal matters, as we do now? We give our judges of the Supreme Court of Canada co-ordinate jurisdiction with judges of the provincial courts in applications for writs of *habeas corpus* and in pronouncing judgment on the return of the writ. Why not give the right to conclude a case on appeal in the highest court, as well as to commence and conduct it there? I would allow the applicant for a writ of *habeas corpus*, and I would allow both parties on the return of the writ, a right to choose the appeal court in which they have the greatest confidence, either the court of appeal or the Supreme Court of Canada.

I therefore suggest, honourable senators, that when this bill is referred to a committee —and it should certainly be referred to a committee—that the last three words, "or *habeas corpus*" be struck out, and something along the line of the following be substituted therefor:

> (2) An appeal by the applicant for a write of *habeas corpus ad subjiciendum* in event of its refusal, and by all parties from a judgment on the return of such writ, lies to the Court of Appeal or to the Supreme Court of Canada, as the first in time to file notice of appeal shall determine.

I will not say that this is the last word in the proposed amendment, but it will at least express clearly what I have in mind. I suggest this amendment, and I hope that its wording will be thoroughly studied and perhaps improved.

If we give an appeal to the Supreme Court of Canada, we should certainly add the phrase which I have already quoted from the Supreme Court Act, as follows:

> (3) Appeals in *habeas corpus* matters shall be heard by the Court to which the appeal is directed at an early date whether in or out of the prescribed sessions of the Court.

These instructions are given to the judges in the Supreme Court Act, and I think if we give an appeal in the Criminal Code, such as is proposed, or in its modified form as I have proposed, we should certainly add a provision of that nature.

Honourable senators, I should point out that Bill C-35 is a private member's bill, not a Government bill, and it was not prepared by the Department of Justice, as are most amendments to the Criminal Code. Such amendments are usually given the most intensive consideration before they reach us.

Honourable senators who were here in 1951 and 1952 will remember that we received a comprehensive revision of the whole Criminal Code, and how we in the Senate devoted ourselves to the bill for two sessions. We made no less than 80 amendments to that bill before it was passed, all of which were adopted by the Commons, accepted by the Department of Justice, and approved by the Minister of Justice at that time.

One of those matters is somewhat analogous to what we are doing now. At that time, 1951-1952, there was no appeal from a conviction or a sentence for contempt of court, either contempt in the face of the court or otherwise. The judgment of the judge involved in it was final and conclusive. I had the pleasure, satisfaction and, I may say, the honour to suggest an appeal. We adopted the appeal, and I remember I returned home that weekend thinking I had made myself permanently unpopular with the bench of Ontario. I attended a New Year's party at which a very large number of the judges were present, and to my pleasant surprise I found they were all in favour of the appeal. Some of them told me they had never liked the absolute, arbitrary character of the proceedings with regard to contempt, and one of them suggested that the right to convict for contempt would be very much more used in the future, when there would be an appeal available to the person charged, than had been the case in the past when the proceeding was arbitrary.

I am sorry that the chairman of the Standing Committee on Banking and Commerce is not here, but I suggest that when we consider this bill we should invite the senior officials of the Justice Department to join us in our consideration of it; and I further suggest that they be given time to make a thorough and comprehensive study of this most important, complicated and confused matter so that when we do pass it, it will not be the product of chance, such as this Bill C-35. I suppose no one was more surprised at the bill having passed the Commons, than was its sponsor. It was not given the consideration it should have been given before it was sent to us. I suggest that we give the officers of the Justice Department plenty of time to study it thoroughly and to advise us when we meet in committee. They will have before them a concrete suggestion in the amendment which I propose.

I hope and I expect that this bill will be referred to a committee, probably the Standing Committee on Banking and Commerce.

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

ROYAL ASSENT

NOTICE

The Hon. the Acting Speaker (Hon. A. L. Beaubien) informed the Senate that he had received the following communication:

GOVERNMENT HOUSE

Ottawa

16th July 1964

Sir,

I have the honour to inform you that the Hon. Roland A. Ritchie, Puisne Judge of the Supreme Court of Canada, acting as Deputy to His Excellency the Governor General, will proceed to the Senate Chamber today, the 16th July, at 5.45 p.m., for the purpose of giving Royal Assent to certain Bills.

I have the honour to be,
Sir,

Your obedient servant,

A. G. Cherrier,
Assistant Secretary
to the Governor General.

The Honourable
The Speaker of the Senate.

Hon. John J. Connolly: Honourable senators, I move that the Senate do now adjourn during pleasure, to reassemble at the call of the bell at about 5.35 p.m.

The Senate adjourned during pleasure.

At 5.45 p.m. the sitting was resumed.

The Senate adjourned during pleasure.

ROYAL ASSENT

The Honourable Roland A. Ritchie, Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned, and being come with their Speaker, the Honourable the Deputy of the Governor General was pleased to give the royal assent to the following bills:

An Act respecting the Territorial Sea and Fishing Zones of Canada.

An Act to amend the National Defence Act.

An Act to provide for the payment of Youth Allowances.

The Honourable Alan A. Macnaughton, Speaker of the House of Commons, then addressed the Honourable the Deputy of His Excellency the Governor General as follows:

May it please Your Honour:

The Commons of Canada have voted certain supplies required to enable the Government to defray the expenses of the public service.

In the name of the Commons, I present to Your Honour the following bill:

An Act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1965.

To which bill I humbly request Your Honour's assent.

The Honourable the Deputy of His Excellency the Governor General was pleased to give the royal assent to the said bill.

The House of Commons withdrew.

The Honourable the Deputy of His Excellency the Governor General was pleased to retire.

The sitting of the Senate was resumed.

The Senate adjourned until Monday, July 20, at 8 p.m.

THE SENATE

Monday, July 20, 1964

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

Prayers.

PRIVATE BILL

THE QUEBEC BOARD OF TRADE—COMMONS AMENDMENTS CONCURRED IN

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons returning Bill S-28, an Act respecting The Quebec Board of Trade, and acquainting the Senate that they have passed this bill with the following three amendments, to which they desire the concurrence of the Senate:

1. Page 1, Lines 8-11. Substitute for subclause (1) of clause 1, the following: "The name of the Corporation, in English, is hereby changed to Board of Trade of the District of Quebec, and in French, to Chambre de Commerce du District de Quebec".

2. Page 2, Line 4. Delete the words "metropolitan area" and substitute therefor the word "district".

3. Page 2, Line 16. Delete the words "metropolitan area" and substitute therefor the word "district".

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

Hon. Paul H. Bouffard: I move, with leave, that the amendments be concurred in now.

Honourable senators will see that the first amendment proposed by the House of Commons makes a slight change in the name of the corporation.

There was some discussion in the Senate committee as to whether the words "metropolitan area" should be left in. The Commons agreed between the parties to substitute the word "district" for the words "metropolitan area". This is perfectly agreeable to the sponsors of the bill.

Amendments concurred in.

DOCUMENT TABLED

Hon. John J. Connolly tabled:

Copy of text of the Final Communiqué on the Meeting of the Commonwealth Prime Ministers, dated July 15, 1964.

COMMONWEALTH PRIME MINISTERS MEETING

FINAL COMMUNIQUÉ PRINTED AS APPENDIX

Hon. Mr. Connolly (Ottawa West): Honourable senators, I move, seconded by Senator Vaillancourt, that the final communiqué of the meeting of Commonwealth Prime Ministers, dated July 15, 1964, and tabled this day, be printed as an appendix to the *Debates of the Senate* of this day.

Motion agreed to.

For text of communiqué, see appendix page 862.

HARBOURS AND PILOTAGE ACTS

BILL TO REPEAL—SECOND READING

Hon. Eric Cook moved the second reading of Bill S-40, to repeal certain acts of the Province of Newfoundland respecting harbours and pilotage.

He said: Honourable senators, on that happy day in the year 1949 when Newfoundland became part of Canada, the two countries went together, as in the words of the popular song, "like love and marriage." However, there were numerous minor legal details which required to be tidied up, and that is the purpose of Bill S-40, intituled, "An Act to repeal certain acts of the Province of Newfoundland respecting harbours and pilotage."

The first question which will probably come to the minds of honourable senators is, why is the Parliament of Canada repealing an act of the Province of Newfoundland? The answer to this question will of course be found in the document entitled, "Terms of Union of Newfoundland and Canada," which forms a schedule to the British North America Act, 1949. Paragraph (1) of Term 18 under the heading of "Continuation of Laws" provides in part as follows:

> Subject to these Terms, all laws in force in Newfoundland at or immediately prior to the date of Union shall continue therein as if the Union had not been made, subject nevertheless to be repealed, abolished, or altered by the Parliament of Canada or by the Legislature of the Province of Newfoundland according to the authority of the Parliament or of the Legislature under the British North America Acts, 1867 to 1946—

As all honourable senators are aware, section 91 of the British North America Act specifies the classes of subjects to which the exclusive legislative authority of the Parliament of Canada extends. By clause 10 of section 91 "Navigation and Shipping" is

assigned to the exclusive legislative authority of the Parliament of Canada. Therefore, laws in force in Newfoundland at the date of Union relating to navigation and shipping continued in force after Union, subject nevertheless to be repealed, abolished or altered by the Parliament of Canada.

It remains only for me to add that acts relating to pilots and pilotage, and to ports and harbours, are acts within the class of subject referred to as "Navigation and Shipping."

These, therefore, are the reasons why the Parliament of Canada is empowered to repeal, if it deems wise so to do, acts of the Province of Newfoundland respecting harbours and pilotage.

The purpose of Bill S-40 is merely to perform a cleaning-up operation. I am informed that no municipal rights are encroached upon in any way, and no private interests are affected. The reason why Parliament is being asked to pass this bill now is that, as honourable senators recall, this house passed this session Bill S-10, an act to provide for the Establishment of Harbour Commissions, which bill is now before the other place. Should it become law, the Government is anxious that no legal obstacle should exist in Newfoundland to prevent the Government from setting up harbour commissions in Newfoundland when and where required.

Before explaining the sections of Bill S-40, I should mention there is one point common to the first four sections which may appear to honourable senators to be a little unusual. It will be noted that in each section each act that is repealed has two different citations and names. For example, section 1 of the bill provides for the repeal of An Act Respecting Outport Pilots and Pilotage, being chapter 179 of the Consolidated Statutes of Newfoundland, 1916, and also The Outport Pilots and Pilotage Act, chapter 215 of the Revised Statutes of Newfoundland, 1952.

By Term 18 of the Terms of Union, as already mentioned, these Newfoundland acts continued in force after Union as if Union had not been made, subject only to being repealed, abolished or altered by the Parliament of Canada. However, shortly after Union, the Province of Newfoundland undertook the revision and consolidation of the acts of the province. This consolidation and revision was long overdue, because the previous one had taken place in 1916. As the provincial acts to be repealed by Bill S-40 are provincial statutes, they were revised and re-enacted as chapters of the Revised Statutes of Newfoundland, 1952. In view of the fact that by the Terms of Union these particular acts continued in force subject to being repealed, abolished or altered by the Parliament of Canada, it would appear that the Legislature of Newfoundland should not have revised and re-enacted them.

If the inclusion of these acts in the 1952 revision was beyond the powers of the Legislature of Newfoundland, then it naturally follows that the acts as in force prior to 1952 are still in full force and effect. In order, therefore, to remove any possible doubts, the acts as in force as at the date of Union, and the acts as re-enacted by the Legislature of Newfoundland in 1952, are both being repealed by Bill S-40.

I think that is all that is required to be said generally about the bill, and I will now, therefore, devote a very few minutes to looking at each of the sections in turn.

Section 1 repeals An Act respecting Outport Pilots and Pilotage, a provincial statute of general application. I trust that honourable senators will not be confused by the use of the term "outport." In Newfoundland we refer to most of our villages and settlements on the coast as "outports." This is a very old English term, and is used in Newfoundland merely to distinguish between a few principal towns on the Avalon Peninsula and in the interior, on the one hand, and all other towns and villages situated on the Newfoundland coast, on the other.

In 1949 the Canada Shipping Act was proclaimed in force in Newfoundland, except Part VI which deals with pilotage. In 1953 that act was amended, and one of the amendments authorizes the application of Part VI to Newfoundland, if and when the Governor in Council decides to proclaim Part VI in effect in Newfoundland.

It has been decided to bring Newfoundland into conformity with the rest of Canada, and as a first step the old Newfoundland statute respecting outport pilots must now be repealed.

Section 2 refers to An Act respecting the Management and Control of Harbours, another Newfoundland statute of general application. A number of ports and harbours operated under the Management and Control of Harbours Act, No. 34 of 1934. Two of these ports, namely, Botwood and Grand Bank, were formally disbanded and, by order in council, were constituted regular public harbours under the Canada Shipping Act. In the cases of the remaining four ports which operated under the Management and Control of Harbours Act, namely, Bonavista, Corner Brook, Fortune and Harbour Grace, the boards of harbour commissioners appointed under the act have in all these cases become inactive. It has now been decided that the time has come to regularize the position of these ports by abolishing whatever remains of the original boards of harbours commissioners and by repealing the act itself.

In due course, if traffic warrants it, all or any of these harbours will, by order in council, be created public harbours under Part X of the Canada Shipping Act.

Section 3 repeals The Port and Harbour of St. John's Act. St. John's is one of the oldest ports in North America, and during the course of its long history has gone through many changes and developments. Just completed and soon to be opened is the greatest development of all, the rebuilding at a cost of some $20 million of the greater part of the old wharves, and equipping the port with the most up-to-date warehouses and loading and unloading facilities it is possible to obtain. As a result, the Port of St. John's, we all hope, will take on a new lease of life.

As a consequence of these new developments, the existing Port and Harbour of St. John's Act is no longer adequate for the operation of the new St. John's harbour and the control and management of these new works and facilities, and it has been decided therefore to repeal the old act. This will make it possible, first, to bring into force Part X of the Canada Shipping Act which, as you will remember, governs pilotage and, secondly, will make way for the operation of the port by a harbour commission appointed under the provisions of Bill S-10 which provides for the establishment of harbour commissions, if and when it becomes law.

Section 4 repeals the Port and Harbour of Port aux Basques Act. All that needs to be said here is that since 1957, Port aux Basques has been proclaimed a public harbour under the Canada Shipping Act. So, as often happens in Newfoundland, the *de facto* situation has once again outstripped the *de jure* position.

Finally, section 5 provides that this act or any of its provisions shall come into force on a day or days to be fixed by proclamation of the Governor in Council.

Honourable senators will recall that different sections of this bill will become operative only upon the happening of other events. Therefore, the present situation will continue until other events take place, as for example the coming into law of the Harbour Commissions Act. When that happens, a proclamation may issue bringing into force the appropriate provisions of this Bill S-40.

I would like to add a short general observation which may not perhaps bear directly on the bill before us but, because it does relate to the Province of Newfoundland, honourable senators will forgive me for mentioning it now.

In the reference to the harbour developments at St. John's, which will cost probably $20 million, I may not have made it clear that the entire amount will be paid by the Government of Canada. This is but one of the major public works financed directly or indirectly by Canada for Newfoundland.

To find another example, and indeed an example which involves an amount of similar magnitude, I would refer honourable senators to the Annual Report of the Atlantic Development Board for 1963-64. The Atlantic Development Board is charged with the responsibility of fostering the economic growth of the Atlantic region of Canada, and the Parliament of Canada has authorized the creation of a fund of $100 million to that end.

Out of the fund, $20 million has been granted to Newfoundland to assist the hydro-electric power project at Bay D'Espoir on the south coast of Newfoundland. I am informed that the present name, which means Bay of Hope, is only something over 100 years old. The old name which appears on the old British Admiralty charts, and which was the name given by Captain James Cook, R.N., when he surveyed the Newfoundland coast 200 years ago, in 1763 and 1767, was Bay Despair. The contrast between the future of the province before Union and after Union may perhaps be aptly illustrated by reference to this very place. Because of the actions of Canada, this will now indeed be a Bay of Hope to Newfoundlanders instead of a Bay of Despair.

In addition to this further grant of $20 million, only last week came the announcement of a further $10 million, of which Newfoundland will receive $3 million for the purpose of assisting in the construction or rehabilitation of trunk highways in the Atlantic provinces.

I can assure honourable senators that these very practical expressions of interest and help on the part of Canada to the province and people of Newfoundland are greatly appreciated, and I take this opportunity of gladly paying tribute to our spokesman in the cabinet here in Ottawa, the Honourable J. W. Pickersgill, who has done so much to promote and encourage these projects, and whose untiring efforts on behalf of his adopted province will be gratefully remembered by all Newfoundlanders.

Honourable senators, if Bill S-40 should receive second reading, and if the house should desire the bill to go to committee, I will, in that event, move that it be referred to the Standing Committee on Transport and Communications.

Hon. A. J. Brooks: Honourable senators, it is not necessary for me to make any extensive remarks on this bill after the explanation we have heard from its sponsor, Senator Cook.

The honourable senator opened his remarks by recalling the happy day when Newfoundland became one of the provinces of Canada. I was in the House of Commons at that time, and I remember it as a happy day for Canada

and, I am sure, for the Province of Newfoundland.

Newfoundland's prosperity has been pretty well assured. I look forward to the day when it will become one of the most prosperous provinces of Canada. I do not think any province has better prospects than has Newfoundland, with all her great natural resources.

Hon. Mr. Connolly (Ottawa West): And bigger fish.

Hon. Mr. Brooks: Of course Saskatchewan questions that.

Honourable senators, the explanation given by Senator Cook has been complete. As he told us, this is a short, simple bill, and is designed to tie up some of the loose ends that have been left over from the Union of Newfoundland with Canada.

Senator Cook referred particularly to the Port of St. John's and Port aux Basques, and also the prodigious work that had been done in St. John's harbour. I recall this vividly because I had the honour to be a member of the government that was responsible for the expenditure of $20 million on the harbour at St. John's, and we were proud indeed of having the opportunity to do so.

The honourable sponsor mentioned Port aux Basques. We know that extensive work was done on that harbour before the Diefenbaker government held office. Both harbours have benefited materially, and would have benefited without the necessity of this act.

However, we are glad that this situation is being attended to. Perhaps the honourable senator could tell us whether there are more of these matters in connection with the federation of Newfoundland with Canada which require attention.

I believe Senator Cook mentioned that it was term three of the Terms of Union which provided for the tying up of any loose ends which had been left unfinished in the Act of Union. Before I came here this evening I looked up term three of the Terms of Union in the Revised Statutes of Canada. It reads as follows:

> 3. The British North America Acts, 1867 to 1946, shall apply to the Province of Newfoundland in the same way, and to the like extent as they apply to the provinces heretofore comprised in Canada, as if the Province of Newfoundland had been one of the provinces originally united, except in so far as varied by these Terms and except such provisions as are in terms made or by reasonable intendment may be held to be specially applicable to or only to affect one or more and not all of the provinces originally united.

In other words, that term provided that anything which might have been left out of the Act of Confederation would apply to Newfoundland just the same as it applied to all the other provinces of Canada.

Honourable senators, I have nothing further to say. We are all very pleased indeed that Confederation has been of benefit to Newfoundland, and I am sure we all wish her continued success.

Hon. Mr. Méthot: May I ask the sponsor of the bill (Hon. Mr. Cook) a question? Does the repeal of the rules, orders and regulations affect any contract, lease or agreement made by navigation companies or other industries using the harbour?

Hon. Mr. Cook: I assume, honourable senators, that repeal would not affect any existing contract.

Hon. Mr. Méthot: Or a contract in the future?

Hon. Arthur W. Roebuck: Honourable senators, may I join in the compliments that have been paid to the sponsor of the bill (Hon. Mr. Cook), and also ask that he elaborate somewhat on his statement arising out of section 1 of the bill.

Senator Cook has told us that the Outport Pilots and Pilotage Act of the Revised Statutes of Newfoundland, 1952, was beyond the competence of the Legislature of Newfoundland. Is the honourable gentleman asking us to repeal an act which does not exist? Are we setting a precedent by recognizing an act that was beyond the competence of the authority that brought it into being? We should think about that as we proceed with this bill.

What has the honourable gentleman to say with regard to whether we are recognizing the act by repealing it? Are we to repeal something that does not exist? Are we to give authority to an act of the legislature which was beyond the competence of that legislature?

Hon. Mr. Cook: Honourable senators, I cannot answer that question. All I can do is give the facts, and say that there was such an act on the statute books of Newfoundland before it became a province; and then, by the Terms of Union, by section 18 which I have quoted, this act fell within the competence of the Parliament of Canada.

When the acts of the Province of Newfoundland were revised and consolidated in 1952 they purported to consolidate this act, and we find it once again in the Revised Statutes of Newfoundland, 1952, Chapter 215. So, the choice facing us is that of ignoring the statute and letting it remain on the statute books of Newfoundland, or of repealing it, which undoubtedly we appear to have the power to do under term 18 of the Terms of Union.

Hon. John J. Connolly: Honourable senators, as the honourable Senator Roebuck has said, all of us are deeply indebted to Senator Cook for the explanation he has given of this bill; he has put flesh and blood into a bill that is very much like a collection of bones on a dried skeleton.

In view of the point that has been raised by Senator Roebuck it might be appropriate that this bill be referred to the Standing Committee on Transport and Communications, if honourable senators so desire. Fortunately, that committee will be sitting tomorrow morning, and that and any other questions of this character which might arise could certainly be dealt with then.

I would have thought that originally the dominion of Newfoundland had authority to legislate in respect of navigation and shipping before Newfoundland became a province of Canada. Of course, when it became a province it then became subject to the provisions of the British North America Act in respect of the legislative competence of its legislature.

Whether or not this act should have been included in the 1952 consolidation of the Newfoundland statutes is another question. There might have been some question about it, but I am sure the authorities dealing with it at that time might very well have come to the conclusion, for good and sufficient reasons, that the act in fact belonged in the consolidation. I think the law officers of the Crown should be asked to appear before the committee tomorrow to deal with this matter.

Honourable senators, while I am on my feet I should like to say something else which does not arise particularly out of the consideration of this bill but out of something Senator Cook said at the end of his remarks. There is a great deal of talk about the advantages which have accrued to Newfoundland as a result of its becoming a province of Canada. I have no doubt all those claims are true. But I would like to say this, that while Canada will continue to be indebted to Newfoundland, just as Canada as a whole is indebted to the part played by all provinces and the people of all provinces, Canada became Newfoundland's debtor in a very real way during the late war.

I would particularly like to refer to the facilities, the accommodation and the help given to the Canadian naval service by the people of Newfoundland, especially the magnificent harbour facilities they made available in many parts of their province. I am thinking particularly of the Port of St. John's. In the very serious days of the battle of the North Atlantic, when submarines were becoming more and more effective against the convoy system, that port, and Londonderry on the other side of the North Atlantic, were the two ends of the lifeline. The Canadian corvettes, the British, American and other allied vessels that came into St. John's not only had available to them wonderful harbour facilities, supply depots and everything else that goes with the establishment of a great naval shipyard and port, but they also had one of the most magnificent natural harbours in the world.

Honourable senators who have visited St. John's will appreciate that, above all, it is an ideal location for a naval force to be established. The entrance to the harbour is so narrow that it could be closed to submarines by the use of nets. The rocks on either side of the gate are as high and as rugged as Cape Diamond in Quebec. It is a magnificent little harbour, and you can see it all from Signal Hill, I think it is, or, in any event, from where the naval establishment is situated. Running along the south shore there is a tremendous wall of rock which acts as a shield against the enemy lurking in the waters outside—and, believe me, there were many such enemies lurking there.

Halifax is a magnificent harbour, but it was a little more remote from the direct convoy lanes in those days. Considering the short range of the small short fo'c's'led corvettes, it was much more feasible for them to go to the other side from St. John's without refuelling, and it was essential that that point be established as the anchor on the North American side.

I know that the naval authorities and other authorities connected with the national war effort at that time will always have a very warm spot in their hearts for what was done for the navy in Newfoundland. I think, too, that no group carried away from the war warmer memories of the people of that island province than did the men who sailed in Canadian naval ships.

Hon. Senators: Hear, hear.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Cook, bill referred to the Standing Committee on Transport and Communications.

DIVORCE

RESOLUTIONS ADOPTED

The Senate proceeded to consideration of Resolutions, numbered 391 to 422 inclusive, which were presented on Thursday, July 16.

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved the adoption of the following resolutions:

Resolution 391, for the relief of Nessie Brown Keller.

Resolution 392, for the relief of Anne Catherine Johnstone Faithful.

Resolution 393, for the relief of Doreen Elizabeth Greene Favreau.

Resolution 394, for the relief of Antoinette Fortier Douglas.

Resolution 395, for the relief of Jocelyn Penfold Tetley Davoud.

Resolution 396, for the relief of Eleanor Saller Gottlieb.

Resolution 397, for the relief of Jacqueline Valois Simard.

Resolution 398, for the relief of Laura Berbier Barmash.

Resolution 399, for the relief of Marie Ghislaine Helen Lecouve Weir-Cowan.

Resolution 400, for the relief of Thérèse Cossette Blanchard.

Resolution 401, for the relief of Rosyln Doris Greenbaum Amar, otherwise known as Lynne Doris Green Amar.

Resolution 402, for the relief of Bela Torma.

Resolution 403, for the relief of John William Simon.

Resolution 404, for the relief of Mary Noreen Smith Griffith.

Resolution 405, for the relief of George Alfred Cote.

Resolution 406, for the relief of Leah (Laura) Goldstein Singer.

Resolution 407, for the relief of Alice Marie Fernande Demblon Xanthos, otherwise known as Alice Marie Fernande Demblon Xanthospolides.

Resolution 408, for the relief of Elise Desaulniers Laliberte.

Resolution 409, for the relief of Shirley May Anderson Bartos.

Resolution 410, for the relief of Arthur Stoltze.

Resolution 411, for the relief of Aviam Barbara Judith Resin Capelovitch.

Resolution 412, for the relief of John Bligouras.

Resolution 413, for the relief of Dina Canzer Soiffer.

Resolution 414, for the relief of Freda Linden Greenblatt.

Resolution 415, for the relief of Helen (Helene) Kupay Galaska.

Resolution 416, for the relief of Joan Eileen McEvoy Collard.

Resolution 417, for the relief of Marcel Renaut.

Resolution 418, for the relief of Mary Dombrosky Aspinall.

Resolution 419, for the relief of Raymond St-Jacques.

Resolution 420, for the relief of Lillian Dauber Haller.

Resolution 421, for the relief of Jean Paul Plante.

Resolution 422, for the relief of Marie Celine Sabine Ranger Albulet.

Resolutions adopted, on division.

CRIMINAL CODE (HABEAS CORPUS)

BILL TO AMEND—SECOND READING

The Senate resumed from Thursday, July 16, the adjourned debate on the motion of Hon. Mr. Lang for the second reading of Bill C-35, to amend the Criminal Code (*Habeas Corpus*).

Hon. Gunnar S. Thorvaldson: Honourable senators, this bill came to this chamber for consideration as an apparently innocent and useful amendment to the Criminal Code. That is, it was intended that the amendment be remedial: namely, its purpose was to grant a right of appeal from a decision of a judge in *habeas corpus* proceedings in cases where a right of appeal does not now apparently exist. However, the subsequent debate on the bill has disclosed that its subject matter is by no means simple, but, on the contrary, that great care should be exercised in the manner in which the bill is dealt with by this house and by Parliament. In any event, this has become a most intriguing subject, and that fact has prompted my desire to have a look at the problem before the debate on second reading of the bill is concluded.

I am sure the Senate is greatly indebted, first, to the honourable senator from Cape Breton (Hon. Mr. Macdonald) for having first posed the issue, that although a general right of appeal would be beneficial to the subject—that is, the person in custody—nevertheless the same right of appeal would be granted to the Crown, with the possible result that the basic element in the writ of *habeas corpus*—namely, speedy justice—could thereby be frustrated. If this view is well founded, the amending bill conceivably could cause grievous damage to the historical purposes of this famous writ.

As the case for a closer study of this subject was made so lucidly and fully by the honourable senator from Toronto-Trinity, Senator Roebuck, my remarks will be very brief, and are merely intended to supplement one or two of the points that have been dealt with.

Historically, it is, I believe, a fact that in all countries that follow the common law of England, the legal procedures in respect of the writ of *habeas corpus* have been carefully guarded with a view to making sure that nothing should be done that might cut down or whittle away the right of the individual conveniently to invoke this ancient

remedy. Hence, we in this house must now exercise great care, to the end that this Parliament should take no action which might in the slightest reduce the effectiveness of the writ by creating undue delay, frustration and harassment of the subject.

As previous speakers have indicated, the origin of the writ of *habeas corpus ad subjiciendum* goes back as far as the reign of Edward I, more commonly known as Edward the Confessor. At least that seems to be the first time it is recorded in history. Many writers on the subject have merely said that the origin of the writ is "buried in antiquity," and no doubt it must have been.

Later the doctrine was inscribed in Article 36 of the Magna Carta in these words:

> Nothing from henceforth shall be given or taken for a writ of inquisition of life or limb, but it shall be granted freely and not denied.

This article was in good company, for there followed Article 39 which granted the right of trial by one's peers, and Article 40, which was the injunction not to sell, delay or deny either right or justice to any man. These three articles have throughout history been referred to as the "crowning glories of the Great Charter."

Is it any wonder then that legislation in regard to any of these three subject matters must be handled with delicate care? For reasons that are clear to students of history, the remedy of *habeas corpus* was not very effective for the protection of the subject for the next few centuries after Magna Carta. But in 1679 the writ acquired the sanction of a statute by the enactment in that year of the *Habeas Corpus* Act.

When we think of the speed with which we try to make this remedy effective today, it may surprise us to read section 3 of the act, which says:

> That the writ shall be returned and the prisoner brought up within a limited time according to the distance, not exceeding in any case twenty days.

Then the act prescribes various penalties against officers and keepers for failure or neglect to make due returns of the writ. That is merely an indication that things did not move quite as quickly in those years, namely, at the time of the passage of that act in 1679, as they do today.

In any event the *Habeas Corpus* Act of 1679 has been referred to as and certainly is one of the great charters of liberty like the Magna Carta and the Bill of Rights. And the writ itself is, of course, the most celebrated writ in English law.

So much for this early background. There is, however, one quotation that I should like to give from the writings of the great English legal author, Holdsworth, who wrote the History of English Law, and which is of the essence in regard to this subject. Referring to the *Habeas Corpus* Act of 1679, he said:

> This act made the writ of *habeas corpus ad subjiciendum* the most effective weapon yet devised for the protection of the liberty of the subject, by providing both for a speedy judicial inquiry into the justice of any imprisonment on a criminal charge, and for a speedy trial of prisoners remanded to await trial.

I refer especially to the word "speedy," which is used twice in this one sentence. In that regard all lawyers are conversant with the phrase, "Justice delayed is justice denied."

It is this element of speedy justice, of justice without undue delay, frustration and harassment that has prompted the common law countries to guard carefully the procedures involved in the use of this most important writ. Consequently, I merely wish to emphasize that Bill C-35 is one example where the sober second thought of the Senate may be found to have prevented hasty legislation which might, without amendment, seriously curtail the usefulness in Canada of the famous writ of *habeas corpus*.

Furthermore, I wish to pay tribute particularly to Senator Macdonald (Cape Breton) for first pointing out this problem, and to Senator Roebuck for the extended research that he entered upon in regard to this subject.

I fully agree with Senator Roebuck when he suggests that an appeal on the part of the applicant only should lie from the refusal of a judge to compel a prisoner to be produced. Otherwise, if such an appeal should also be available to the Crown there would then be grave danger of an applicant for *habeas corpus* becoming subject to the delays, frustrations and harassment of the law to which I have just referred, and which it has been the objective of guardians of freedom to avoid.

On the other hand, after judgment upon the return of the writ, it might be a reasonable procedure to allow an appeal to the Crown as well as to the applicant. In any event, we shall no doubt have a most interesting discussion of this bill in committee.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Leonard, bill referred to Standing Committee on Banking and Commerce.

PRIVATE BILL

ASSOCIATION OF UNIVERSITIES AND COLLEGES OF CANADA—SECOND READING

Hon. Donald Cameron moved the second reading of Bill S-36, to incorporate the Association of Universities and Colleges of Canada.

He said: Honourable senators, I am sure that you are aware, as I have been, that the subject of education has been appearing on the Orders of the Day in this chamber with increasing frequency. I think this is as it should be, and I expect and hope that in days to come we will be dealing with it more extensively than has been the case up to the present time.

We are living in a time when education is vital to the survival of the nation; it is also vital and essential to the unity of the nation. For that reason I welcome the opportunity of supporting a bill which has as one of its purposes the strengthening of the forces of higher education in this country.

By way of preamble I should like to quote from the very erudite journalist J. Bascom St. John, who is probably one of the ablest writers on the subject of education in Canada. He writes regularly for the Toronto *Globe and Mail*, and in the issue of July 2, he wrote as follows:

> To make an awkward paraphrase of a famous quotation, the future of higher education in Canada is a race between enough dollars and catastrophe.
>
> It is a little difficult to tell on this July Second which is winning. As a matter of fact, the race is just beginning, but by 1970 it should be very clear whether or not the crisis was met with realism.

That is why I suggested a moment ago that it is encouraging that the Parliament of Canada is giving increasing attention to problems of education in spite of the fact that education is primarily a provincial responsibility. However, I think it cannot be denied that first and foremost the welfare of the nation is vitally concerned with the question of education throughout the country.

Bascom St. John continued as follows:

> The Canadian university structure has from the beginning been a mixture of public and private institutions, with the balance much more heavily on the public side in the Western Provinces, and some of both in the Central and Eastern Provinces. For this reason, the idea of public support for university education has not been unfamiliar to Canadians from the earliest days of their history. We have had virtually none of the evident fear of public support for university education that is expressed quite often in the United States.
>
> It is true that our universities have had less interference, at least in recent decades, from the grant-giving body, than many universities and colleges across the border. We have had a history of unconditional grants, usually based on some formula, or on an approved budget request.

Then he goes on to deal with a very interesting report which, I am happy to say, was prepared by an employee of the Senate as part of his graduate studies. I refer to the publication that I am sure all honourable senators have on their desks entitled, "Government Support of Universities and Colleges," by Mr. T. J. Wylie, the executive assistant to the Leader of the Government. It is a very interesting report, and is one of the activities made possible by the organizations applying for the passage of Bill S-36 at this time. I would like to quote a few summaries from that report because they are very important. Mr. J. Bascom St. John says:

> It is in some respects much more creditable than most people have believed.

That is, the Government record of support for higher education.

> In other ways, it makes apparent that new ways of helping the university function in some, if not all, of the provinces must be found.
>
> In the five years from 1958-59 to 1962-63, the federal, provincial and municipal governments of Canada contributed $820 million to universities and colleges. Of this, 59 per cent was applied to operating expenditures, 8 per cent in aid of research and 33 per cent went to capital expenditures for buildings and equipment.
>
> Of the whole amount, above, the provincial governments contributed the lion's share of $571 million in the same five years. Of this, 58 per cent was for current expenditures, 41 per cent for capital costs, and only 1 per cent for research. By contrast, of the national government's share 25 per cent went for research.

May I just interject here to say that we in Canada are lagging behind in the amount of money we are spending on research. The provincial governments, I think, will have to increase their contributions for research as time goes on. A good deal of credit goes to the federal Government for the amount it has contributed to research, particularly through the National Research Council and some 20 Government departments. This should be encouraged because research is basic to progress in the kind of world in which we are living.

Mr. St. John goes on to say:

> The report shows that there has been a very rapid rise in the rate of provincial support for universities. In 1958-59, the total for operating expenditures from all the provinces was only $40 million. In 1962-63, the last year for which there were complete statistics, the total was $94 million.

> Ontario's share of that amount in the same year was only $23 million. This year, 1964-65, it was $47,696,000.

And here I cannot resist quoting the fact that he gives my own province of Alberta a plug.

> Of all the provinces, Alberta was found to have given the most per student to university education, and also the most per capita of the university age population. The amount per student in 1962-63 from Alberta was about $1,200. Ontario was next, with about $775. Nova Scotia was least, with less than $200.
>
> In the last two years, however, information not in this report shows that Ontario has made immense strides. In the fiscal year, 1963-64, the per student operating grant amounted to about $946, and this year, the grant is approximately $1,600 per student.

This gives some idea of the rate at which the costs of education are growing.

> If the $53 million for capital expenditure is added in, the per student grant in Ontario rises to nearly $3,400.

I could go on at some length to indicate the cost of various faculties. I would not embarrass some of my medical colleagues by pointing out the very high subsidy that the people of Canada make to those who go into the medical profession. It is something far higher than that made to any other profession, and I think our medical friends should keep this in mind. However, it is not my purpose to deal with that tonight.

The purpose of this bill is to incorporate an association to be known as the Association of Universities and Colleges of Canada, and, in French, Association des Universités et des Collèges du Canada, for the purpose of fostering and promoting higher education in Canada. The association will replace two existing organizations, namely, the National Conference of Canadian Universities and Colleges, the N.C.C.U.C., and its executive agency the Canadian Universities Foundation, the C.U.F.

I might give just a brief history of these organizations. In 1911 a number of universities associated under the name of the National Conference of Canadian Universities, the N.C.C.U., for the purpose of establishing a forum for the discussion of broad academic and administrative problems in Canadian universities. The National Conference of Canadian Universities remained an unincorporated body until 1956, at which time it was incorporated for the purpose of handling an increased load of information and business functions which were found to be unwieldy for an unincorporated association. It soon became clear, however, that its incorporated form did not easily accommodate the exercise of this variety of functions as an academic forum and administrative agency, and accordingly, it was decided to incorporate a company under the name of Canadian Universities Foundation. This was accomplished in 1959. Shortly thereafter the business functions, property rights and obligations of the National Conference of Canadian Universities were transferred to the Canadian Universities Foundation.

In 1960 the conference was re-established as an unincorporated association of universities and colleges under the name National Conference of Canadian Universities and Colleges, and the former corporate organization, National Conference of Canadian Universities, surrendered its charter. The National Conference of Canadian Universities and Colleges and the Canadian Universities Foundation have continued in existence to the present day.

The National Conference of Canadian Universities and Colleges is an association of 46 institutions of higher education, having an aggregate enrolment of 130,000 students.

The main functions of the National Conference of Canadian Universities and Colleges and the Canadian Universities Foundation are to study national problems in the field of higher education, to clarify the problems of individual universities and to identify the national interests in higher education.

The Canadian Universities Foundation is a corporation, the 22 directing members of which are elected from and by the executive heads of those institutions belonging to the National Conference of Canadian Universities and Colleges. The Canadian Universities Foundations acts as the executive agency of the Conference, providing a secretariat for both Conference and Foundation affairs, with facilities for a wide range of services for member universities and colleges.

The purpose of the present application to Parliament is to incorporate a new national bilingual body to be known as the Association of Universities and Colleges of Canada, and, in French, Association des Universités et des Collèges du Canada, to undertake both the management of business functions of the Canadian Universities Foundation and the academic functions of the National Conference of Canadian Universities and Colleges. The members of the proposed association will be the universities and colleges of Canada which are presently members of the National Conference, and such others as may become members in the future.

In addition, provision will be made for associate members elected from among national organizations of university and college

personnel, such as the Association of Canadian Medical Colleges, the Canadian Association of Graduate Schools, and the Canadian Association of College and University Libraries.

The administration of the proposed association will be vested in a board of directors to be elected by the member universities and colleges. Upon the incorporation of the proposed association the assets and liabilities of the Canadian Universities Foundation will be transferred to the new association.

The secretariat of the Canadian Universities Foundation and the National Conference of Canadian Universities and Colleges, consists of an executive director, an associate director, and a research and information service.

I might elaborate a little bit here and say that this research and information service was first established in 1959 with the help of a three-year grant from the Carnegie Corporation of New York, and it undertakes, sponsors and stimulates studies of the major problems of Canadian higher education. I might say these problems are becoming more numerous and frequent as time goes on. To this end it has developed a library of Canadian and comparative higher education.

In addition to providing a general reference service, the Research and Information Service publish "University Affairs," a quarterly bulletin summarizing developments across Canada, which have a bearing on the wellbeing of universities and colleges; "Canadian Universities and Colleges," a biennial handbook describing and outlining the facilities of Canadian institutions of higher learning, and a series of special studies and compilations relating to the financing of higher education. It also prepares projections of future student enrolment, reports on admission requirements, listing of awards available for graduate study, etc. and a list of academic vacancies.

Here I would like to pay tribute to Dr. E. F. Sheffield, Research Director of this foundation. Canadians owe a tremendous debt of gratitude to him for the very fine task of research he has performed, first, as the head of the Educational Statistics Branch of the Dominion Bureau of Statistics and more recently as Director of Research for the Canadian Universities Foundation. In fact, it is on the basis of the research which Dr. Sheffield has done that we have gained a new appreciation of the monumental task ahead of us today.

As I have said, this information service reports on admission requirements, listing of awards available for graduate study and the list of academic vacancies. We will hear much more of that in the next few years.

At the present time we have 9,700 members of teaching faculties in Canadian universities, and by 1970 we will require 23,000.

The fourth arm of this organization is the International Programs Division, which provides the administrative services for a variety of services having to do with student and faculty exchanges, and liaison with government and academic bodies, particularly with respect to higher education in developing countries.

The fifth division is the Awards Division, which is responsible for advising government, business and industry with regard to academic award programs and for administering specific awards programs as requested.

It may be of interest to note how this organization is financed. The National Conference of Canadian Universities and Colleges and the Canadian Universities Foundation are supported by fees paid by member institutions of the National Conference of Canadian Universities and Colleges. The membership fee has been calculated as a percentage of the federal grant payments made to member institutions, and last year amounted to $393,000. In the case of the Province of Quebec, where in 1960-61 the federal grants ceased to be paid to the universities, the membership fee has been calculated on the basis of what the federal grant payments would have been.

On behalf of the universities and colleges, the foundation makes representations to the Government of Canada with respect to those services performed by institutions of higher education in the national interest. In addition, it distributes the annual grants made available by the Government to universities and colleges in those provinces which have no special alternative agreement with the federal Government.

The International Programs Division is responsible, on behalf of the Government of Canada, for administration of the academic aspects of the Commonwealth Scholarships Program. It also provides the administrative services for Canadian University Service Overseas, and a variety of other services having to do with student and faculty exchanges, scholarships and fellowships for study abroad, and liaison with governmental and academic bodies, particularly with respect to higher education in newly developing countries.

In connection with the Awards Division, I would like to emphasize that the question of awards, scholarships and fellowships is becoming of increasing importance as time goes on. An increasing number of private agencies, individuals, business firms and others are making donations of scholarships and fellowships, and this machinery provides an objective and competent authority through which the recommendations with respect to the awards can be made.

I should like to deal now with the bill itself, rather briefly, as there is nothing complicated about it. Clauses 1 and 2 read:

> 1. The members of the Conference named in the Schedule to this Act, together with such other corporations, organizations or bodies as may become members of the corporation as hereinafter provided, are incorporated under the name of Association of Universities and Colleges of Canada, and, in French, Association des Universités et des Collèges du Canada, hereinafter called "the Association".
>
> 2. The objects of the Association shall be to foster and promote the interests of higher education in Canada.

Clause 3 provides:

> 3. (1) Subject to the by-laws which may be enacted from time to time pursuant to section 7, the membership of the Association shall be composed of the universities and colleges named in the Schedule to this Act, and such other corporations, organizations or bodies as are from time to time admitted to membership pursuant to this Act.

Hon. Mr. Roebuck: Has consent in writing been given by the people named in the schedule, to becoming incorporated under this bill? Have the universities named in the schedule given authority or consent to be incorporated in accordance with this bill?

Hon. Mr. Cameron: I understand that has been done. Clause 3, subclause (2) says:

> Any member of the Association may withdraw therefrom and relinquish its rights therein: Provided that no member may withdraw therefrom unless the member has given notice in writing to the Association of its intention to do so at least six months prior to the end of a fiscal year of the Association, in which event the withdrawal shall take effect at the end of such fiscal year.

Clause 4 deals with the management by the board of directors elected or appointed in accordance with the by-laws of the association and the setting up of the executive.

Clause 5 deals with interim management. It says:

> Until by-laws have been enacted for the management of the affairs of the Association pursuant to this Act, the affairs of the Association shall be managed in accordance with the articles of the constitution of the Conference in effect on the day on which this Act comes into force, in so far as the articles are not contrary to law or to the provisions of this Act.

Clause 6 deals with the first general meeting. Clause 7 deals with the by-laws. Clause 8 is the usual one with respect to corporate powers, regarding purchase, rent, lease, and so on. Clause 9 deals with the authority to make investments, and is in the usual prescribed form. Clause 10 prescribes that the official languages of the association shall be English and French.

Hon. Mr. Roebuck: May I ask if it is the intention to exclude all other languages but English and French? What about Ukrainian, Polish, Italian and the many other languages in Canada? Is it to be understood that any university which uses a language other than English or French shall not be allowed to join this organization? Why slap them in the face?

Hon. Mr. Cameron: I would not think so. I would not take that interpretation from this bill. My interpretation—and this can be clarified when it goes to committee—is that the clause simply recognizes that the two official languages in Canada, English and French, shall be the official languages as far as the proceedings of the new association are concerned. If there is any doubt about this, it can be clarified when the bill goes to committee.

Hon. Mr. Roebuck: It better be!

Hon. Mr. Cameron: Certainly a large number of universities today are giving lectures in Ukrainian, in Russian, in Italian, some in Greek, some in Latin. There is no intention of any kind to interfere in any way with that. I think this pertains simply to the fact that we have two official languages in Canada and these shall be the languages when the association discharges its business in its meetings.

Hon. Mr. Roebuck: May I ask, would that not be a decision for the organization for those who are members of the executive, for instance, or those who are members meeting in convocation? Would it not be more proper for them, at the time they do their business, to decide for themselves whether they use the French language, the English language, the Ukrainian language or some other language, than for us to dictate in advance how they shall address one another?

Hon. Mr. Cameron: I can only assume, Senator Roebuck, that this bill has been discussed and approved by the 46 universities and colleges listed in the schedule and that, had they desired to make provision in clause 10 for carrying on the business of the association in any languages other than the two mentioned, they would have done so. I also expect—and this can be clarified when the bill goes to committee—that under the by-laws which can be adapted from time to time, provision could be made for the use of other

languages if and when it becomes desirable to do so in the case of the proceedings of the association. This has nothing to do with the utilization of those languages in the universities concerned. However, the point is well taken, and certainly there should not be any ambiguity in the matter.

Clause 11 provides that the head office of the association shall be in the City of Ottawa, or such other place within Canada as may be decided upon from time to time by the association, and that there must be the usual notice in writing of any change in its location.

Clause 12 provides:

> The Association is vested with all the property, rights and interests, and assumes all the obligations of the Foundation and the Conference.

Clause 13 provides:

> In regard to any real property which, by reason of its situation or otherwise, is subject to the legislative authority of the Parliament of Canada, a licence in mortmain shall not be necessary for the exercise of powers granted by this Act, but otherwise the exercise of the said powers shall, in any province in Canada, be subject to the laws of such province.

Clause 14, dealing with territorial powers, provides?

> The Association may exercise throughout Canada the rights and powers conferred upon it by this Act.

Hon. Mr. Roebuck: Does the honourable gentleman mind my asking questions as we go along?

Hon. Mr. Cameron: No.

Hon. Mr. Roebuck: Is there a law of Canada with regard to the matter of mortmain as applied to real property, situated or otherwise, subject to the legislative authority of the Parliament of Canada? Perhaps I have phrased my question clumsily. Section 13 of the bill provides as follows:

> In regard to any real property which, by reason of its situation or otherwise, is subject to the legislative authority of the Parliament of Canada, a licence in mortmain shall not be necessary . . .

Is there a general law of Canada requiring a licence for mortmain in connection with the property so described, and, if so, why should we set it aside in the incorporation of a society such as this?

Hon. Mr. Cameron: Senator Roebuck, it is quite obvious that I am not a lawyer. However, the association has engaged eminent counsel. They have gone over this document, and I presume they are satisfied that it meets the legal requirements. This is a question you can put forward when the bill goes to committee, and I hope you will do so.

Hon. Mr. Roebuck: I certainly will.

Hon. Mr. Cameron: The final clause of the bill, clause 15, provides:

> This Act shall come into force on a day to be proclaimed by the Governor in Council.

Honourable senators, in the event that this bill meets your approval and receives second reading, I propose to refer it to the Standing Committee on Miscellaneous Private Bills.

Hon. Mr. Leonard: May I ask Senator Cameron a question in connection with this bill he has so well explained? I am concerned about the omissions in the schedule to the bill of names of certain universities. I am wondering why such universities in Ontario as York, Brock, Trent, in Peterborough, Laurentian, at Sudbury, or Lakehead, at Fort William, are not included in the schedule. Are these universities not members of the conference, have they not applied for membership, or are there some conditions of membership which do not apply to them?

Hon. Mr. Cameron: This list in the schedule which was submitted in writing by the officers of the respective universities and colleges, was approved in late 1963. At that time—and this is only my assumption—these new colleges had not completed the requirements to be listed in the schedule, and no doubt they will do so at a very early date. I too noticed that omission, and that was the only conclusion I could come to. That is also a question that can be answered when the officers and counsel appear before the committee.

Hon. Mr. Roebuck: May I make it clear that I am not in any way opposed to this act, and I trust that no one assumed I was because of the somewhat critical questions that I asked.

Hon. Mr. Cameron: Senator Roebuck, I appreciate the questions you have asked, because with your legal training and experience you might very well have spotted something which less experienced counsel might have overlooked.

Hon. T. A. Crerar: Honourable senators, my contribution to the debate will be brief.

On the general principle of Bill S-36, I think we can all be pretty well in general agreement that it is worthy of the closest consideration. Some aspects of the bill appear to me to require a little further elucidation. For instance, section 2 says:

> The objects of the Association shall be to foster and promote the interests of higher education in Canada.

That is a very general statement. Would it not be desirable, if possible, to define that a little more closely? The objects of the association might be to carry on pressure against the governments for more money to erect additional buildings, and that sort of thing; or, it might be that this association will concern itself largely with better academic standings, higher qualities of teaching staff, and so on. These are matters upon which I think we should obtain information when the bill goes to committee.

I am going to suggest that as this is a most important bill, it might be better to send it to the Banking and Commerce Committee. That is only a suggestion.

I am curious to know how the association is going to be financed. Is it to be financed by a levy on the constituent bodies, most of whom receive their support either by public assistance or from provincial governments? I think it is important to know how the association will be financed, because section 8 of the bill—corporate powers—rather suggests that in the minds of the promoters there are pretty high ambitions as to what this association may ultimately do. It is being given practically all the powers that an insurance company or an organization of a similar nature might have or might request.

I am not criticizing; I am only suggesting that when the bill goes before the committee there should be ample information given in respect of these matters.

I would hesitate to support the measure if its purpose is simply to bring together all these universities and colleges to exert pressure on public opinion and governments for more financial support. If the association is concerned with raising academic standards, that is a different matter altogether. I think we should have more complete information on these points than we have at the present time.

I can quite appreciate that an association of this kind, comprising as it will all the universities, colleges and other institutions of learning, could render valuable service in the matter of public and higher education in Canada.

The final point I shall mention is that I think the provision concerning which a corporation, organization or body shall cease to be a member is somewhat stringent. It requires the sanction of at least a two-thirds vote at a general meeting of the association. If a college finds its assessment too high, or for some other reason wishes to withdraw from the association, apparently it can get permission to do so only if two-thirds of its associates are in agreement. That is a matter also upon which we might usefully obtain some information in committee.

I express only my own view when I say that from the very nature of the bill I think it might be more appropriate to refer it to the Banking and Commerce Committee rather than the Miscellaneous Private Bills Committee.

Hon. Arthur W. Roebuck: Honourable senators, I have one further suggestion. My friend has said that when we come to committee those who sponsored the bill and eminent counsel will be present. May I suggest that counsel be prepared to discuss the grave question of our right to enter into the field of education at all? The very purpose of this measure is that of fostering and promoting the interests of higher education, and the British North America Act reserves the question of education to the provincial legislatures.

Before we pass this bill I should like a very full explanation given as to how it comes within our jurisdiction rather than within that of the provinces. If it is within our jurisdiction, it is probably a useful measure; if it is within provincial jurisdiction, we should not touch it with a 10-foot pole. If we accept it, we must be well prepared with the reasons why, because I can envisage some very strong objections coming from some of the provinces that are, perhaps, ultra sensitive to matters of this kind.

So I suggest to the sponsor of the bill, who has given us a fine explanation, that when we consider it in committee he and his associates should be prepared to deal fully with this question of constitutional rights.

Hon. Mr. Cameron: Honourable senators—

The Hon. the Speaker: I must inform honourable senators that if the honourable Senator Cameron speaks now it will have the effect of closing the debate.

Hon. Donald Cameron: Honourable senators, I think I can answer one or two of the questions raised by Senator Crerar and Senator Roebuck. I should have done this in my earlier remarks, but was negligent.

On the question of how the organization is financed, no part of the federal grant to the university constitutes the N.C.C.U. membership fee. The membership fee is calculated as a percentage of the federal grant paid to member institutions, and it is five-eighths of one per cent on the present fee basis. You are aware of the amount granted to universities by the federal Government each year, and the formula for arriving at the financial requirements of this association, the Association of Universities and Colleges, is five-eighths of one per cent.

There are other sources of funds. The association receives some revenue from charges for administering some of the scholarship programs; in other words, it is charging a fee for services rendered. It receives some revenue from the sale of publications. For in-

stance, this publication, Report No. 5, sells at $1.50 a copy. It receives grants from foundations. A grant of $100,000 has been made by the Carnegie Corporation. The Ford Foundation has just provided $100,000 for a study on the financing of higher education. It may make a charge for administering federal grants paid to nonmember institutes. It is a small charge, one-eighth of one per cent. These are the sources of funds at the present time.

Senator Crerar raised the question of what are its purposes. I suspect that the association may have been allowing itself a fair amount of latitude by not being too specific about its objects or purposes. I repeat them:

> The objects of the Association shall be to foster and promote the interests of higher education in Canada.

I suggest that if they were to spell out in detail at this time the things they would be doing they would be bound to overlook some that might arise later on. That may be one of the reasons for this rather general statement of the association's objects.

Hon. Mr. Hugessen: Might I ask the honourable senator a question on that? What are the objects of the Canadian Universities Foundation, the company incorporated by letters patent? Are they spelled out at length, or are they in the same general terms as those contained in this bill?

Hon. Mr. Cameron: My recollection is they are in rather general terms too, but with more emphasis on financial administration.

Senator Crerar raised the question, is the purpose to raise academic standards? There is no question but that it is one of its purposes. The question arises as to how you get adequately qualified faculties. I might also deal with inter-university co-operation. Many universities today are agreeing not to duplicate faculties. In other words, one will say, "You have a faculty in this field, and we will stay out of it." For example, in the western universities they have avoided duplicating faculties of social science. They are avoiding duplicating any of the library schools as a means of economy.

Senator Crerar raised the question of the difficulty of getting out of the association. I suggest this question might be answered more effectively in committee than now.

Senator Roebuck raised the question as to whether we have any right to be discussing this matter here. I suggest if we have no such right, we are a little late raising the question, because in the last five years the federal Government has voted $249 million for higher education in Canada. I suspect we are going to vote a lot more, but I should not anticipate what might happen.

Finally, as to the committee to which this bill should be referred, I have no objection to its going to the Banking and Commerce Committee. However, I shall be glad to abide by the advice of honourable senators. I thought it might be logical for it to be referred to the Miscellaneous Private Bills Committee, but if it is the wish of the honourable senators that it be referred to the Banking and Commerce Committee I shall be quite happy with that disposition.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

On motion of Hon. Mr. Cameron, bill referred to the Standing Committee on Banking and Commerce.

BUSINESS OF THE SENATE

Hon. John J. Connolly: Honourable senators, before moving the adjournment of the house, I would remind honourable senators of the meeting of the Special Joint Committee of the Senate and House of Commons on Consumer Credit, and a very important meeting of the Standing Committee on Transport and Communications, both commencing at 10 o'clock tomorrow morning.

The Senate adjourned until tomorrow at 3 p.m.

APPENDIX

(*See p. 848*)

MEETING OF COMMONWEALTH PRIME MINISTERS, 1964—FINAL COMMUNIQUÉ

The meeting of Commonwealth Prime Ministers ended today. Pakistan, Ghana and Tanganyika and Zanzibar were represented by their presidents. Britain, Canada, Australia, New Zealand, Ceylon, Malaysia, Nigeria, Sierra Leone, Trinidad and Tobago, Uganda, Kenya and Malawi were represented by their prime ministers. India was represented by the minister of finance; Cyprus by the minister of foreign affairs; and Jamaica by the deputy prime minister and minister of finance.

This was the first meeting at which Uganda and Kenya were represented as independent members; and the other Commonwealth heads of government were glad to greet their prime ministers. They expressed their satisfaction at the establishment of Malaysia which they had welcomed at their last meeting in 1962 and they greeted Tunku Abdul Rahman as Prime Minister of Malaysia. They also welcomed the attainment of independence by Malawi on 6th July, 1964 and agreed that Malawi should be admitted to membership of the Commonwealth. They invited the Prime Minister of Malawi, Dr. Banda, to join their meeting, and Dr. Banda took his seat on 9th July. They noted that Northern Rhodesia would become independent on 24th October, 1964 as the Republic of Zambia; and they looked forward to welcoming Zambia as a member of the Commonwealth on the completion of the necessary constitutional processes.

In the course of their discussion, the presidents and prime ministers reviewed the major issues of the day.

They agreed that one of the most important of these is race relations. It was agreed that the Commonwealth has a particular role to play in the search for solutions to the interracial problems which are threatening the orderly development of mankind in general and of many particular areas in the world today. As a community of many different races, the Commonwealth is itself an almost unique experiment in international co-operation among peoples of several races and continents. Within their own borders many of its members have faced and are facing issues raised by the co-existence of differing cultures within a democratic society. The prime ministers affirmed their belief that, for all Commonwealth governments, it should be an objective of policy to build in each country a structure of society which offers equal opportunity and non-discrimination for all its people, irrespective of race, colour or creed. The Commonwealth should be able to exercise constructive leadership in the application of democratic principles in a manner which will enable the people of each country of different racial and cultural groups to exist and develop as free and equal citizens.

The prime ministers recalled the critical international situation which had developed shortly after their last meeting in the autumn of 1962 and the grave threat to peace which it had implied. They believed that the fact that it was successfully resolved may have been in some sense a turning point in the relations between the major powers and may have marked the beginning of a new period in international affairs in which the world may hope for a gradual relaxation of tension. This will not be a short or simple process; but the prime ministers noted with satisfaction the further steps which had already been taken to reduce the causes of friction, particularly the conclusion of the tests ban treaty and the subsequent agreements between the governments of the United Kingdom, the United States and the Soviet union not to place nuclear weapons in outer space. They also welcomed the reductions in the output of fissile material for military purposes which these governments have made.

Against this background, the prime ministers expressed their hope that these steps would lead progressively to general and complete disarmament. They reaffirmed their support for the work of the Geneva disarmament conference and their determination to seek to extend the scope of disarmament in accordance with the principles expressed in their statement of 17th March, 1961, particularly by endeavouring to promote an agreement to prohibit the further dissemination of nuclear weapons and of knowledge relating to their manufacture and use. They will maintain their efforts to reduce the areas of international disagreement by all the means within their power, while maintaining both the strength and the resolution to resist aggression from without or subversion from within. In this connection they assured the Prime Minister of Malaysia of their sympathy and support in his efforts to preserve the sovereign independence and integrity of his country and to promote a peaceful and honourable settlement of current differences between Malaysia and neighbouring countries.

They discussed the great significance of China for south and southeast Asia. They also discussed the question of relations with China and of her membership in the United Nations. They expressed anxiety about the continuing tension in southeast Asia and affirmed their support for all measures which might promote a just and peaceful settlement and help to re-establish stability in the area.

The prime ministers noted with satisfaction the friendly public statements by the President of Pakistan and the Prime Minister of India and expressed their hopes that the problems between their countries will be solved in the same friendly spirit.

While recognising that it was not a function of the Commonwealth to act as an arbiter in disputes between member nations, the prime ministers agreed that Commonwealth countries could play a role of conciliation and, where possible, consider using their good offices to help toward the settlement of disputes between member nations provided the parties concerned accepted such mediation.

The prime ministers renewed their support for the United Nations in its efforts to resolve disputes in various parts of the world. They reaffirmed their adherence to the principles of the charter and emphasized the importance of reinforcing the strength and capacity of the United Nations to respond to the demands which it must meet if the charter is to be fulfilled.

The prime ministers expressed concern about the situation with regard to Cyprus. They reaffirmed their full support for the United Nations Security Council resolutions of 4th March, 13th March and 20th June 1964. The prime ministers asserted that the Cyprus problem should be solved within the framework of the United Nations and in accordance with the principles of democracy and justice.

They appealed to all countries concerned to refrain from any action which might undermine the task of the United Nations peace-keeping force, to which a number of Commonwealth countries are contributing, or might prejudice the endeavours of the United Nations to find a lasting solution in conformity with the charter of the Unitted Nations.

The prime ministers undertook to consider practical measures to strengthen the peace-keeping machinery of the United Nations and to reduce the degree of improvisation required in an emergency. They agreed that consultation and co-operation among interested governments in this matter could be of great value in contributing to the improvement of the peace-keeping effectiveness of the United Nations.

The prime ministers expressed their concern at the possible effect on United Nations operations in all fields of a prolongation of the United Nations financial crisis. They expressed a common desire to work toward a long term equitable solution of the problem of financing large-scale United Nations peace-keeping operations and agreed that any such solution should be based on the principles of collective financial responsibility and relative capacity to pay.

Britain made the following statement to the meeting about the progress of British colonial dependencies toward independence.

Already more than 20 countries with a total population of some 700 millions had achieved sovereign independence under British guidance. This process was continuing all the time. Northern Rhodesia would be independent in October and the Gambia very soon after. Basutoland had been promised that she could have independence in about 18 months' time; Bechuanaland would be free to follow when she wished; and Swaziland's new constitution had now set her on the same course. In addition it had been agreed that the Federation of South Arabia should become independent within the next three and a half years. British Guiana would become independent as soon as she was able to assure internal peace. Southern Rhodesia would attain full sovereignty as soon as her governmental institutions were sufficiently representative.

There were a number of other colonies which already enjoyed a wide measure of self-government. These included the Bahamas, Barbados, British Honduras and Mauritius. In addition there were some 20 other colonies and protectorates with a combined population of about five million. Of these over three million were in Hong Kong where the circumstances were exceptional. Of the remainder only two territories had a population of more than 100,000. Several had less than 10,000. The smallest, Pitcairn, in the Pacific had only 90 inhabitants. It was clear that no uniform pattern would fit all these very different territories. Some might feel strong enough to proceed to independence on their own. Some might join with others to form larger and more viable units. Some might wish to couple independence with a treaty of friendship such as western Samoa concluded with New Zealand. Some would for the present prefer to remain as they were.

The prime ministers of the other Commonwealth countries welcomed the progress of British territories to independent membership of the Commonwealth. They recognized that the authority and responsibility for leading her remaining colonies to independence must continue to rest with Britain.

At the same time, prime ministers of other Commonwealth countries expressed their views to the Prime Minister of Britain on the question of the progress of Southern Rhodesia toward independence within the Commonwealth. They welcomed the decision already

announced by the British Government that, as in the case of other territories, the existence of sufficiently representative institutions would be a condition of the grant of independence to Southern Rhodesia. They also noted with approval the statement already made by the British Government that they would not recognize any unilateral declaration of independence; and the other prime ministers made it clear that they would be unable to recognize any such declaration. The view was also expressed that an independence conference should be convened which the leaders of all parties in Southern Rhodesia should be free to attend. The object would be to seek agreement on the steps by which Southern Rhodesia might proceed to independence within the Commonwealth at the earliest practicable time on the basis of majority rule. With a view to diminishing tensions and preparing the way for such a conference, an appeal was made for the release of all the detained African leaders. The prime ministers called upon all leaders and their supporters to exercise moderation and to abstain from violence; and they affirmed their belief that the best interest of all sections of the population lay in developing confidence and co-operation, on the basis of tolerance, mutual understanding and justice. In this connection they recognized the necessity for giving confidence to the minority community in Southern Rhodesia that their interests would be protected.

The Prime Minister of Britain said that he would give careful consideration to all the views expressed by other Commonwealth prime ministers. At the same time he emphasized that the Government of Southern Rhodesia was constitutionally responsible for the internal affairs of that territory and that the question of the granting of independence was a matter for decision by the British Parliament.

The meeting expressed concern at the political rivalries in British Guiana which had led to disorder and interracial strife and had prejudiced the attainment of independence. While several different views were expressed on the methods to be employed, a number of prime ministers expressed the hope that the political leaders of British Guiana would seek urgently a basis for collaboration in the interest of their fellow countrymen of all races in order to restore mutual confidence among the races and to strengthen a spirit of national purpose and unity. Only in these circumstances could British Guiana hope to sustain true independence.

The question of the progress of the smaller dependent territories in the Caribbean to independence was raised. It was emphasized that the problem for the territories was mainly one of viability; and the hope was expressed that every practicable effort would be made to help them to strengthen their economies and so enable them to sustain the obligations of independence whether in a federation or in some other form of association.

The prime ministers reaffirmed their condemnation of the policy of apartheid practised by the Government of the Republic of South Africa. Some Commonwealth prime ministers felt very strongly that the only effective means of dealing with the problem of apartheid was the application of economic sanctions and an arms embargo. It was recognized, however, that there was a difference of opinion among Commonwealth countries as to the effectiveness of economic sanctions and as to the extent to which they regarded it as right or practicable to seek to secure the abandonment of apartheid by coercive action, of whatever kind. But the prime ministers were unanimous in calling upon South Africa to bring to an end the practice of apartheid, which had been repeatedly condemned by the United Nations and was deplored by public opinion throughout the world.

The prime ministers expressed their regret that Portugal had not so far given recognition to the principle of self-determination for her territories in Africa.

The prime ministers agreed that the issues of Commonwealth and international relations which confront them in the political field, however complex and contentious, must be seen in perspective in relation to the many factors which bring together the peoples of the Commonwealth and enable them to make a unique contribution to the promotion of peaceful development. The Commonwealth now consists of 18 independent member countries, widely distributed over the globe and accounting for nearly a quarter of the population of the world. It is, indeed, a cross-section of the world itself; and its citizens have an unparalleled opportunity to prove that, by mutual co-operation, men and women of many different races and national cultures can live in peace and work together for the common good.

The prime ministers reviewed the world economic situation as it affects their countries and reaffirmed the resolve of their governments to promote the economic development of their countries. To this end they emphasized the need of developing countries for improved and more remunerative outlets for their trade and for increased financial aid on easier terms and on a continuing basis. They took note of the problems presented to developing countries by the conditions and terms often attached by donor governments to their aid of the desirability of the encouragement of private investment in developing countries and also of the upward trend in the level of financial aid extended by the more developed countries in the Commonwealth and of the easier terms on which it is offered.

There was agreement on the importance for all Commonwealth countries of following up the work of the United Nations Conference on Trade and Development, in particular with regard to expanding international trade in primary products through freer access to markets and, in appropriate cases, through commodity agreements and stabilized prices at equitable levels; working out arrangements for increasing access by preferences or otherwise to markets in developed countries for manufactured goods from developing countries; and elaborating proposals for supplementary finance to assist countries whose development might be threatened by adverse movements in their export earnings. The prime ministers affirmed their intention of working for a solution of these and other problems of the developing countries through the new institutions resulting from the conference as well as through existing international bodies such as the GATT.

The prime ministers reaffirmed the resolve of the member countries of the Commonwealth to promote the economic and social progress of developing countries. They wished to maintain their support of the work of the United Nations, its specialized agencies, the Colombo Plan and other similar arrangements in this field. At the same time they wish to establish how best the members of the Commonwealth could make a further distinctive contribution of their own to the development of its member countries. They conceived that the purpose of any new initiative in this respect should be not merely to increase the economic strength and material wellbeing of the recipients, vital though these considerations are, but also to strengthen the links between the countries of the Commonwealth by encouraging their peoples to work more closely together in a variety of practical ways. For this purpose they selected for further examination several fields of action in which they believed the practice of Commonwealth co-operation might be extended; and they agreed that these schemes should not be in substitution for existing arrangements but supplementary to them.

Commonwealth Development Projects

In particular they considered a proposal that development projects might be launched in individual Commonwealth countries, which would be implemented by various members acting in close collaboration and contributing whatever resources—in men, money, materials and technical expertise—they could most appropriately provide. Such projects, which would be additional to the support which Commonwealth countries already provide to the United Nations special fund and expanded program of technical assistance could be directed to a number of different purposes—the improvement of agricultural production and the development of natural resources through extension services, training and research; the enlargement of professional and technical training; the development of new industries; and so forth. But they would all be inspired by the common purpose of promoting the development of the Commonwealth by a co-ordinated program of joint or bilateral projects. The British Government said that they would be prepared to make a substantial contribution to projects of this kind within their expanding program of development aid. The other member governments expressed support for the objective of the proposal and agreed that further consideration should be given to the basis on which such a program might be established.

Administrative Training

Development projects of this kind would need to be planned, carefully and thoroughly, at all stages in their execution; and the prime ministers therefore considered that it might be valuable to supplement the existing arrangements for promoting the study of the techniques of administration and development planning throughout the Commonwealth. They considered that there might be advantage in making arrangements, which could include the formation of a new institute, to provide facilities for specialized training and research for senior administrators concerned with administrative and development problems in relation to the needs of new countries. They agreed that further consideration should be given to the most appropriate form for arrangements for additional training, including the strengthening of existing institutions.

Education

The prime ministers took note of the scope which exists for co-operation between the government and peoples of the Commonwealth in social, as well as economic, development. They noted with satisfaction that the third Commonwealth Education Conference will be held in Ottawa in August; and they expressed warm wishes for its success, together with appreciation of the British Government's offer to increase to an average of £5 million a year, over the five years starting in 1965-66, the capital assistance which they already provide for higher education in developing commonwealth countries, both independent and dependent.

Medical Conference

They decided in principle that an initiative similar to that which was launched in the field of education by the first of the Commonwealth education conferences several years ago should now be taken in the field of medicine and that for this purpose consideration should be given to the convening

of a Commonwealth medical conference during the course of 1965. Such a conference would enable the members of the Commonwealth to discuss mutual assistance in medical education including links between institutions; the provision of ancillary staffs; the development and planning of health services; and the supply of medical equipment and facilities for research.

Commonwealth Parliamentary Association

The links between the countries of the Commonwealth are strengthened not only by co-operation between their governments in initiatives of this kind but even more by frequent personal contacts between individuals who share common professional interests.

The prime ministers recorded their support for the valuable work which the Commonwealth Parliamentary Association performs in bringing together members of the parliaments of all Commonwealth countries. The British Government stated that they would be prepared, if other Commonwealth governments would do the same, to increase their contribution to the association.

Commonwealth Foundation

The prime ministers considered that further steps should be taken to promote contacts in other fields and that it might be desirable to establish a Commonwealth foundation to administer a fund for increasing interchanges between Commonwealth organizations in professional fields. This foundation could be administered by an independent board; and, while it could be financed by contributions from Commonwealth governments, it would also welcome support from all quarters, whether public or private.

Satellite Communications

The prime ministers also took note of the current international discussions on the establishment of a global system of satellite communications. They endorsed the desirability of establishing such a system and considered how Commonwealth countries could best co-operate with each other and with other countries in its development. They discussed the provision of technical assistance to the developing countries in this field, particularly as regards the establishment of ground stations and interconnections in Commonwealth countries. They agreed that further consideration should be given to the feasibility of such a plan and the basis on which it might best be implemented.

The prime ministers directed that the Commonwealth Liaison Committee with the assistance of special representatives should now give more detailed consideration to all aspects of these new initiatives in the hope that they could be launched and carried forward at an early date. They noted that thereafter further opportunities to review many of these projects would be afforded by the third Commonwealth Education Conference in Ottawa in August and by the Commonwealth Economic Consultative Council meeting in Kuala Lumpur in September.

Commonwealth Secretariat

Finally, they were anxious that some permanent expression should be given to the desire, which had been evident through their deliberations, for closer and more informed understandings between their governments on the many issues which engage their attention and for some continuing machinery for this purpose. They therefore instructed officials to consider the best basis for establishing a Commonwealth secretariat, which would be available inter alia to disseminate factual information to all member countries on matters of common concern; to assist existing agencies, both official and unofficial, in the promotion of Commonwealth links in all fields; and to help to co-ordinate, in co-operation with the host country, the preparations for future meetings of Commonwealth heads of government and, where appropriate, for meetings of other Commonwealth ministers. This secretariat, being recruited from member countries and financed by their contributions, would be at the service of all Commonwealth governments and would be a visible symbol of the spirit of co-operation which animates the Commonwealth.

Marlborough House.
S.W.1.
15th July, 1964.

THE SENATE

Tuesday, July 21, 1964

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

Prayers.

CONSUMER CREDIT

JOINT COMMITTEE—CHANGE IN COMMONS MEMBERSHIP

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons to acquaint the Senate that the name of Mr. Basford has been substituted for that of Mr. Deachman on the list of members appointed to serve on the Joint Committee on Consumer Credit.

HARBOURS AND PILOTAGE ACTS

BILL TO REPEAL—AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. A. K. Hugessen, Chairman of the Standing Committee on Transport and Communications, presented the following report of the committee on Bill S-40, to repeal certain acts of the Province of Newfoundland respecting harbours and pilotage:

> Your committee recommend that authority be granted for the printing of 800 copies in English and 300 copies in French of their proceedings on the said bill.

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

Hon. Mr. Hugessen: With leave, I move that the report be adopted now.

Report adopted.

REPORT OF COMMITTEE ADOPTED

Hon. Mr. Hugessen, Chairman of the Standing Committee on Transport and Communications, reported that the committee had considered Bill S-40, to repeal certain acts of the Province of Newfoundland respecting harbours and pilotage, and had directed that the bill be reported without amendment.

Report adopted.

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

Hon. Eric Cook moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

OTTAWA TERMINAL RAILWAY BILL

REPORT OF COMMITTEE ADOPTED

Hon. A. K. Hugessen, Chairman of the Standing Committee on Transport and Communications, reported that the committee had considered Bill S-33, to incorporate the Ottawa Terminal Railway Company, and had directed that the bill be reported with the following amendments:

1. Page 2, line 22. Strike out "or" and substitute therefor "and".

2. Page 3, line 33. After "hire" insert "in and about the City of Ottawa".

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

Hon. Mr. Hugessen: Honourable senators, I think it is advisable that I explain these amendments now so that the bill may receive third reading tomorrow.

Hon. Senators: Agreed.

Hon. Mr. Hugessen: The first amendment is a very simple one of language. The second amendment is to paragraph (g) of section 10 of the bill which relates to the power of the Ottawa Terminal Railway Company to carry on a transportation business using trucks, buses, and so forth. This amendment limits the right of the company to carry on these operations to the City of Ottawa and the district surrounding it.

It was represented to the committee by the trucking industry that there might be a possibility that very wide powers to carry on a trucking business throughout Canada were being given to the company by this section. The proponents of the bill have no objection to this amendment and, in any event, the limitation is what was intended.

With leave of the Senate, I move the adoption of this report.

Report adopted.

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

Hon. Mr. Hugessen moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

PRIVATE BILL

MEOTA PIPE LINES LTD.—SECOND READING

Hon. John A. Robertson moved the second reading of Bill S-39, to incorporate Meota Pipe Lines Ltd.

He said: Honourable senators, I will be quite brief in my remarks concerning Bill S-39. I am sure that when it is before the committee, to which I shall move it be

referred after it receives second reading, all questions that honourable senators have will be answered.

The applicants for incorporation of this company are all Canadian citizens, all having experience in the oil and gas industry and all being engaged now full time in Canada in this industry. The company would be completely Canadian financed, and Canadian owned and controlled. The primary purpose of this company is to serve the southwestern part of the Province of Manitoba with natural gas, a service which those in that area do not presently have.

Present plans call for a four-inch high-pressure line from the Saskatchewan gas fields in the vicinity of Gainsborough to the Town of Melita, Manitoba. More exhaustive research studies as to market demands will be made, and it is possible that the company will eventually build a bigger pipe line than that presently projected. Availability of supplies and market demand may also require the company to use not only natural gas but propane air mixtures, etc.

The company has asked for fairly general powers in its incorporation as the consumer market is quite close to the United States border, and a request for service south of the line would scarcely be considered a remote possibility at some future date.

While these plans are based on preliminary market and feasibility studies and are backed by people who are now actively engaged in natural gas distribution operations in Canada, more detailed and expensive studies will be necessary before application for licensing can be made or actual work commenced, and incorporation is required before embarking on these rather expensive and exhaustive studies.

I do not think there is anything further I need say on this particular bill. If honourable senators agree, I shall move later that it be referred to the Standing Committee on Transport and Communications.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

On motion of Hon. Mr. Robertson (Kenora-Rainy River), bill referred to the Standing Committee on Transport and Communications.

MARRIAGE AND DIVORCE ACT

BILL REFERRED TO SUPREME COURT

The Senate resumed from Thursday, July 16, the adjourned debate on the motion of Hon. Mr. Pouliot:

That in the opinion of this House, the Government should immediately refer to the Supreme Court of Canada, for the opinion of that Court, the question of the constitutional validity of Bill S-16, intituled: "An Act to amend the Marriage and Divorce Act."

Hon. Jean-François Pouliot: Honourable senators, before I close the debate, Senator Fergusson wishes to say something on this motion.

Hon. Muriel McQ. Fergusson: Honourable senators, I am very grateful to Senator Pouliot for giving me the opportunity to speak on this motion, even though he was about to close the debate. I had not realized yesterday that the debate was drawing to a close and I have a few things I wish to say.

I was out of Canada, at the United Nations, in 1962 when on October 31 replies were given by the Government to a number of questions which Senator Pouliot had asked. I was also away on November 9 of that year when, in the course of the honourable senator's speech during the Throne Speech debate, he explained his reasons for asking those questions.

Based on the arguments outlined in his speech of November 9, 1962, Senator Pouliot prepared and introduced into the Senate on July 16, 1963, Bill S-32, an act to amend the Marriage and Divorce Act.

On October 9, 1963, that bill received second reading and was referred to the Senate's Standing Committee on Miscellaneous Private Bills. Hearings of that committee on the bill took place in the late fall and early winter of 1963. I regret that I was again out of Canada attending a U.N. seminar in Bogota at the time of the hearings. Had I been here, I certainly would have attended, although I am not a member of the committee. However, I have read all the speeches on this bill that were delivered in this house, and I have read all the proceedings of the Miscellaneous Private Bills Committee.

It may be of interest to recall to honourable senators that the subject of the seminar I attended in Bogota, Colombia, during last December, was the "Status of Women in Family Law," which is very closely associated with the subject of Senator Pouliot's bill.

As I probably will not have another opportunity to do so, I hope that honourable senators will bear with me while I recall to them the report I made in the Senate on March 24 last regarding my visit to Bogota and my resultant quest for a bell for a little church there. I would like to tell you that the bell has been procured and sent to Bogota. It was received with great ceremony by the church authorities. In the acceptance speech, reference was made to the warm friendship for Canada that such a gift engendered; and

it was also said that whenever this bell rang out, it would always say to all the inhabitants of the Barrio St. Ines, "Canada, Canada, Canada." I thought that was very touching, and I hope it will be of interest to honourable senators.

I would also like to tell you that after I spoke on this subject in the Senate, one senator came to me and told me that if I was not successful in finding a bell his foundry would provide one. Another senator came to me and placed in my hands a substantial donation towards the cost of a bell. As I had been successful in previous negotiations, I did not need to accept the offer of the honourable senator to provide a bell, but I certainly thank him for his interest. I also thank the senator who made a cash donation, which has been most useful in taking care of transportation costs.

To return to Bill S-32 of 1963, this bill was not reported by the committee in the 1963 session; and on April 29, 1964, Senator Pouliot introduced into this session of the Senate a similar bill, S-16, an Act to amend the Marriage and Divorce Act, on which there has been some considerable debate in this house.

A motion was made by the honourable Senator Pouliot that Bill S-16 be referred to the Supreme Court of Canada for the opinion of that court on the question of its constitutional validity. The necessity for such an opinion seems to me to be quite evident, as I am sure it would be evident to anyone who has read the *Hansard* reports of the speeches in this house and of the hearings before the Miscellaneous Private Bills Committee.

The immediate question before this house under Order No. 3 of this date is whether Bill S-16 should or should not be referred to the Supreme Court of Canada for a ruling on its constitutional validity. We are not debating at this time whether or not we wish to pass Bill S-16 and send it to the House of Commons, but whether or not, under the provisions of the British North America Act, the federal Parliament has jurisdiction to pass such a bill.

Honourable senators, I certainly am no authority on constitutional law, but I have read all the speeches in connection with this bill; I have read all the cases that were quoted both in the Senate and in the Miscellaneous Private Bills Committee, and, I might say, I have also read some other cases. I have very great respect for the honourable Senator Pouliot's knowledge of this branch of the law. I know, too, that he has done extensive research on this subject. His opinion and that of the former Chief Justice of the Supreme Court of Canada, the late Thibaudeau Rinfret, carry considerable weight with me and I think we should ask for a Supreme Court ruling on this matter.

Honourable senators, I feel that the present, with its uncertainty about the future unity of Canada, may be a bad time to raise this question. I would be the last person in Canada to want to increase any existing misunderstandings. On the other hand, if, as is often suggested, there is a possibility of a thorough study of the British North America Act being made with a view to making changes to meet the problems of the present day—which in many instances are vastly different from the problems of a hundred years ago when that act was being considered and drafted—maybe it is a good time to bring to light sections of that act which are not perfectly clear and to which many persons learned in the law give different interpretations. In any case, I have a great interest in the observance of the rights of all individuals, and a particular interest in working toward that day when the rights of women in all parts of the world, whether they be married or single, are equal to those of men.

Some Hon. Senators: Hear, hear.

Hon. Mrs. Fergusson: Consequently, I can do no other than support the motion of Senator Pouliot to refer Bill S-16 to the Supreme Court of Canada for a ruling as to its constitutionality.

Hon. Jean-François Pouliot: Honourable senators—

The Hon. the Speaker: Before the honourable senator speaks, I would like to remind honourable senators that if the honourable Senator Pouliot speaks now it will have the effect of closing the debate.

Hon. Mr. Pouliot: Honourable senators, I thank the honourable Senator Fergusson profusely for her excellent speech in which she has explained very well the matter which is before the Senate today. She spoke to the point and her speech was most informative. I thank my good deskmate (Hon. Mr. Stambaugh) for seconding the second reading of the bill, and I also thank the honourable Senator Inman, who was ready to do so if my honourable deskmate had been unavoidably absent.

Now I have a pleasant duty. It is to congratulate all my honourable colleagues who have opposed the bill with so much eloquence and learning, and I hope that you will not be disappointed if I speak with more clarity than learning.

The matter is rather simple. For many years I have been a member of Parliament, and the ladies of my constituency have been good to me. I have nothing more to ask of them,

but I remember with gratitude the support they have given me, and I thought that the time would come when the married women should enjoy equal rights with spinsters and widows.

There have been two bills on the matter. The first was Bill S-32 of last session, and Bill S-16 which is now before us. We are speaking on the motion to have this bill referred by the Government to the Supreme Court of Canada for elucidation, to inform us what is the exact and exclusive jurisdiction of the Parliament of Canada, on the one hand, and of the provincial legislatures, on the other hand, with respect to legislation concerning marriage. I leave "divorce" aside—we are not talking of divorce; we are speaking only of marriage.

I must point out to you, honourable colleagues, that the Civil Code dates back to the year 1866; it came into force on August 1, 1866, 11 months before Confederation. This fact is very important, because at the time the Fathers of Confederation and all those members of the Legislative Assembly knew very well what were the dispositions of the Civil Code. There is a chapter concerning marriage and another one concerning separation. They comprise Articles 115 to 217, or 103 articles of the Civil Code. Of all those articles concerning marriage, only eight are in the second chapter entitled, "Formalities relating to the solemnization of marriage." This is very important.

You should not forget that the Civil Code was in force before the B.N.A. Act, and the Fathers of Confederation knew very well about it. By the way, the report of the commissioners on the Civil Code was tabled two years before, and even three years before with regard to the part that concerns marriage. Therefore, in the B.N.A. Act the exclusive jurisdiction of the Parliament of Canada, on the one hand, and the exclusive jurisdiction of the provinces, on the other hand, were easy to understand.

In the Constitution there is no possible error; the words "exclusive" and "exclusively" are repeated indefinitely. The idea of the Fathers of Confederation was to tell the Parliament of Canada and the provincial legislatures, in turn, "Mind your own business." I believe that was a good policy, so that there should be no encroachment by one upon the powers of the other.

Now all the articles dealing with marriage must have been included in the word "marriage" in section 91 of the B.N.A. Act, concerning the jurisdiction of the Parliament of Canada, and the word "exclusively" relating to the solemnization of marriage, which shall belong only to the provinces. I am sure you all follow me in the point I am making. Therefore we see that 94 articles which were part of the chapter on marriage and separation were put under the jurisdiction of the Parliament of Canada by the B.N.A. Act, and only eight articles concerning the solemnization of marriage were put under the jurisdiction of the provinces.

However, this question has been submitted to the courts and I should like to quote a judgment with which you are all familiar. In 1896 the case of *Conger vs. Kennedy* was submitted to the Supreme Court of Canada. I read from the first paragraph of the official resumé or summary of the Supreme Court judgment as reported in Supreme Court Reports, volume 26, page 397.

> The provisions of ordinance No. 16 of 1889, respecting the personal property of married women, are *intra vires* of the legislature of the Northwest Territories of Canada, as being legislation within the definition of property and civil rights, a subject upon which the Lieutenant-Governor in Council was authorized to legislate by the order of the Governor General in Council passed under the provisions of "The North-west Territories Act".

This was federal legislation.

It is to be noted that legislation was passed by the Parliament of Canada to empower the authorities of the Northwest Territories, which were not organized as a province, to deal with current cases; in fact, I wonder why the Government of Canada at that time did not ask Parliament to make a special request to the Imperial Parliament to provide for this case, but they considered it would be easier to do it this way. It was done by federal legislation, which has been mentioned time and time again by Chief Justice Strong in his judgment. Therefore, if anyone contends that this judgment favours the jurisdiction of the provinces with regard to marriage, outside the ceremony of solemnization, they should take the trouble to read the full text of the judgment and they will realize that the authority of the Parliament of Canada with regard to those matters has been respected by the Supreme Court of Canada.

Now there was a second judgment in which the Supreme Court dealt extensively with the same matter. This was in 1912, sixteen years after the *Conger vs. Kennedy* judgment, and it was fresh in the memories of the judges. This may be found in volume 46 of the Supreme Court Reports, from page 132 to page 456. This means that 324 pages of this book are devoted to reproducing the text of the judgment and the factums of the parties. It is one of the longest judgments reported in the Supreme Court. It was brought to the Privy Council for final judgment, and the decision of the Privy Council may be

found in Appeal Cases of 1912, page 880. The judgment of the Privy Council was rendered by Lord Haldane, who was one of the great jurists of his time and who was also a great diplomat and a man of considerable experience in law. It reads as follows:

> Under ss. 91 and 92 of the British North America Act, 1867, the exclusive power conferred on the provincial Legislature to make laws relating to the solemnization of marriage in the province operates by way of exception to the exclusive jurisdiction as to its validity conferred upon the Dominion, and enables the provincial Legislature to enact conditions as to solemnization, and in particular as to the right to perform the ceremony, which may affect the validity of the contract.

To repeat the same thing in plain language, the whole jurisdiction concerning marriage is an exception to the provision of section 92 giving the provinces exclusive jurisdiction over civil rights. While it is an exception, it is an exception in the terms of the Constitution, and therefore according to the Privy Council the exclusive jurisdiction over marriage has been vested in the Parliament of Canada with one exception, and one exception only, which is found in section 92, and that is to the effect that the solemnization of marriage belongs exclusively to the provinces. For this obvious reason, although some of my honourable colleagues did not see the importance of it, I find it tremendously important because it deals with the officer who performs the ceremony of marriage. This was done by the Fathers of Confederation so that when the marriage ceremony was performed by a minister of the Roman Catholic Church it would be at the same time a religious ceremony and a civil ceremony.

That is the reason why those powers have been conferred exclusively upon the provinces. It gives the ministers of every denomination the power to celebrate marriage and, as well, any other qualified officer. From the point of view of religious convictions it has satisfied the clergy, and at the same time the marriage performed by one in authority has the same spiritual and civil effects. I hope I have made myself clear.

You realize, honourable colleagues ,the importance of that judment of the Privy Council confirming the elaborate judgment of the Supreme Court. Well, what happened to it? It has been ignored completely. Nobody has paid any attention to that judgment. I had the occasion to complain about that in the Senate when I was dealing with those matters. What I cannot understand is why these big books that have been published by lawyers, and sell at very high prices, overlook that reference of the Government of Canada to the Supreme Court and the Privy Council.

I have two books here. It is useless to mention the names of the authors. The index of one of them mentions the Privy Council judgment without saying what it was. Therefore, the author knew what it was. He knew the importance of the judgment, but he did not dare print it in his book because he knew very well that one-half of his book would have been good only for the waste-paper basket.

The other one is published by a professor of the University of Toronto. It is entitled, *The Civil Law System of the Province of Quebec; Notes, Cases and Materials.* This author does not even mention this case. I have photographs of the index which show that deficiency.

On the occasion of a new edition of the first book I mentioned, McGill University awarded an honorary degree to its author. The second book has been praised in *La Revue du Barreau Canadien* by the Dean of the University of Montreal Law Faculty, Mr. Maximilien Caron. It was in the issue of October last year, at page 486. He gave much praise to the author, but did not mention the judgment of the Privy Council.

I understand that great distinction is made between civil law and common law, but for me in common law one does not overlook judgments rendered by the highest tribunal in authority. Afterwards I read in the papers these words:

> Maximilien Caron, dean of the University of Montreal Law Faculty, has been elected president of the newly-formed Association of Quebec Law Teachers. Composed of more than 40 professors from McGill, Laval, the U. of M., Sherbrooke and Ottawa, the group will attempt to assure the progress of law instruction.

They should start with themselves.

I have some additional copies of these photostats, and if some of my honourable colleagues wish to see them then they are at their disposal.

All the difficulty with regard to civil law in the Province of Quebec is due to the fact that professors of constitutional law have not shown the close relationship that exists between constitutional law—the Constitution, the British North America Act—and the civil law as we know it. They have not shown where the authority comes from. It is the most important thing. The law does not grow like a mushroom. It comes from authority. It comes from the Constitution. This is a

very unfortunate matter, but it is never too late to do well. It is hoped that the professors who form that association will realize that charity begins at home.

The questions I asked in the Senate have been well answered, thanks to honourable Senator Aseltine, in the first place, and to honourable Senator Choquette and honourable Senator Ross Macdonald. They have been answered truthfully and with exactitude.

They were long questions referring to the jurisprudence that I have mentioned and which cannot be forgotten or overlooked. They referred also to precedence in the legislation—precedents that are laws on marriage, duly passed by the Parliament of Canada exercising its own jurisdiction. Those statutes are mentioned in the questions that were answered by honourable Senator Choquette on October 31, 1962. The point was this: If the provinces according to the judgment of the Supreme Court, and according to the action of the Parliament of Canada which took upon itself to amend the law concerning marriage, have no jurisdiction, the thing for them to do is to apply to the Parliament of Canada to have the changes that they find desirable made in the legislation, or to ask for a transfer of the exclusive jurisdiction of Ottawa to the provincial legislatures.

My first question was: Did any one ask the Government—and I mean the Minister of Justice or the Prime Minister—for an amendment to the marriage law to suit the convenience of those concerned? The answer was: No. My second question was: Did any one ask the Parliament of Canada for a transfer, authorized by the Parliament of Westminster in an amendment to the Constitution, of the jurisdiction concerning marriage from the Parliament of Canada to the provincial legislatures? The answer was: No. Nobody had asked for it.

This is why I have been so much interested in submitting the matter to the Supreme Court in order to know once and for all what is the jurisdiction of the Parliament of Canada on the one hand, and of the provincial legislatures on the other hand, with respect to marriage. I am not a drum beater. I do not want to make any political propaganda out of this. All I want to do is to protect my fellow citizens in order that they are not foiled by fake legislation.

Since then I have introduced successively two bills concerning the matter. After those questions were put, I was very insistent, because no government wanted to say that no request had been made in that respect. All the attorneys general of Canada were duly informed, but the only one who showed a certain reaction was my friend the Honourable Fred Cass of Ontario. All the others put their heads in the sand and did not answer. The silence was perpetual.

Honourable senators, you will remember on many days in the spring of 1962 I came time and time again to insist upon the Government giving an answer. I got it, and I thank very warmly those three of my colleagues whom I have mentioned. I must say that everybody has been good to me, as you are now in listening to the exposé of this important matter.

Besides the jurisprudence which I have quoted, I have the authority of a man who was a member of the Supreme Court for 30 years and Chief Justice of Canada for 10 years, the late Right Honourable Chief Justice Thibaudeau Rinfret. He sent a very explicit memorandum to the Premier and Attorney General of the Province of Quebec in which he said that, according to his opinion, many articles brought by amendments to the Civil Code by the Quebec Legislature were invalid, were *ultra vires*. I pay a tribute to the memory of this great jurist in insisting upon submitting the whole matter to the Supreme Court of Canada. I do not intend to read to you the memorandum which was sent by Chief Justice Rinfret to the Premier of Quebec. It is on the record in the Senate *Hansard* and in the reports of the Miscellaneous Private Bills Committee.

Here I must thank honourable Senator Bouffard, who was chairman of that committee, and all the members of the committee who took the trouble to attend the sittings of the committee to make a quorum.

Bill S-32 was simple. The purpose of the bill was to give married women of Canada the same rights as unmarried women concerning the sale or alienation of immovable property. That proposition appeared to make so much sense that the National Federation of Liberal Women approved it unanimously at a congress which took place in Ottawa.

The motion today is to submit Bill S-16 to the Supreme Court of Canada. In order not to be accused of submitting doubtful legislation to you, the bill reproduces the text of the Northwest Territories Act which was in force in the statute book of the country from 1875, eight years after Confederation, until 1952, when it was taken off the statute book.

What is before you? It is not the bill. The bill has not been adopted. Even if you adopt this motion today, the bill will not be adopted. The bill would not have the force of law. It will be submitted with the motion to the Supreme Court of Canada, if the Government is willing to submit it to that tribunal for a decision, to decide who has authority in the matter of marriage. If the answer of the Supreme Court is unfavourable, the

matter will end there. If the reply is favourable, you will have an opportunity to amend the bill and even take the time—perhaps a year or two or three years—to write a bill which will cover the whole ground and which would be constitutional and which could not be attacked by anyone in law. That is the point. An explanation has been given with the bill and it is quite lengthy—it covers a page and a half—but the whole material is here with all the precedents that I have mentioned to you.

I wish also to thank my honourable colleague Senator Gouin for his kind reference to me, and I must tell him that when I was a young lawyer of 26 I wrote my first book, which was a municipal code, in both languages, and that his illustrious father, Sir Jean Lomer Gouin, was kind enough to accept the dedication, by special permission. It was a long time ago. It was my first experience in that domain, and I am still very thankful to Senator Gouin's father for his kindness to me and to his young compatriots in general.

Honourable senators, you may ask me what the bar thinks of this in the Province of Quebec. I am ready to answer you. If I had some trouble with one of the batonniers, who was a former president of the Liberal Federation of the Province of Quebec, I have the greatest respect for Mr. John O'Brien, his successor, and for Mr. Leon Lalande, who is the present Batonnier of the Bar of the Province of Quebec. They had all the information concerning the validity of the legislation pertaining to marriage. Mr. O'Brien wrote to me on October 10, 1963, as follows:

> I thank you for your two letters of yesterday's date.
>
> In order that the subject matter of your Bill should receive the attention it requires, I am referring it and the other material you have sent to me to the Legislation Committee of the General Council of the Bar, of which Mr. Roger Thibaudeau, Q.C., of Quebec City, is the Chairman.
>
> In the event that you should have any other material or information which you feel should be considered by the Committee, I would be obliged to you if you would communicate it directly to Mr. Thibaudeau.
>
> Yours very truly,
> John O'Brien.

I shall not speak of the meeting of the bar which took place at the Skyline Hotel in Montreal on February 15 and 16, 1963, and which I attended. That would be perhaps for the bill, if the bill comes again, but I do not think that you would have the time to listen to all those facts today.

Besides the Bar of the Province of Quebec there is another association called the Rural Bar Association, which includes all the lawyers from outside the cities of Montreal and Quebec. In October 1963 they met at Chicoutimi. Mr. Louis Dugal, of Rivière du Loup, President of the Rural Bar Association, wrote me the following letter, which I will translate, because I think it will be easier for you.

> My dear Senator,
>
> I have well received at Chicoutimi, at the convention of the Rural Bar Association, your letters of October 9 and documents which you sent me, and I thank you.
>
> As soon as I received them, I immediately submitted the whole file to our committee of civil rights, which was sitting under the presidency of (Mr. so-and-so), asking him to make a study and to send you the conclusions of the committee, which he would do without doubt.
>
> You may believe me, dear Senator, that we regretted that you could not come—

etcetera. That is signed "Louis Dugal."

The report never came, because the gentleman who was the chairman of the civil law committee was elevated to the bench, and the matter ended there. I will refrain from telling you more facts about the congress in Chicoutimi.

I received no report from the Rural Bar Association, but I received one from the secretary-treasurer of the Bar of the Province of Quebec. I do not want to read it, but perhaps I may be given leave to table it, and then it will be printed in *Hansard*. It is a letter signed by Mr. Robert Leveque, secretary-treasurer of the Quebec Bar Association, dated January 27. My answer of February 5 was a little spicy, but if you will allow me to put it on record for your information, you will have it translated in the *Hansard* of tomorrow.

The Hon. the Acting Speaker (Hon. Arthur L. Beaubien): Is it agreed?

Hon. Senators: Agreed.

Hon. Mr. Pouliot: Thank you. To show you my appreciation, Mr. Speaker, I will send you a copy of this letter, and I will send a copy to the two leaders, who read the French language.

(The letter and reply follow)

(Translation):

Tuesday, July 21, 1964

The Bar of the Province of Quebec
Office of the Secretary-Treasurer
170 Dorchester Blvd. West
Montreal 18

January 27, 1964.

Hon. Jean François Pouliot, Q.C.,
Member of the Senate,
Parliament Buildings,
Ottawa.

Dear Colleague:

At its meeting of January 25, 1964, the General council examined the report of Committee on the supervision of legislation, an item of which dealt with Bill S-32.

A resolution passed by the Rural Bar Association at its convention held on October 12, 1963, in Chicoutimi, bitterly criticized the federal Parliament for "legislating on matters coming under the civil code... property and civil rights in general". The Association asked Parliament to withdraw Bill S-32.

In accordance with a provision of the Bar regulations, the resolution was submitted to the General council. Both the Committee on legislation and the General council unanimously felt that it would not be appropriate to intervene at this stage of parliamentary procedure because the legislation in question is not a federal parliament bill but a private bill sponsored by a member of the Senate. In the circumstances, it is impossible to ask the federal Parliament to withdraw the bill. However, the General council reserves the right to reconsider the matter if the legislation goes through all the necessary stages and is sent to the House of Commons.

Please accept, dear colleague, my best regards.

Yours very truly,

(Sgd.) Robert Lévêque,
Secretary Treasurer.

The Senate
Ottawa, Canada

February 5, 1964.

Mr. Robert Lévêque, Q.C.,
Secretary Treasurer,
Bar of the Province of Quebec,
170 Dorchester Blvd. East,
Montreal 18, Que.

My dear Colleague,

In your letter of January 27, you informed me that the Rural Bar Association of the province of Quebec, at its convention held in Chicoutimi last October, had passed a resolution

> "to take the federal parliament strongly to task for legislating on the provisions of the civil code... and on property and civil rights in general."

You added that this Association had asked parliament to withdraw Bill No. S-32, the purpose of which was to grant to all married women the same rights as single women to sell and alienate immovable property.

This bill was introduced in the Senate last session, under the terms and in accordance with section 91, page 26, of the constitution of Canada (British North America Act, 1867), the complete text of which, as you are undoubtedly aware, was published under the title "Constitutional Documents of the province of Quebec", at the beginning of the first volume of the Revised Statutes of the Province of Quebec, 1941 (see R.S.P.Q., 1941, I, pp. XXVII and XXVIII).

The same text was reproduced in the Revised Statutes of Canada, 1952 (vol. VI, pages 6571 and 6572 of the French version) and in many other books.

This section provides that the Canadian parliament has *exclusive* jurisdiction over marriage and divorce (sections 115 to 217 of the civil code), except, however, the eight sections concerning "procedures regarding the celebration of marriage" (sections 128 to 135 of the civil code). As a matter of fact, under section 92 of the British North America Act, p. 12, provincial legislatures also have an exclusive but *very limited* jurisdiction in that respect, since it is limited to the celebration of marriage.

If ignorance of the law is no excuse, our colleagues of the Rural Bar Association, which held its last convention in Chicoutimi, could perhaps invoke extenuating circumstances. We will first mention the unforgivable flaws in teaching constitutional law and civil law in universities, then the environment influence, the seat of the convention held in the Saguenay region, part of the country of Maria Chapdelaine, where "nothing should die or change", and, finally, the presence, at the convention of the attorney general himself, surrounded by his petrified and dazed substitutes who rushed from every rural district to practice autosuggestion and try to convince themselves that we are still under the two

Canada systems and that the Canadian Confederation, which is 96 years old, has never existed.

Would not all that lead us to believe that high school students and those from the School of Higher Studies are better informed in constitutional and civil law than the members of the Rural Bar Association of the province of Quebec?

Is it not surprising that the faintheartedness or the aberration of such a large group of our colleagues has not immediately given rise within the Bar's General council to the reaction that the ordinary man of the province of Quebec had the right to expect.

What is much more serious is that since the coming into force of confederation, almost a hundred years ago, the Quebec legislature erred by disregarding completely the exclusive legislative jurisdiction conferred by the constitution to the federal Parliament on the one hand and to the provincial legislatures on the other.

Consequently, as stated by a former chief justice of Canada, all the amendments, except one, to the civil code with regard to marriage and divorce adopted by the Quebec legislature contrary to the very definite provisions of the British North America Act, would be completely null and void and everything done under the terms of those unconstitutional and illegal amendments would be null and void. Such legal anarchy is without precedent in world history. Such chaos does not exist anywhere else in the world.

Our most distinguished colleagues fear that the people of Quebec will be aroused and will lose all respect for the Bar and the courts if the authorities concerned do not step in immediately to remedy an illegal situation which has been going on for too long and to correct past mistakes as much as possible.

Indifference would be inexcusable under the circumstances. Is it not the duty of the General council composed of the Batonnier general, the Attorney General *ex officio*, the Batonniers and delegates of all districts and yourself, Mr. Secretary Treasurer, to be true to its most noble traditions and to make the necessary representations to none other than the Attorney General of the province so that as soon as possible, he may intervene with the Parliament at Westminster through the federal government, to have such an abnormal and deplorable situation remedied?

Every man has the undeniable right to live in peace under the law and it is to be hoped that the General council of the Bar of the province of Quebec will be equal to the task, no matter how difficult and painful it may seem at first sight, because everyone concerned will find his reward in the satisfaction of having done his duty.

As for the second part of your letter, I note that the General council feels that, at this stage of parliamentary procedure, it would be inappropriate to speak out against Bill S-32 but that it reserves the right to reconsider the matter.

In answer to the assertions of the General council which you summed up in this phrase: "This is not a federal parliament bill but a private bill introduced by a member of the Senate", may I point out to you:

1. that an amending bill to a general legislation like the federal Act on Marriage and Divorce, is unquestionably a public bill;

2. that, except for anything implying an expense of public monies, the senators and members of the House of Commons have the same right as the ministers to submit a public bill (See rules of the Senate, page 24, article 61);*

3. that, once passed by both houses and having received royal assent, the private bills, like all public bills, are bills of the federal parliament.

In view of your having kindly advised me that the General council had reserved the right to reconsider the matter, I take the liberty of sending you, herewith, four marked copies of the Senate rules, one of which is for you.

I am asking you to have the three other copies forwarded to the Batonnier general, another one to the Attorney General and the last one to the Bar library in Montreal, for the use of all our fellow lawyers.

Believe me, etc.

Jean-François Pouliot

(Text):

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* Subject to the important exception of financial measures, almost any public bill may be introduced in either house. (Parliament, Its History, Constitution and Practice 1295-1929, by Sir Courtenay Ilbert, G.C.B., K.C.S.I., late Clerk of the House of Commons.)

Hon. Mr. Pouliot: When the term of office of Batonnier John O'Brien ended, he made a few remarks in which he appealed to university faculties to teach students respect for the law. This article covers a column and a half, and there is the answer of the 40 professors of civil law.

I wonder if I could have leave to table that article, to be included in my speech? You will then be able to read it in *Hansard* tomorrow, and you will have it sooner than the correspondence with the Bar, because it is in English. This is a clipping from *The Gazette* of Montreal, and also the answer of the professors, which is from *Le Devoir*, dated May 11, 1964. Then you will have both sides.

The Hon. the Acting Speaker: Is it agreed?

Hon. Mr. Choquette: Agreed.

(*The two newspaper items follow*)

'Teach students respect for law'—Bar

Quebec's university faculties were urged over the weekend to make clear to their students that proper respect for the law and the use of its "natural processes" are the only effective means of accomplishing reforms.

The speaker was Batonnier John L. O'Brien, QC giving a report on his stewardship as head of the Montreal Bar, at the annual meeting which unanimously elected Leon Lalande, QC, as his successor.

Referring to observations he had made in the course of visits to the universities in the last year, Batonnier O'Brien said that a "general feeling of unease" he detected "led to the belief that, in many cases, a feeling of disrespect for the law, if not stemming directly from the teaching staff, certainly has not been combatted by some of them."

Reform Not Always End Result

"Disrespect of the law does not necessarily lead to reform, but almost necessarily to revolution," he said. "As we have seen in many parts of the world, the result of revolution is more frequently chaos or dictatorship than reform."

He qualified his remarks by acknowledging that "it is the privilege of the young to be radical," and he doubted that "any one of us would ask that the young people of this or any other day should be conservative in their views."

But he held it to be the duty "of those in responsibility in our great teaching institutions to make clear to those in their charge that reforms in the law must be accomplished through the natural processes of the law.

"It is my firm belief," he said, "that those responsible for the teaching of our younger generations must both realize and assert their responsibilities."

Views of Students are Given

Batonnier O'Brien had told the large and enthusiastic meeting that in his associations with students in the various law faculties in recent months he had been struck with "an apparently widespread view that both the provisions of the Bar Act and the application of the Bar rules are unfair."

Being curious as to the reasons for this situation, he had investigated the background and he had become "convinced that in many instances the attitude of the students stemmed from comments of some of their teachers."

"If the law teacher did not like the course he was called upon to give under the provisions of the Bar Act," the Batonnier said, "he did not hesitate to express his views in this respect to the students, perhaps unaware of the effects of his remarks on them."

The following were elected to office in voting which took place after the meeting: Emile Poissant, QC, first councillor; Guy Gilbert, secretary; and Peter Laing, QC, Paul Casgrain, QC, Henri Suprenant QC, and L. P. Guay, QC, councillors.

T. P. Slattery, QC, was unanimously elected treasurer and Melvin Rothman was named Junior Bar representative on the council. Maurice Fauteux, QC, remains as Syndic, and councillors whose terms did not expire this year are Samuel Godinsky QC, Austin W. Johnson, QC, and Francois Mercier, QC.

The New Court House committee, headed by Batonnier Jean Martineau, QC, and A. J. Campbell, QC, reported that work will begin next month on the excavation and foundations of the long-awaited edifice.

"If all goes according to plan," said the report, "the building will be in full occupancy by the spring of 1967. A part of the structure will be completed by the autumn of 1966 and will be ready for occupancy at that time."

A report on the Bar's Legal Aid services indicated that the volume of assistance given to needy applicants has been growing out of proportion to facilities available.

The committee, headed by Batonnier Bernard Bourdon, QC, reported that 3,169 new cases were opened by the bureau in the last year and the demand is steadily increasing.

"At present," the report pointed out, "our two colleagues (Jean T. Loranger, QC, and Paul Fontaine, QC) are obliged to put applicants off for a month, with the exception of those who are in immediate need, such as those whose salaries or furniture has been seized.

"The appointment book is full until the end of May, with 20 interviews a day, not counting those people who come into the office from day to day on urgent matters."

A grant of $12,000 for the work of the bureau was obtained during the year by Batonnier O'Brien from the Attorney-General. An equal amount is obtained annually from the city which sends social welfare clients to the bureau.

"This work is also achieved with the devotion of volunteer lawyers," the report recalled, "who accept cases sent to them and whose names are inscribed on the honour-roll that the Batonnier's list comprises. There are 503 of them."

Batonnier O'Brien, in his report, paid special tribute to the Legal Aid committee and pointed out that the budget for the coming year is $60,000. He said he had requested a $35,000 grant from the Attorney-General, who had promised that "a complete study of the question would be made in the near future."

(Translation):

Following the remarks of
Batonnier O'Brien,

THE LAW PROFESSORS STATE: WE FIGHT AGAINST DISRESPECT FOR THE LAW

A few days ago, the Batonnier of the Montreal Bar, John K. O'Brien, claimed that in various law faculties, professors promote "disrespect" for the law. The Teachers' Association has issued the following release in reply to the charge.

The Quebec Law Teachers' Association has read in the press the remarks made by Batonnier John L. O'Brien, Q.C., at the annual convention of the Montreal Bar held in that city last Friday, May 1.

The Quebec Law Teachers' Association is surprised to hear that certain remarks reported by the press have led people to think that some professors do not oppose "disrespect" for the law among their students, thus becoming indirect accomplices of those who show "disrespect" for the law.

The Quebec Law Teachers' Association wishes to point out firmly and very clearly that it has never been brought to its attention nor can it believe that any of its members use their position in law schools to encourage, directly or indirectly, by their actions or their silence, their students to flout the law.

The Quebec Law Teachers' Association regrets that certain remarks reported by the press have left in the public mind some doubt—no matter how slight—about the intellectual honesty and the moral integrity of its members.

Finally, the Quebec Law Teachers' Association wishes to point out that its members feel absolutely free to make constructive criticism concerning any piece of legislation, including the act concerning the Bar of the province of Quebec and its regulations, because there could be no true progress of legal science without a constantly renewed critical appreciation of its constituting elements.

(Text):

Hon. Mr. Pouliot: Now I have some very nice things to tell you; but I will not tell them to you because I do not want to abuse your kindness. You are all kind and helpful, to me today, and I will try to be as short and concise as possible.

It was with infinite regret that I found after the committee sitting was over—because the memorandum was tabled in committee but not read—that the Deputy Minister of Justice had dared to say that Bill S-32 of last year was a private bill because it was sponsored by one who was not a member of the Government. I found it to be really dangerous that an outstanding civil servant—I mean one occupying such a high position—distorts the law in such a manner. However, you know about it. I will not insist about it. I have said enough, and I know very well that very few of you will approve of that.

Honourable senators, how can the transfer be made of the jurisdiction concerning marriage from the Parliament of Canada to the provinces? In the same manner that we have proceeded with regard to the Canada Pension Plan. It was to vote an address to Her Majesty asking for an amendment to the B.N.A. Act to remove the federal jurisdiction concerning marriage and to give it to all the provinces of Canada.

To conclude by something which is really comforting, in cases of doubt, there is one gentleman that you may call on and ask for his opinion. It is no less than the Law Clerk and Parliamentary Counsel of the Senate, Mr. E. R. Hopkins. He is a learned man and he knows his business. He is an officer of the Senate and is here to inform the Senate about the best way to deal with the legislation we have here. He is paid for that, it is his task and he does it well.

What is the conclusion of his evidence before the committee? You have it in the report of the Miscellaneous Private Bills Committee of December 12, 1963, on Bill S-32, and the same would apply to Bill S-16 of this session. Mr. Hopkins said:

> My conclusion therefore is that, since the present bill does not deal in any way with the validity of a marriage contract, there exists a real doubt as to its constitutionality—a doubt which could be finally resolved only by the Supreme Court of Canada.

I will conclude with another reference that you will appreciate, because it does not come from me. Chief Justice McRuer did not wait until next year to get his superannuation. He resigned as a judge to take full charge of two important commissions under the authority of the present Attorney General of the Province of Ontario. Here is the news item as it was published in the Ottawa *Journal* of July 9, 1964:

McRuer Heads New Probe

> Toronto (CP)—Attorney-General Arthur Wishart announced today that former Ontario chief justice James Chalmer McRuer will head Ontario's law reform commission.
>
> Dean Allan Leal of the Osgoode Hall law school and another legal expert, as yet unnamed, will serve with Mr. McRuer, Mr. Wishart said.
>
> "Among other things, I expect it (the commission) to study laws on divorce, desertion, bail and abortion. It's a tremendously important commission," he said in a statement.
>
> He said the commission would not be confined to laws under provincial jurisdiction. "I think it is our duty to recommend reform we think necessary in federal law as well," he said.
>
> The attorney-general added that laws regarding hate literature could fall under this category.
>
> Mr. McRuer, who retired as Chief Justice July 1, will chair the law reform commission while conducting the government's royal commission on civil liberties.

Now, you know very well that Chief Justice McRuer at the opening of the courts last year said that in law legal research was of the utmost importance, that it had been neglected and that we would have to reintroduce it to have sound legislation. That is all I want. I want sound legislation, under the direction and ruling of the Supreme Court of Canada.

I thank you very warmly.

The Hon. the Acting Speaker: Honourable senators, it is moved by the honourable Senator Pouliot, seconded by the honourable Senator Stambaugh:

> That in the opinion of this House, the Government should immediately refer to the Supreme Court of Canada, for the opinion of that Court, the question of the constitutional validity of Bill S-16, intituled: "An Act to amend the Marriage and Divorce Act".

Is it your pleasure to adopt the motion?

Some Hon. Senators: Carried.

Some Hon. Senators: No.

The Hon. the Acting Speaker: In my opinion the "nays" have it.

Hon. Mr. Choquette: I would not say that.

The Hon. the Acting Speaker: The motion is lost.

Hon. Mr. Leonard: I suggest you put the motion to the Senate again, Mr. Speaker.

The Hon. the Acting Speaker: Is it your pleasure, honourable senators, to adopt this motion?

Some Hon. Senators: Yea.

Some Hon. Senators: Nay.

The Hon. the Acting Speaker: In my opinion, the "nays" have it.

Do you wish to call for a recorded vote?

Hon. Mr. Pouliot: I think we should have a vote.

The Hon. the Acting Speaker: Please call in the members.

Motion of Hon. Mr. Pouliot affirmed on the following division:

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The Hon. the Acting Speaker: I declare the motion carried.

Hon. Mr. Pouliot: I thank my honourable colleagues very warmly.

Hon. Mr. Choquette: I think this is a lesson to all of us that we should not go by a voice vote—loud voices.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, July 22, 1964

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

Prayers.

DOCUMENTS TABLED

Hon. John J. Connolly tabled:

Report of Crown Assets Disposal Corporation, including its Accounts and Financial Statements certified by the Auditor General, for the fiscal year ended March 31, 1964, pursuant to section 14 of the Surplus Crown Assets Act, chapter 260, and sections 85(3) and 87(3) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French texts).

Report of the Atlantic Development Board for the fiscal year ended March 31, 1964, pursuant to section 19 of the Atlantic Development Board Act, chapter 10, Statutes of Canada, 1962-63. (French text).

Report, dated June 24, 1964, of the Restrictive Trade Practices Commission, under the Combines Investigation Act, concerning the Distribution, Supply and Sale of Plumbing Supplies and Related Products in the Province of Alberta. (English and French texts).

PRIVATE BILL

BANK OF BRITISH COLUMBIA—AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the following report of the committee on Bill S-20, to incorporate Bank of British Columbia:

Your committee recommend that authority be granted for the printing of 800 copies in English and 300 copies in French of their proceedings on the said bill.

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

Hon. Mr. Hayden: I move, with leave, that the report be adopted now.

Report adopted.

STATUTES OF QUEBEC

PUBLICATION IN OFFICIAL GAZETTE

On the Orders of the Day:

Hon. Jean-François Pouliot: Honourable senators, following the conversation I had this morning with the Right Honourable the Prime Minister, I take this opportunity of handing to the honourable Leader of the Government this supplement of the Official Gazette of the Province of Quebec in which all of the public bills, except supply bills, are published shortly after the conclusion of the session of the Legislature. In Parliament we have to wait a longer time for the bound edition of the statutes, which contains all the legislation passed during the session.

I hope that as soon as possible after the long adjournment the example of the Province of Quebec in this matter will be followed by the federal Government. I will be very grateful to the honourable Leader of the Government in the Senate if he will get in touch personally with the Prime Minister about this, and show him this supplement which, as I have said, contains all the public legislation adopted during the session of the Legislature.

PREMIER OF BRITISH COLUMBIA

GUEST IN SPEAKER'S GALLERY

Hon. John J. Connolly: Honourable senators, before the Orders of the Day are called, I am sure all honourable senators would wish me to draw to their attention that there is present in the Speaker's Gallery today the Premier of the Province of British Columbia. We are all very glad to see the Premier here. I hope that many other prominent Canadians will follow his example in showing an interest in the proceedings of the Senate.

Hon. A. J. Brooks: Honourable senators, if I might also add a word, I would say how pleased I am to see the Premier of British Columbia in our gallery. I had the honour of knowing the Premier when he was a student in New Brunswick, years ago. He attended the school and I was the teacher.

HARBOURS AND PILOTAGE ACTS

BILL TO REPEAL—THIRD READING

Hon. Eric Cook moved the third reading of Bill S-40, to repeal certain acts of the Province of Newfoundland respecting harbours and pilotage.

Motion agreed to and bill read third time and passed.

OTTAWA TERMINAL RAILWAY BILL

THIRD READING

Hon. A. K. Huggessen, for Hon. Mr. Lambert, moved the third reading of Bill S-33, to incorporate the Ottawa Terminal Railway Company.

Motion agreed to and bill read third time and passed.

DISSOLUTION AND ANNULMENT OF MARRIAGES ACT

ORDER FOR SECOND READING STANDS

On the Order.

Second reading of Bill S-29, intituled: "An Act to repeal the Dissolution and Annulment of Marriages Act".—(Honourable Senator Pouliot).

Hon. Jean-François Pouliot: Honourable senators, I have very comforting news for you. Yesterday I met a member of the opposition groups in the other house, and he told me, rather seriously, that according to him the session would end by the first days of September, in time for the hunting season. Therefore, I ask my honourable colleagues that this bill stand until August 18.

Order stands.

MARRIAGE AND DIVORCE ACT

BILL TO AMEND—ORDER FOR SECOND READING STANDS

On the Order:

Second reading of Bill S-16, intituled: "An Act to amend the Marriage and Divorce Act". — (Honourable Senator Pouliot).

Hon. Mr. Pouliot: Honourable senators, at the outset I must inform you that I do not intend to proceed with the second reading of Bill S-16.

Before withdrawing the bill, I hope you will permit me to convey a message to you. I have received a few telephone calls from persons who did not congratulate me, but who told me that they wanted to congratulate the Senate for the good work that was done yesterday, in spite of the fact that the press was rather indifferent, and sometimes hostile, towards the motion passed yesterday to refer this bill to the Supreme Court of Canada.

We had no assistance from the Quebec Bar, and no assistance from the Chamber of Notaries; yet in spite of all that, the Senate has defended the rights of the people, and I convey their congratulations to all of you.

In the second place, I desire to thank the officials of the Library most warmly—Mr. Spicer, the chief librarian, Mr. Sylvestre, his right-hand man, and all the personnel, for the assistance they have given to me in my legal research. I cannot praise them too highly. Whenever you go to the Library, and to one of the two floors underground, you will see the wealth of information that is there, and you will use it with great profit.

The third point is that I keep in my sleeve for future occasions some very fine articles. One of them would be worth a lot of money. It was published in the supplement of *La Presse*, when it was being published. It concerned Mr. Louis Philippe Pigeon, not the member for Joliette, but a lawyer who had been the oracle of the late Mr. Godbout when he was Premier of Quebec, as well as for some of his successors. I will not read the article. I told you that I would keep it in my sleeve for a future occasion. However, I have a good story to tell you—and it is history. At one time Sir Wilfred Laurier had a houseman by the name of Pigeon, and he asked Mr. De Celles to take him to the library. One day Sir Wilfrid went there and saw the librarian, Mr. De Celles, and asked him, "How is it with my Pigeon?" Mr. De Celles replied, "Well, Sir Wilfrid, your pigeon is all right, but he is not an eagle."

I have another article about The Friends of the New Spirit; there is also a caricature which is rather awful, but it is a good likeness, and I keep it in my sleeve, too. It is about one of the learned jurists of the Province of Quebec, who was called "the crumbling one"—le croulant.

By the way, yesterday I spoke of "the society of mutual admiration." I have an example in my hand: it is a book as thick as a dictionary. It is a tribute to a professor of constitutional law, and is dedicated to him in the fashion of the epitaphs we find in the Roman cemeteries from the time of Cicero. Many professors of law of the University of Montreal have written theses or articles as a tribute to that gentleman who never taught his students the close relationship that exists between constitutional and civil law. This is a big book and is quite weighty; I did not buy it, it belongs to the Library. Now that I have shown it to you, I will return it to the Library.

Honourable senators I have in my hand a very serious article written by Jean-Marie Tremblay. It is entitled, "The Law: a Scratch or a Major Wound"? It is a column and a half long; I will not read it, but I wonder if you would like to have it on *Hansard*, the same as was done in the case of some publications yesterday.

The Hon. the Speaker: Is it agreed?

Some Hon. Senators: Agreed.

Hon. Mr. Pouliot: Thank you.

(The article follows)

(Translation):

Law: a Scratch or a Major Wound?

By Jean-Marie Tremblay

There have long been two kinds of faculties at Laval university: those known as "serene" faculties and those known as "uneasy" faculties. In other words, there are some where "everything is going fine" and some others "where everything is going badly."

Now, according to certain sources, the faculty of law deserves to be included among the "uneasy" ones or at least the "sick" ones. In any event, there is a good deal of talk about this faculty nowadays. So much so that there are strong rumours going around about major changes coming up there, perhaps before the next academic year. Naturally, it is not easy to elicit any comments from the professors who make up its teaching staff. But, on the whole, one can reach the conclusion that everything is not running smoothly at the faculty of law of Laval university.

As for the heads of the university, they have shown a remarkable discretion in this uproar. This did not prevent a Laval spokesman, breaking the silence, to confide substantially to this writer, that things were not going too well in the law faculty. He suggested that some changes, even involving the dean, might be made within a few months. It was impossible to learn anything more nor to obtain more details from that person, who nevertheless confirmed an actual uneasiness.

Then, some professors reluctantly admitted, while wishing to remain anonymous, that without new developments in the near future which would be more than desirable, the faculty of law threatens to become the most backward of all Laval faculties. But, in fact, what is the basis of the criticism? And is such criticism fully justified? That is the big question!

The whole thing started when it was disclosed that 15 out of 24 Laval candidates at the last Bar examinations (that is 62.5 per cent) had failed miserably. The average failure rate is 45 per cent at the most in the province. The results were hardly any better with regard to notaries. But it was overlooked that in previous years law students from Laval university had always done very well; the previous year no fewer than 88 per cent of the candidates had passed successfully. Results had been more or less the same for the other three or four years.

It is rather strange that the professors questioned seemed divided about the real need for a change in the Law faculty whose dean is Mr. Guy Hudon, Q.C., who came back from a trip to Europe at the beginning of the week. Some professors' silence is dictated by numerous considerations quite foreign to the teaching of law. But, in general, most people agree that the faculty is following a questionable policy. It is said that its teaching bears the hallmark of an outdated traditionalism, which is the primary reason for this year's failures.

"Things are not running smoothly, but that does not necessarily mean that everybody is right", hurriedly added a responsible member of the Laval University staff. That shows that Dean Guy Hudon has reliable defenders among both the teachers and the authorities. It also means that a struggle seems to be in the making and that it might erupt during the next academic year.

Strangely enough, the professors who were interviewed did not agree on the advisability of a change in the law faculty. On the other hand, however, it seems difficult for them, under the circumstances, to be as impartial as the fourth-year student who told us: "One of the main difficulties is certainly the fact that too few members of the faculty are full-time teachers. The faculty of law has only six full-time teachers, four of whom are over sixty. It follows that practically all the lectures are given by practising lawyers who must look after their own offices."

This means also that these part-time professors do not have time to prepare their courses because of urgent business. It cannot be denied that between a lecture which gives them about $10.00 and the case of an important client which may bring them hundreds of dollars, it is easy to make a choice—at the expense of the students who go to the faculty to be told at 5.20 or 5.30 that the lawyer will not give his lecture—

"It would be rather difficult," he added "to ask students to take an interest in their legal studies, when they are deprived of one lecture out of four. Moreover, law students write exams only twice a year—at the end of January—when they also have oral tests, and at the end of the year, in May. Can you imagine? Students beginning their studies in September and being four months without a test. The result is always cramming at the last moment since they have studied numerous subjects in four months —besides, the February exams are practically not taken into account for the academic results—about 35 per cent of the marks—with the result that a year of

study is at stake at the year-end exams—and that following a headache, for instance, it can be a failure, despite the work done during the year, which is then practically useless—."

(Text):

Hon. Mr. Pouliot: The last thing I want to do is to refer you to page 317 of *Hansard* of April 28 last, to the facts mentioned there with regard to the memorandum which was signed by the Deputy Minister of Justice and addressed to one of his subordinates who was to attend the Miscellaneous Private Bills Committee. He made a statement that was contrary to the law, and forbade him to appear before the committee. I ask you, honourable colleagues, if you think he is fit to appear before the Supreme Court of Canada to argue the motion concerning the jurisdiction over marriage when he did not know that the members of Parliament, the members of both houses, have the unquestionable right to introduce public as well as private legislation. I leave it to you; I bring it to the attention of the Leader of the Government; and I will not insist further.

I thank you personally and on behalf of the married women not only of the Province of Quebec but of Canada at large. I congratulate you for what you have done, and I am sure it will produce a good result. When we are united there is nothing the Senate cannot accomplish. We had an example of that yesterday. I hope it will produce good results. Thank you very much.

The Hon. the Speaker: Is the honourable senator withdrawing his bill?

Hon. Mr. Pouliot: I ask leave of the Senate to withdraw that bill because it will accompany the motion to the Supreme Court, if it ever goes there.

The Hon. the Speaker: Has the honourable senator leave to withdraw Bill S-16?

Some Hon. Senators: Agreed.

Hon. Mr. Flynn: No. Honourable senators, I do not think we should let the honourable senator take this risk, since the Senate yesterday moved that the Government should refer this bill to the Supreme Court. I will give my leave only when the Government has made up its mind.

Hon. Mr. Pouliot: Then I adjourn the debate, and I shall produce the treasures I have up my sleeve in due course. I am ready to withdraw my bill. If you object, I will let it stand until tomorrow.

Hon. Mr. Flynn: I think it should stand until the Government has made up its mind.

Some Hon. Senators: Stand.

The Hon. the Speaker: Order stands.

BUSINESS OF THE SENATE

Hon. John J. Connolly: Honourable senators, we have come to the end of today's Order Paper. As all honourable senators know, we had expected to have received from the other place by now the bill with respect to student loans and, possibly, the bill respecting federal-provincial fiscal arrangements.

Hon. Mr. McCutcheon: The optimists thought that.

Hon. Mr. Connolly (Ottawa West): There are some of us who are optimists. I think we can include you in that number because of your presence here this week.

While no one can say at this stage what might happen, I think we should remember the difficulties we had at Easter when we adjourned from day to day with no legislation before us. I would suggest that in the event, however unlikely, that one of these measures will reach us before six o'clock, it might be the part of wisdom to adjourn until six o'clock, and to assess the situation then.

There is a further possibility I should like honourable senators to consider. If the bill should not be available this afternoon, since the other place does not sit this evening it might be desirable to adjourn, not until tomorrow but until Friday at three o'clock.

Hon. Mr. McCutcheon: Monday.

Hon. Mr. Willis: Tuesday.

Hon. Mr. Connolly (Ottawa West): Everybody has a different idea. I know honourable senators have made plans that I occasionally interfere with, and on this point I am sorry. Nevertheless, I think we must keep one foot on the ladder.

Hon. Mr. Aseltine: Let us wait until six o'clock.

Hon. Mr. Connolly (Ottawa West): I hope that by six o'clock we may have a bill before us, and if so the decision will be made at that time as to whether we should begin to discuss it then and continue tomorrow. If the bill is not available at six o'clock, I should like honourable senators to have some ideas as to whether the adjournment should be until tomorrow or Friday.

I would draw to the attention of the Senate the fact that on Friday the other place will deal with estimates only, so that after tomorrow night we may expect no further legislation this week.

May I also draw to the attention of honourable senators the fact that the Standing Committee on Banking and Commerce is scheduled to meet immediately after the Senate rises this afternoon; and it will meet

again tomorrow to deal with a different matter than the one now before it. The Miscellaneous Private Bills Committee will also meet tomorrow morning, at eleven o'clock.

Hon. Mr. Cameron: May I ask when the reports of the Standing Committee on Banking and Commerce are likely to be dealt with, assuming the committee reports are available this afternoon or this evening?

Hon. Mr. Connolly (Ottawa West): I cannot give any assurance as to what will happen in the event of those reports being available. However, the practice of the Senate is to deal with reports promptly upon being presented.

Hon. A. J. Brooks: Honourable senators, the remarks of the honourable Leader of the Government indicate the difficulty there is in arranging the business of this chamber. We appreciate the difficulties which he has encountered, and we realize that it is not easy to arrange business when there is no business to arrange. On the other hand, when there is business available, it is easy to make appropriate arrangements.

I have no wish to criticize the honourable Leader of the Government but I do feel that there is ground for criticism so far as the business arrangements in the other house are concerned. The bill which is being held up at the present time—or perhaps I should say which is being debated at the present time—could have been dealt with weeks ago. We have been in session since February 18, and surely the Government knows what legislation should have priority.

We have had before us Bill C-108, which had to do with payment of youth allowances to young men and women who continue to attend school up to the age of eighteen. That was considered a priority bill, because at the present time students have summer holidays, and arrangements have to be made before school opens again in the fall. Now there is another bill which depends also on the date for the reopening of college.

I repeat, honourable senators, while there is no criticism to be offered against the Leader of the Government in this chamber who, I am sure, presses these matters in cabinet, nevertheless there is criticism to be offered, and I do not hesitate to offer it, where the arrangement of business in the other place is concerned. First things should come first.

We all know that one of the main duties of Parliament is to vote supply to Her Majesty. Consideration of estimates should be one of the first items of business. We have now an interim supply bill coming up, as we had last month. This situation goes on from month to month, and is a matter which makes for further delay. I point these things out to indicate that there is no blame to be attached to this chamber for the irregularity of our sittings, if I may use that phrase, and the irregularity of our transaction of business. But I do say there is criticism to be offered, and that it should be offered, where the arrangement of business in the other place is so unsatisfactory.

Hon. M. Wallace McCutcheon: Honourable senators, it is rarely I disagree with the Leader of the Opposition (Hon. Mr. Brooks), but he made one observation to which I must take exception. He said surely the Government conducting the business in the other place should know about priorities and the arrangement of priorities. Honourable senators, if I can believe what I read in the press the fact is that there was a priority list of business laid down to the house by the Prime Minister on May 15. Then, there was a completely different priority list laid down on June 3, and the last priority list was laid down on June 30. Let us not sit here and say that the Government knows nothing about priorities.

Hon. Mr. Connolly (Ottawa West): Honourable senators, I do not wish to engage in a debate about this matter. But I would say, and I think with reason, that many of the measures in the original list mentioned by honourable Senator McCutcheon, and which was placed upon the Order Paper of the other place by the Prime Minister, have been adopted by Parliament. However, I think the minimum has now been settled upon, and we can expect here soon the bill respecting student loans, the bill respecting federal-provincial fiscal arrangements, and an interim supply bill. I think these are the legislative measures that we can expect to receive. At least, the plan of the other place is to deal with these items before coming to the flag debate. I hope that we shall get them fairly soon.

Further, I should like to point out that a Government may decide priorities, but it is not always the Government who decides whether or not these priorities shall be adhered to. There is another side to the House of Commons, as there is to this house, and I think that fact should be kept in mind in this house.

The Senate adjourned during pleasure.

At 6 p.m. the sitting was resumed.

Hon. Mr. Connolly (Ottawa West): Honourable senators, the bill to provide student loans that we had been expecting by 6 o'clock—perhaps with not too much assurance—is almost certainly not to be available

today. This bill carries with it the same degree of urgency as the bill to provide for youth allowances, because of the approaching opening of colleges and schools.

I am informed that the last amendment that is known has been moved and is about to be voted upon, but the other place will not pass the bill tonight even if it sits a little overtime. On the best information I have the bill should pass the other place tomorrow, and because of the urgency attending it I would suggest to honourable senators that we adjourn until 3 o'clock on Friday afternoon. I do not suggest that we adjourn until 3 o'clock tomorrow afternoon because it is very doubtful that the legislation would be here in time to be considered. The House of Commons has a long day tomorrow, from two in the afternoon until 10 or 10.30 o'clock at night, and I do not like to suggest that the Senate sit tomorrow on the off chance that it would receive that bill within the hour.

I realize this is a source of inconvenience to the Senate, but the best judgment I can exercise in the situation is that the Senate should adjourn tonight until 3 o'clock Friday afternoon. I would hope that the measure would then be before us, and it could be studied on Friday afternoon, and Friday evening if it is so desired.

Hon. Mr. Beaubien (Bedford): What about next week?

Hon. Mr. Flynn: The bill will not pass third reading tomorrow. I should point out that if we do not get it until Friday, we must have time in which to debate it.

Hon. Mr. Connolly (Ottawa West): There is a risk of our not receiving the bill by Friday, but if it passes second reading and the committee stage tomorrow, then I think it would receive third reading early on Friday and be sent to us.

Hon. Mr. McCutcheon: Can the honourable Leader of the Government say when he anticipates having royal assent?

Hon. Mr. Connolly (Ottawa West): No. I had not planned that far ahead. There is the possibility that we will shortly receive the bill with respect to fiscal arrangements. I am told that it may not require much more time in the other place. It has already been debated to some extent. It may be that we can debate both these measures on Friday, though we may not conclude them. That will depend a great deal on the disposition of the Senate. Again, I am frank to say, we may have nothing on our Order Paper for Friday.

Hon. Mr. McCutcheon: Honourable senators, speaking only for myself—the honourable Leader of the Opposition will speak for this side of the house—I say that we should adjourn until Monday, at 3 o'clock in the afternoon or 8 o'clock in the evening. No time will be lost in dealing with legislation if we do that. I do not think we should go through this procedure of appearing and disappearing. The Leader of the Government says he has no thought as to when royal assent might be given. It is obvious from his answer that royal assent is not going to be given on Friday night, and I suspect it is not going to be given on Monday night. Therefore, I suggest we adjourn until Monday.

Hon. Mr. Connolly (Ottawa West): I do not wish to quarrel with the honourable gentleman. My view is that if the Senate were so disposed, and the bills were passed by Monday night, I would see no obstacle to having royal assent on Monday night.

Hon. Mr. McCutcheon: The honourable senator knows, of course, that there is another important bill coming, that is, the bill called interim supply.

Hon. Mr. Connolly (Ottawa West): I am not suggesting that we have to delay royal assent until the interim supply bill has been completed.

Hon. Mr. Brooks: We all recognize, I am sure, the difficulties of the honourable Leader of the Government in deciding these matters; it is not an easy problem. From past experience, I am quite certain that when we have royal assent it will be for the three bills, and it will probably come on Wednesday or Thursday. In that event—and I will concur in anything that the honourable Leader of the Government decides on—my humble opinion is that it might be well to do as Senator McCutcheon has suggested, adjourn until Monday night at 8 o'clock. Then we could clean up these three bills which we have the prospect of getting from the House of Commons next week, and have royal assent later in the week. That would seem to be a likely course of events.

Hon. Mr. Hayden: Perhaps Senator Grosart would express an opinion.

Hon. Mr. Grosart: My name has been mentioned, as, if I may use the term, *obiter dicta*. It is true that I did call the attention of the Senate to some criticism that had been made on the delay of nine days in the consideration of the youth allowances bill. It has been assumed by some that this was not a wise comment to make.

I would like to clarify it at this point and entirely support what has been said by the leader on this side and by Senator McCutcheon, that I think it would be quite proper in these circumstances for the Senate

to adjourn until Monday. In my earlier comments about adjournments, I did mention the time of two or three days. I think there can be no objection at any time to a delay of two or three days in the Senate considering legislation that has been passed in the other place. In fact, it has been drawn to my attention that this would perhaps add to the broad concept of "sober second thought". My objection on the earlier occasion was to a delay of nine days on what was regarded for various reasons as urgent legislation. That legislation was introduced on July 2 in the other place and passed very expeditiously by agreement between all parties on July 7. I do not think that applies to this particular situation, and I therefore completely support the suggestions that have been made on this side that it would be proper for the Senate to adjourn until Monday.

Hon. Mr. Connolly (Ottawa West): Honourable senators, the chairman of the Banking and Commerce Committee reminds me that there is an important meeting of that committee called for tomorrow morning. Would honourable senators prefer to adjourn until tomorrow afternoon? I do not think there is any prospect of this bill reaching us tomorrow, but there may be reports coming out of committee. Or, would the suggestion that we adjourn until Monday at three o'clock carry with the majority of senators?

Hon. Mr. Croll: I think that if there is going to be any criticism at all, it will be that we neglected committee work that has been laid on. The bill under consideration has been hanging fire for a couple of months now.

Hon. Mr. Hayden: Not "hanging fire"—we have been hearing evidence.

Hon. Mr. Croll: I think it is time we got that important bill out of the way, and at that time we can assess the situation and adjourn until Monday. We will all be here tomorrow, and if we adjourn until Friday we will be waiting around. In any event, a committee meeting has been called for tomorrow. Let us proceed with it, and then we can adjourn until Monday.

Hon. Mr. Brooks: What bill will be before the committee tomorrow?

Hon. Mr. Croll: It is the Banking and Commerce Committee.

Hon. Mr. Hayden: The bill respecting the Companies Act is to be considered. We heard all the outside witnesses, and we arranged with Mr. Lesage, who is in charge of the Companies Branch section, to come in to answer the evidence which has been given in relation to changes as against what is in the amending bill. We detained him last week; then he left the city and we could not hear him. He was obliged to appear in some kind of court proceedings in Montreal, in which he is involved, and he asked to be excused until this week.

It is important that we have a good attendance with respect to this bill, and I suggest that if we adjourn until tomorrow afternoon we would have a better attendance.

Hon. Mr. Brooks: You are referring to attendance at the committee?

Hon. Mr. Hayden: Yes. We will not finish the bill tomorrow.

Hon. Mr. McCutcheon: You will not finish the bill tomorrow. The members of the committee who are interested in the bill will attend tomorrow morning and discuss it; then the chairman will set up the small subcommittee which has been discussed, and it will deal with the very extensive redrafting that has to be done. However, there is no reason for the house to sit tomorrow.

Hon. Mr. Burchill: Honourable senators, all of us have personal plans, but the great difficulty for most of us is making reservations for travel. I presume other senators have some difficulty in this respect, but I seem to be in trouble all the time.

I concur in what Senator Croll said, that if the committee sits this evening and again tomorrow morning, we could then adjourn until Monday. Personally, that would suit me.

Hon. Mr. McCutcheon: Hear, hear.

Hon. Mr. Connolly (Ottawa West): Honourable senators, perhaps this is not the easiest forum in which to get a consensus in a situation like this. I think it might meet the wishes of both sides if the adjournment were until Monday at 3 o'clock in the afternoon.

Hon. Mr. McCutcheon: Hear, hear.

Hon. Mr. Connolly (Ottawa West): We shall probably sit on Monday night. I would hope for the co-operation of all honourable senators in dealing with the business that we will have before us, and I am sure we will have it.

I would ask that as many members as possible of the Banking and Commerce Committee attend the meeting called for tomorrow morning. This is an important bill, and I think we are doing what the Senate should and must do in respect of this very important committee work, if we perform in that way. However, some senators will be unable to attend, through no fault of their own, and I am sure we all feel that we should not sit unnecessarily and charge them with another absence. The absence you save may be your own some day.

I would also point out that the Banking and Commerce Committee is to meet this

evening at 8 o'clock, and I would ask the members of that committee to attend in as large numbers as possible.

I therefore move, seconded by the Leader of the Opposition—

Hon. Mr. Croll: Honourable senators, I have just one further thought to express. Some of us who have been here pretty steadily find it difficult to be here for Monday afternoon. As there may not be any business until Monday, surely 8 o'clock in the evening would meet the requirements of everyone. It does not help the Senate if it meets at 3 p.m. and adjourns until 8 p.m. without doing any business. I think if you called us together on Monday at 8 p.m. we could do the business.

Hon. Mr. Connolly (Ottawa West): I appreciate this. The amount of business that has to be done is considerable. I think it might serve the convenience of many honourable senators who find themselves in the same position as Senator Croll if we undertook to sit on Monday at 3 p.m. and at 8 p.m. We can arrange the business in that way because I am sure we will have a quorum. This is a "do-it-yourself" operation, but in the circumstances I believe we are doing what the Senate should do.

I move, seconded by the Leader of the Opposition, so as to make it unanimous, that we adjourn until Monday next at 3 p.m.

Motion agreed to.

The Senate adjourned until Monday, July 27, at 3 p.m.

THE SENATE

Monday, July 27, 1964

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

Prayers.

CANADA STUDENT LOANS BILL

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-110, to facilitate the making of loans to students.

Bill read first time.

SECOND READING

Hon. Muriel McQ. Fergusson, with leave of the Senate, moved the second reading of the bill.

She said: Honourable senators, I was greatly pleased when I was asked to introduce in the Senate Bill C-110, an act to facilitate the making of loans to students. There are few things that interest me more than schemes which will provide money to enable students to acquire post high school education. I believe sincerely in the Declaration of Human Rights which, in Article 26, says:

> Technical and professional education shall be made generally available.

Through this bill the Government is making arrangements to provide students with the money to enable them to take technical and professional training.

My original interest in these matters, and in this bill, no doubt was enhanced through some years of experience immediately prior to the time I was appointed to the Senate when I served, without remuneration of course, as the Educational Secretary of the New Brunswick Provincial Chapter of the Imperial Order Daughters of the Empire. This automatically made me chairman of the committee of the provincial chapter which accepts applications from students in New Brunswick who apply for scholarships and bursaries given annually throughout Canada by the I.O.D.E. This committee interviews the applicants and recommends to the National Committee the names of those whom they consider best qualified for the awards. The National Committee decides on the recipients, usually on the recommendations of the Provincial Committee.

Many persons who are now prominent in and contribute very much to the life of Canada were able to continue their own higher education only because of the generous scholarships and bursaries they received from the I.O.D.E. in the past.

An exhaustive list of these award winners who have reached prominence in Canadian life would, I am sure, surprise honourable senators. I will not attempt to give a list of those persons, but I would like to mention a few who are well known to you. One is the Honourable J. W. Pickersgill, Minister of Transport in the present government; another is Dr. Albert W. Trueman, a former President of the University of Manitoba, later President of the University of New Brunswick, a former commissioner of the National Film Board, and now highly regarded and very well known both at home and abroad as Director of the Canada Council. Another, who originally came from Prince Edward Island and who now lives in New Brunswick, a citizen of whom New Brunswick is very proud, is Dr. W. Stewart MacNutt, Professor of History at the University of New Brunswick.

He is a noted historian and writer. In the last ten years, after considerable research, he has published several excellent books and has brought to mind much of New Brunswick's history that otherwise would probably have been forgotten.

I know, of course, that there are many other organizations that supply similar opportunities to Canadian students. Notably in my own province, there are the generous Beaverbrook scholarships, which have enabled many New Brunswickers to take post-graduate courses in Great Britain. These have enriched especially the legal and teaching professions of our province, as well as other parts of Canada, for the Maritimes continue, as they have done in the past, to export brains and trained personnel to other provinces and to the United States.

Other well known Maritimers would not have reached the eminence they have, had they not received Rhodes Scholarships. I think of Mr. Justice Ivan C. Rand, one of the most distinguished jurists ever to sit on the bench of the Supreme Court of Canada, who, after his retirement, organized and became Dean of the Law School of the University of Western Ontario.

Dr. Henry Hicks is another who received one of these awards. A former Premier of Nova Scotia, he is now President of Dalhousie University. Others are Mr. A. E. Ritchie, recently appointed Deputy Under Secretary of State for External Affairs, and Dr. Ernest Weeks, the capable Executive Director of the Atlantic Development Board, which is doing so much to improve the economic position of the Atlantic provinces.

Many of the outstanding people in Canada today were able to make their valuable contributions only because they were fortunate enough to receive awards of scholarships or bursaries which provided them with the money to pursue their educations. It is my belief, honourable senators, that in the past there have been many others in Canada with equal or perhaps even greater capabilities who were unable to secure the necessary financial support and could not develop their capabilities, and Canada is the poorer because of that.

Honourable senators, I found great satisfaction in working on the I.O.D.E. scholarship and bursary committee, but often that satisfaction was nullified by the sadness I felt on behalf of many highly qualified applicants whose applications had to be rejected because the income from the large endowment funds voluntarily raised by the I.O.D.E. across Canada was limited and could not be extended, no matter how deserving the additional applicants might be. I often grieved over these and particularly over the many brilliant and eager applicants who had graduated from high school and were anxious to continue their education but knew of no source where they could secure sufficient money by loan or other means to finance themselves. I feared that unless given financial help they would never develop their full potentialities, and that without formal education due to lack of funds they might well join the unfortunate ones concerning whom Sir Thomas Gray wrote:

> But Knowledge to their eyes her ample page
> Rich with the spoils of time did ne'er unroll;
> Chill penury repress'd their noble rage,
> And froze the genial current of the soul.

The bill before us, if passed—and I hope it will be passed without delay—will mean that in Canada students such as these will have an opportunity to continue their studies and later add to the professionally and technically trained people so greatly needed in Canada.

It is true that there are student loans available in most provinces, but in most cases they are not large enough to enable a student, without a great deal of financial assistance, to continue post high school studies. In any case, all the scholarships and bursaries, good as they are, and all the provincial student loans available can only assist a very small proportion of the rapidly increasing number of present-day high school graduates in Canada who must have assistance if they are to continue their education and who, if given the opportunity to take university, technical or teacher's college training, would fill a great need in Canada for citizens with such training.

We all know of the bulge in the present student-age population due to the greatly increased birth rate in the latter part of World War II and immediately thereafter. The children born at that time are largely the students who are increasing greatly the demand for post high school education at this time. The next ten to fifteen years will produce very special problems for young Canadians who are seeking post high school education, and they will provide, too, problems for the families of such young Canadians.

There will also be problems for the institutions which will be called on to provide that education, and for the governments which will have to arrange to finance it.

Although I have no children or grandchildren entering this stage of their lives and do not have personal knowledge of the family problems involved, I have some personal knowledge of how these problems affect the universities, because for over 20 years I have been a member of the Senate or governing body of Mount Allison, one of the universities in New Brunswick. Although our universities in the Maritimes are small in comparison to those in the larger and more densely populated provinces, they are having to meet and deal with the very same problems as larger universities. In fact, it would seem to be accepted that our problems are even greater, for at a conference of university presidents from all over Canada held quite recently it was recommended unanimously that there should be a special increase in the university grants given by the federal Government to Nova Scotia and New Brunswick.

Starting at once, more children per family will be attending institutions of higher learning, making it practically impossible for families of moderate circumstances to finance the higher education of all their children. The increase in the number of university students in relation to the total population is already making it very difficult, and in many cases impossible, for university students to find summer employment to help finance their own education. Many students with such difficulties came to me earlier this year, and I know that such cases are very prevalent.

On the other hand, due to the increase in industrialization and the increasing use of automation, we will require a rapid increase in and a higher proportion of persons of all ages in our population to have more than high school training if they are to find employment that will provide them with a reasonable living, or, in fact, with any living at all.

The Government of Canada is well aware of this situation and is deeply concerned about

these problems. Because of this concern for the students and for their families, the Government is undertaking to underwrite, as it were, part of the financial requirements of students in the form of tuition fees, residential fees and similar student requirements, to enable them to attend a university or other post high school institution. The Government is also concerned that Canada shall have as high a proportion of educated citizens as is practicable, both in terms of future economic competitiveness at home and abroad, and in terms of employment in an era when it is recognized that the undereducated are the underemployed.

The Canadian Student Loans Act is not designed to be exclusive. It is not intended to meet all the requirements to make higher education possible for all who should receive it. It is not intended to preclude the operation of other plans or to push them out of the field. There is room for many agencies in the field of student financing. However, in this as in other fields, the federal Government can provide a broad and substantial measure of support.

In bringing in this legislation, it is the hope of the Government that this bill will break the back of the growing problem of student financing in the bulge period ahead. But in terms of coverage, a federal plan must have clearly defined limits beyond which it cannot go. Other plans, provincial plans, university plans, the plans of various organizations, and of private individuals may be more diverse in meeting special needs of special individuals and special groups which the more massive general plan of the Government cannot readily accommodate.

As we look ahead it is clear that the moneys involved will be indeed substantial. The Govvernment realize that under the type of system set out in this bill the outstanding loans at the end of five years could well be in the order of $200 million, and at the end of ten years they will probably be in the order of half a billion, rising perhaps to $1 billion in a decade. To meet needs of this magnitude, and to cater to the requirements of thousands of young borrowers, the Government in this bill is proposing a system of guaranteed loans from the chartered banks, credit unions, caisses populaires, and other co-operative unions designated by the minister as a bank under the act. Through their widespread system of branches, particularly in the case of banks, these organizations can make loans, do the necessary book work, consolidate a series of loans into a single total, receive payments and make collections.

The federal Government, as I am sure honourable senators know, has enlisted in other fields the co-operation of the banks and credit unions and caisses populaires with excellent results. The guaranteed loan approach has a very great advantage from the point of view of federal finance, and thus from the point of view of the Canadian taxpayer.

Under the Farm Improvement Loans scheme, for example, the only cost to the federal treasury, apart from the cost of small administrative units, has been in the claims for losses, and these have run as low as one-tenth of one per cent of the total amount. In the student loans plan there will be, of course, the cost of carrying student loans through the initial interest-free period, because the students are not required to pay any interest while they are taking their education and until six months have passed after they have completed their studies.

Under this bill a student may borrow from a bank, credit union, caisse populaire, or other co-operative credit union, an amount which does not exceed $1,000 in any one year, provided that the amount borrowed when added to the previous guaranteed student loans made to the same student does not exceed $5,000. As I said before, the student is not required to pay interest on the loan while he is a full-time student. He becomes liable to pay interest only at the end of the seventh month after he ceases to be a full-time student. During the period that the borrower is a full-time student, and for six months after he ceases to be such a student, the Government pays the interest on the loan.

Before a student can secure such a guaranteed loan from a bank, credit union, caisse populaire or other co-operative credit society, he must qualify in relation to scholastic achievements and need. Because most provinces have machinery in operation to select students eligible for their own student loans, it is considered reasonable that the provinces might use the same machinery to select those eligible under the federal student loan legislation. To simplify this procedure and to keep the federal Government in the field of banking and of guaranteeing loans, and away from interfering in the provincial field of education, this bill provides that the designation of the appropriate authority to make decisions on the eligibility of students for these loans has been assigned to the Lieutenant Governor in Council.

One thousand dollars is the maximum amount which a student can borrow in any one year, and over a period of years no student will be able to borrow more than $5,000. The actual amount of a loan which will be made to a student will depend on the financial need of that student. Consultations with educational authorities in all the provinces have led to the belief that the

average borrowing by a student will be probably $500 a year. Some will need much more, and some less, but students will not borrow more than they have to because eventually they will have to pay it back.

A guaranteed student loan made by a bank, credit union, caisse populaire or other credit union society which, after application, has been designated as a bank for the purposes of this act, to a borrower not of full age can be recovered in the courts from the borrower as though the borrower had been of full age.

I forgot to mention that although in the provinces the person designated to choose the appropriate authority to make decisions on the eligibility of student loans is the Lieutenant Governor in Council, in the Yukon Territory and the Northwest Territories it is the Commissioner of each Territory after he has had consultation with his Council. There is provision in this bill that if there is no Council in existence at the time, then the Commissioner can make this appointment without consultation with anyone. This puzzled me a little at first until I learned that election writs have been issued in one of the territories, and there will probably be no Council in existence until after this act comes into force. This is the reason for the provision in the act. Thus, there will be no discrimination against students in the Northwest Territories and the Yukon who might wish to make use of the provisions of this bill during this coming fall, if it passes this house.

In the case of the death of a student who has negotiated a guaranteed student loan, there is no responsibility on the estate or the family of the deceased, and the Government will pay to the bank that has granted the loan the amount calculated to be due.

Honourable senators, this bill is based in a very large measure on the rights of the federal Government in the general area of banking that is assigned to it under the British North America Act. The object of the bill is to provide high school graduates with enough money so that they may continue their education.

I think I have covered reasonably well the provisions of this bill. If there are questions that honourable senators wish to ask, I shall try to answer them to the best of my ability. I would remind honourable senators, however, that throughout Canada high school graduates and their parents are waiting, and hoping that this bill will pass without delay, so that the many who are in need of assistance will be able to secure funds during the coming academic year to finance their continued training in universities, teachers' colleges and technical institutes.

I appeal to all honourable senators to end the anxiety of these thousands of Canadian students and parents.

Hon. Mr. Flynn: Would the honourable sponsor of this bill give a further explanation on the question of the constitutionality of this measure? I think I heard her say that she thought the bill was within federal competence because it is in the realm of banking. I would like her to go a little further with respect to that, because to my mind "banking" refers only to banking institutions.

Secondly, I would like very much to have the honourable senator comment on section 15 of the bill, and say whether this is really within the competence of the federal Parliament.

Hon. Mr. Connolly (Ottawa West): Would the honourable senator mind if those questions were dealt with at a later time this afternoon?

Hon. Mr. Flynn: Certainly not.

Hon. Paul Yuzyk: Honourable senators, the need for legislation to provide financial assistance to students desirous of securing a university education, or vocational, technical or teachers' college education meets with the approval, I am sure, of the leaders in education, the general Canadian public and especially the students. The advances in technology and science and in other fields of human endeavour are becoming ever greater, and this requires that an increasing number of young men and women must acquire the highest education that Canada can offer. Providing our young people with the best education that will meet the needs of modern society is perhaps the greatest challenge that confronts our governments today.

It is obvious that our young men and women are taking advantage of advanced education. The number of students enrolled in Canadian universities has been increasing rapidly. Bearing in mind the fact that approximately 35,000 were registered prior to the last war and after the veterans' registration had levelled off after the war, the student full-time enrolment in our universities increased from 92,000 in 1958-59 to approximately 158,000 this past year, an average of over 12,000 annually. The Conference of Canadian Universities projected the student registration in 1970 to be 312,000, which means that there will be at least double the number of university students in the next six years.

The Canadian universities and other higher educational facilities are consequently facing a terrific strain over the next few years. Our higher educational institutions are already taxed to the utmost, making this a problem of national concern that can be dealt with

adequately only by a federal-provincial conference. Such a conference should be called as soon as possible, as has been urged by the Leader of the Opposition and others in the other house.

A university education today can no longer be regarded as a luxury. It is a necessity, not only for the young man or woman who wants to fit into the modern technological society, but it is also a necessity for our country which needs the knowledge and skills of these young people to continue building up the economic, political, social and other aspects of our life. Surely the development of human resources should not be secondary to the development of our economic resources.

Every young man and woman who has the intellectual qualifications to pursue university education or any course of higher learning should not be denied the opportunity for lack of financial means. To keep our nation strong, progressive and dynamic, our youth should be encouraged to acquire the highest education possible. This legislation, providing student loans on an interest-free basis during the years of study, is a step, and only a beginning, in the right direction.

Let us remember, however, that still too large a proportion of our young people is not availing itself of higher education. From the census figures of 1961 issued by the Dominion Bureau of Statistics, we learn that there were then over 1,000,000 youths between the ages of 18 and 21. Educational authorities estimate that over 20 per cent possess the intellectual capacity necessary to complete a university education; yet, only 11 per cent, or about 114,000, attended institutions of higher learning at that time. The Canadian Union of University Students confirmed the fact that only one-half of the Canadian young men and women who could qualify intellectually to pursue higher learning have been enrolling in universities.

It can reasonably be assumed, therefore, that a large percentage of those who could have gone on to university were prevented from doing so because they lacked financial resources. It is certain that most of those in this category came from homes of low-income jobs or professions, whose parents were unable to provide the necessary funds for fees, texts, transportation and accommodation.

Student loans will not solve this problem, but they will help many to achieve a higher education. They cannot be a substitute for scholarships, which the present Government has promised and so far has not implemented. More scholarships should be made available to high-calibre students as soon as possible. The loans will, however, aid the average student to get ahead; these should be made available in the easiest way, as this will benefit both the student and the country. The money spent to help students in this way will be more productive than the money spent to maintain the unemployed, although this is necessary; furthermore, it will help to circumvent unemployment in the future.

While considering university education, it should also be remembered that there are two facets which are not always recognized by the public—these are undergraduate and postgraduate studies. The following passages from an article in the *Globe and Mail* of February 12 last explain a serious problem within our universities. This was based on a brief of the Ontario Council of University Faculty Associations. The article says:

> It is from this latter (postgraduate) group that professors and other university teachers are ordinarily obtained, and also top scientists and research staff used in industry. University education is generally considered impossible without these highly qualified people . . .
>
> The ratio of graduate to undergraduate students in Canadian universities is ridiculously lower than in universities of similar national importance in the United States. For instance, Harvard has about 60 per cent of its students in graduate work. The University of Chicago has about 68 per cent; Columbia, about 60 per cent; Yale and Princeton, 50 per cent; University of Michigan, 35 per cent; University of California, about 30 per cent.
>
> By comparison, (the latest figures from the Dominion Bureau of Statistics are for 1961-62), the University of British Columbia has a ratio of about 6.8 per cent graduate students; Alberta, 6.3 per cent; Saskatchewan, 4.4 per cent; Queens, 9.1 per cent; McGill, 12.3 per cent; Western Ontario, 13 per cent; and the University of Toronto, about 9.3 per cent.

This points out the proposition that postgraduate studies must be greatly increased in Canada. Since these loans will be available to postgraduate students as well, this legislation will help more students to attain higher degrees to help staff universities, research institutions and industry to meet the growing demands in these fields. The Canadian universities estimate that last year's teaching staff of 9,700 will have to increase to 23,000 in 1970; these teachers must be secured.

With the indulgence of the honourable senators, I would like to make a personal reference. My parents, who never had the opportunity to gain a higher education, could not afford to send me or any of the four children to university. With their help and that of some money which I had to earn the

hard way, stooking and pitching sheaves at harvest time, sometimes up to 16 hours a day—

Hon. Mr. Connolly (Ottawa West): It was a healthy way.

Hon. Mr. Yuzyk: —I was able to complete normal school and enter the teaching profession. Although I began taking classes leading towards the B.A. degree at summer school and through university correspondence courses prior to the Second World War, it was not until I had completed service in the Canadian army that I was able to proceed with a university education as a full-time student.

As was the case with thousands of Canadian veterans, the generous allowances of the Department of Veterans' Affairs paying for the fees, books and living expenses made it possible for me to attain a doctoral degree at an American university and a professorial position at the University of Manitoba. Naturally, I am most grateful to the government of the day for this assistance. I am even more grateful for the extension of this program. Every veteran was entitled to the number of years of educational assistance as he had served in the armed services; but at first, if he obtained marks in the upper 10 per cent of his classes, I believe, and later in the upper 25 per cent, the allowances were automatically continued until he completed the highest degree which he desired, even in institutions outside of Canada. This applied in my case, and I leave to public opinion to say whether this was justified. Certainly, I am happy and grateful.

Hon. Mr. Connolly (Ottawa West): So are we—and I say it with sincerity.

Hon. Mr. Yuzyk: Thank you very much. I would like to point out that what looked at that time as generous assistance by a country which wanted in some way to repay the veterans for their war service was really not adequate. The payment of tuition, books and $112 a month, less 13 per cent foreign exchange while attending university in the United States did not cover the expenses of my family with two children. I had to obtain an interest-free loan of $500 from the University of Saskatchewan, provided by the Saskatchewan government, and a teaching assistantship of $1,200 at the University of Minnesota.

This was my situation 15 years ago. I am stating this personal experience to show that a $1,000 annual loan under the present scheme for a married student—and their numbers are steadily increasing—to pursue his studies at an M.A. or Ph.D. level, and particularly in the United States, is inadequate. It is estimated that such a student today requires from $2,000 to $3,000 annually. Since Canada is now desperately in need of persons possessing the highest degrees, particularly for our higher educational institutions, provision should be made for students to secure larger interest-free loans. These would be an investment in our future.

In connection with higher education, scholarships and student loans, a problem of very grave concern to Canada is what has been referred to as the "brain drain to the United States." I was faced with the problem when I completed my Ph.D. course. There were higher and more tempting offers from American universities, but for patriotic reasons I returned to Canada, to a university position at a much lower salary. Since that time salaries in Canada have increased considerably and are not now very much below those in the country south of the border.

I do not regret my decision to return to Canada. Many other Canadians, however, who studied in the United States did not return and are a permanent loss to Canada. Still other Canadians who have obtained expensive education in this country have moved south, enticed by higher salaries and better conditions. The number of highly trained persons, mainly engineers, but including scientists, university teachers, physicians and surgeons, who have gone to the United States, has been steadily increasing in recent years, as is evident from the following figures:

Year Number
1960-61—1,270
1961-62—1,295
1962-63—1,583

These are the professional people whom Canada needs for the staffs of our universities, research institutions and industry, and everything possible must be done to prevent their emigration to other countries. Also, everything possible should be done to encourage Canadian students studying in the United States to return to Canada. This loss of brainpower and high skills is assuming alarming proportions, to which serious consideration should be given at the next federal-provincial conference.

To a degree, the student loan plan will assist students to proceed to higher education, but measures will have to be found to keep them in Canada and to encourage those who study in other countries to return to their own country. Worthy of serious consideration is the scheme adopted by the Northwest Territories. It was reported in the debates of the other house on July 15, as appears at page 5523:

> Would not some sort of incentive—this, after all, is a federal creation in so far as the Northwest Territories are concerned; certainly the great proportion of

> the money to support the scheme comes from the federal treasury—if provided in a bill such as this, help to prevent that drain of brainpower? The loan of $1,500 per year for any student in the Northwest Territories wishing to attend university becomes an outright grant if the student, after graduating, returns to the territories anl lives there for at least four years. A similiar plan has existed for many years in the armed forces.

The adoption of the principle of the Northwest Territories' scheme in the Canadian student loan plan would be of tremendous benefit to Canada in preserving our brainpower and highly trained experts. I have read that it takes about $50,000 of public money to produce a Ph.D. If these graduates leave Canada for higher-rewarding positions in other countries, we are not only suffering the irreplaceable loss of their knowledge and skills but also millions of dollars annually of public investment funds in education.

A clause in the legislation making the total loan of approximately $5,000 an outright grant, equivalent to a scholarship, if the student after graduation returns to Canada for a period of five years, would, I am convinced, substantially reduce the "brain drain." A graduate will no doubt appreciate such a grant coming at a critical time in his life, and he will always be conscious that Canada is really desirous of his service and contribution to the welfare of the Canadian people. The country's final investment in a graduate's education can only bring manifold benefits for all concerned.

Education is the greatest asset to the individual and the country. To keep and to enhance Canada's place in the world in this era of rapid technological and scientific advancement, we will have to invest a greater proportion of the federal budget in education. This will ensure progress and maintain the happiness and welfare of the Canadian nation.

The former Government had substantially contributed to the needs of education. Per capita grants to universities were doubled; low interest loans were provided for the construction of student residences; tuition fees were made income tax deductible for students; and other forms of financial assistance were given to promote education. It is only right that the present Government should make its contribution to this important aspect of Canadian life. In this respect, our citizens are expecting quick action.

Although having shortcomings, which undoubtedly will have to be rectified in the future, this legislation establishes the beginnings of a more comprehensive future plan. It is at least a partial answer to many a student's prayer. Coming as it does so near the commencement of the new academic year, to be of benefit to the greatest number of students this bill should receive speedy approval in the Senate.

Hon. Mrs. Fergusson: Honourable senators, at this time, I would like to reply to the questions put by the honourable Senator Flynn.

I presume that Senator Flynn, by referring to the constitutional issue, was thinking of the statements that have been made by some people that Bill C-110 enters into the field of education, which is assigned by the British North America Act to the provinces. My own opinion—and I am quite sure it is shared by the law officers of the Government—is that the supplying of money to buy education is merely a contract, and that it does not enter into the field of education.

There are no restrictions on what kind of education can be bought, other than that it must be post high school education, or education which leads to the teaching profession, or vocational instruction at a technical institute. I cannot see how providing students with sufficient money to pay for whatever type of education the student desires to take, at whatever institution the student chooses, interferes with the rights over education of any province. For that reason, I am of the opinion that there is no constitutional problem here.

I would refer honourable Senator Flynn to the scheme of university grants, which follows very much the same principle, which has been carried on for some time. I do not think the provisions of the British North America Act, which state that education is a matter for the provinces, are being violated just because we supply money to help people buy the means of education.

The other question that Senator Flynn asked was about section 15, which reads:

> A guaranteed student loan made by a bank to a borrower not of full age, and interest thereon other than interest payable under section 6, is recoverable by a bank from the borrower as though the borrower had been of full age at the time the loan was made.

The law officers of the Crown have given it as their opinion that section 15 of the act is legal; it is deemed to be ancillary to the federal power to legislate in respect to banks and banking. This has to do with banks, or with organizations which can apply to the minister and by him be considered a bank under the Canada Student Loans Act.

I can only give that as my opinion, and say that it is also the opinion of the law officers of the Crown. I have no further answer than that.

Hon. Mr. Choquette: I would like to ask this question on that point.

The law in Ontario and other provinces regarding a contract with a minor is, I think, to the effect that the contract is not binding until the borrower who is under age reaches the age of 21, and then he has to acknowledge it, or he may repudiate it. Now we are told that the officers and the lawyers of the Crown have given an opinion, and in this I am wondering if they can circumvent the law. Could the sponsor tell us if that is in effect what the federal authority is doing?

Hon. Mrs. Fergusson: I am sorry, I did not hear the senator's last few words.

Hon. Mr. Choquette: Are the officers of the law in formulating or drafting this section 15 circumventing the law of the land with regard to contracts with minors, unless it is considered to be for a necessity of life? I would like to know how is it binding on a minor?

Hon. Mr. Connolly (Ottawa West): Perhaps the honourable gentleman would allow me to intervene at this point for the purpose of replying to that question, because it certainly is a problem that has engaged the attention of the lawyers not only here but in the other place.

I should perhaps first refer to what the honourable gentleman has said, that in the case of a contract with a person under the age of 21, unless it is acknowledged after the minor reaches 21, then under provincial law everywhere, I think the contract is voidable. In the second place, though, the law has to make adjustments for circumstances. One of the circumstances overriding the voidability is the fact that if the contract was for necessaries of life, then it is enforceable. In the case of young people under 21 who apply for student loans today, it might become an interesting question as to whether or not they are applying for something pretty close to a necessary for their livelihood.

I do not say that the basis for justifying section 15 of this bill rests upon that proposal. Senator Fergusson has referred to the fact that in the opinion of the law officers of the Crown section 15 is deemed to be ancillary to the federal power to legislate in respect of banks or banking. This may be. I think it is a matter of opinion, and short of a decision of the court no one can say definitively whether the section is within the ambit of the powers of the federal Government or not.

I would like to refer the house to section 95 of the Bank Act. This provision has been on the statute books of this country since before the turn of the century; it has been amended a number of times, always for the purpose of liberalizing the right of the minor, of the person under 21, to make contracts with banks in respect of matters dealt with under section 95. It deals with deposits which may be received from persons unable to contract. I will read subsection 1(a) only, because I think the balance has no particular bearing on the matter raised by Senator Choquette.

Section 95(1)(a) reads as follows:

> (1) The bank may, subject to the provisions of this section, without the authority, aid, assistance or intervention of any other person or official being required,
>
> (a) receive deposits from any person whomsoever, whatever his age, status or condition in life, and whether such person is qualified by law to enter into ordinary contracts or not—

As honourable senators realize, this is a much wider provision than section 15 of this bill, because it refers to:

> —any person whomsoever, whatever his age, status or condition in life, and whether such person is qualified by law to enter into ordinary contracts or not—

Section 15 of the bill deals with minors. Section 95 of the Bank Act extends even to people who are incapable, to people who are mentally deficient, who require committees, tutors or curators. It is thought to be ancillary to the right of the federal Government to legislate in respect of banks or banking. I am informed that this is the reasoning process that led to the drafting of section 15 as it applies.

From a practical point of view there is another aspect of the matter that should be borne in mind. I am informed that the experience of provinces which have student loan schemes is very good in respect of repayment. I am also informed that persons of the type who apply for these loans—whether or not they drop out of college before they finish —feel a personal obligation, and one which they generally honour, to repay the amount of money that was lent to them for the purpose of assisting them in obtaining their education. I think that the experience of the provinces in this respect would probably apply equally well to loans under this bill. Generally speaking, the type of person to whom these loans are to be made available is the type of young Canadian who could be expected to respond when the loan falls due, and respond just as generously as is the Government at this time to the needs of these students.

Perhaps that is all I need to say. Maybe I have been a little lengthy, but I think this is generally the philosophy behind the draftsmanship of section 15 in respect of the point raised by Senator Choquette.

Hon. R. B. Horner: Honourable senators, I have just a few words to say.

I should like to congratulate the honourable lady senator (Hon. Mrs. Fergusson) for the way in which she has presented the bill. Of course everyone is sympathetic towards assisting the deserving, but there is an aspect of this matter which I am sure will prove disappointing, as has proved the case in most instances where we have attempted to help individuals. Everyone with experience in life can recall instances when, with all the best intentions, he has endeavoured to help persons but has made enemies instead of friends.

These young students are going to lose one of the most valuable experiences in life. The honourable senator from Fort Garry said that the difficulties he encountered in obtaining education proved the most valuable lesson of his life. I am sure it is true of all honourable senators, those who had to struggle for whatever education they have are the ones who made the greatest use of their education and probably became the best citizens. The easier it is to obtain a loan, the less effort the student has to put into completing his education.

I am reminded of my daughter who was teaching in that part of Alberta which is not open prairie but where there is a great deal of bush and willows. There, if you do not pick all the willow roots out, the growth will become thicker than ever. I was talking to her about the students at her school. This was at a time when I had difficulty in finding anyone to work at picking roots, and it was said that people could not get work. I was going to the pool room asking for this help, and the men there would sit down so quickly they would almost break the benches. They didn't want to do it.

As I say, I was asking my daughter about her students, and she laughed and said, "There is a big, strong kid, that you would like to have working for you. He just sits there dreaming; he can't get down to studying." She said that she asked him what was on his mind, and he replied that he didn't want to go to school, that he would much rather pick willow roots. I said to my daughter, "You needn't worry about that fellow. He will turn out the best of all your students." The last I heard of him, he was proving me right. So we are going to arrive at that sad state of affairs; we are not going to have enough employment for all these people, and they will be disappointed and discouraged.

I just wanted to point out the difficulty that will arise as a result of this bill, a measure which in other respects we believe to be good. In some cases it will do more harm than good.

Hon. F. W. Gershaw: Honourable senators, this bill has been discussed so fully and at such length that my contribution will be extremely brief. I congratulate Senator Fergusson on her splendid presentation of the bill. I think it is a measure which will prove of great value if administered in a very limited way. However, if it is simply another way of getting into debt and having that debt fall due just at the time when the graduate needs to start up in his own office or assume other obligations, it is going to do some harm.

The debt in this country is really appalling. The honourable senator from Churchill (Hon. Mr. Crerar) showed me some statistics issued by the Bureau of Statistics just recently. The direct and indirect debt, less sinking fund, of the federal Government is $30½ billion. The debt of the provinces is $9 billion, and of the municipalities about $5½ billion. That means there are debts of about $45½ billion set dead against those different governments. It represents a debt of about $2,400 for each individual in this country. In addition, the people in this country privately owe a debt of about $19 billion to stores, banks, insurance companies, trust companies, and particularly to finance companies. You will understand therefore why I would not wish to make it too easy for people to get further into debt unless it was absolutely necessary.

There was a time not very long ago, as has already been mentioned, when a student got through university practically on his own. He would have to save the money to start with, and during recesses he would work. In this way he could always earn enough to keep going. Of course nowadays the tuition fees are higher, and while wages are also higher they still may not be quite adequate.

Another point to remember is that parents frequently make a great sacrifice to put their children through university. Mothers and fathers deny themselves greatly to save and stint for the noble purpose of putting a son or daughter through university. This of course is very desirable; like the quality of mercy, it is twice blessed and in itself blesses all concerned.

Sometimes there is a little extravagance involved in connected with university education. There was a time when young people, like Abraham Lincoln, had to walk long distances to school. Then came the bicycle. But nowadays, as you go past an institution of learning you will not see dinner-pails outside, you will see very few bicycles, but you are likely to see quite a few shiny, high-powered motorcars. In my opinion, people

who are living at that scale should never be considered for the type of loan provided for in this bill.

As has already been said, education is a necessity at the present time if a person is to make a real contribution to the public welfare. Many of those who have not had the opportunity of learning a trade or taking up a profession are found in the ranks of the unemployed. However, for those who have education there are opportunities in abundance at the present time. In this connection I refer to the Hall Report, just published, which says that in nine years we will need 7,100 more medical doctors in this country, 42,000 more trained nurses, and 2,130 trained dentists. Even at the present time in many places doctors are hard to get. Five new medical schools will be needed to provide the required number.

This bill is of course welcome in so far as it will help boys and girls who could not otherwise get the help they need.

As a matter of interest, I would mention that in Great Britain a test was made recently to see whether children from the lower-income groups were as intelligent as children from the middle and higher-income groups. It was found as a result of the tests that they were in fact just as intelligent. In my view one of the benefits of this measure is that it will probably help some of those poorer children, if administered in the way I have indicated, to receive higher education.

We need more educated people today; we need more thoughtful people to combat the prevalence of race riots, violence and hatred. To meet the uncontrolled action of extremists, there is a need for people who are educated and thoughtful and have calm judgment, people who are guided by the principles laid down in the Ten Commandments and in the Sermon on the Mount.

(Translation):

Honourable Jacques Flynn: Honourable senators, first of all I would like to congratulate Senator Fergusson for the way in which she introduced this bill. Senator Fergusson was always very much interested in educational and related matters, such as human rights. She is well aware that the emancipation of man chiefly depends on the degree of education he may acquire in a given society.

Senator Fergusson knows very well indeed that my congratulations are sincere, because we have been friends for a long time, more particularly since we discharged similar responsibilities at the prices and trade board during the war.

Nobody, I believe, will quarrel with the government's intention to help university students. We all agree that we should give students the means of acquiring a higher education, and to those who have the necessary ability and talent an opportunity of obtaining a university degree.

Yet, we should recognize that there has been considerable improvement at the provincial level in the past few years. The increase in the student population, which was stressed by Senator Yuzyk earlier today, amply confirms it. I firmly believe that any student with at least some imagination, and whose family conditions are not absolutely unfavourable, may today get all financial aid required to pursue his studies, either thanks to the scholarship system or by obtaining a loan from one organization or another. Of course, I am speaking of the province of Quebec which I know better, but I suspect that the situation is not much different elsewhere.

As the honourable senator who spoke before me pointed out, students are studying nowadays under more favourable conditions than in our time. He said that there were very few bicycles at the doors of our universities—I would say that in Quebec City, where I gave courses for a few years, the university had to reserve a parking space for the professors' cars because the students would have taken all the space with their own cars.

Nevertheless, I admit that there are certain needs. In my opinion, everything that can be done to allow more students to attain higher education should be encouraged. Consequently, what urges me to take part in the debate is not so much the purpose of the bill or the intention of the legislators, as the problem raised in the other place concerning its constitutionality.

In the other place, the discussion on this matter was so hot that it even gave rise to a feeling of frustration among certain people. It seems there was a refusal continually to discuss this problem of the federal government jurisdiction over some fields in which it has been intruding in the last few years. Honourable senators, I hope that this frustration does not exist here in the Senate, because we all feel, do we not, that it is the traditional duty of this house to watch very closely the respect of our constitution or, if you prefer—since all do not agree that the British North America Act is our constitution —to watch closely the application of the

provisions of this act which divide the powers between the provincial governments and legislatures, on the one hand, and the federal government and Parliament on the other.

This question of constitutionality has been raised very frequently in the last few years, and I would say that the atmosphere which prevails at this time in the relations between Ottawa and the Quebec legislature in particular, must prompt us to think and be greatly concerned over this question of constitutionality, the question of respecting the responsibilities of the provinces. It is in that spirit that I would like to make a few remarks on the bill now under study.

First there is the problem of its constitutionality as a whole, in principle, and the problem of its constitutionality in some details. I shall mention first the question of details which has to do with clause 15 and which, of course, does not prevent in itself the approval of the bill if, on the other hand, we come to the conclusion that in principle it is not against the provisions of the British North America Act.

I am obligated to Senator Connolly, the Senate leader, for the explanations he gave us. They satisfy me only in part. He indicated that when the federal Parliament has the power to legislate in a special matter—banks and bankruptcy, for instance—it has the right, for the purpose of legislating in those fields, to establish some terms which, taken separately, would be civil law provisions affecting real estate and civic rights. That is the theory of the ancillary right: the Bankruptcy Act carries some conditions which affect the civil law in Quebec and common law in the other provinces.

Yet, I do not think that theory of the ancillary right can be put forward to justify clause 15 which said:

> A guaranteed student loan made by a bank to a borrower not of full age, and interest thereon other than interest payable under section 6, is recoverable by a bank from the borrower as though the borrower had been of full age at the time the loan was made.

Are those provisions absolutely necessary to the purposes of the legislation? I do not think so. I do not think that wording is essential. It is not necessary to have that provision which makes a person of age out of a minor in order to set up the loans scheme. Under the civil law and the common law, a minor student could contract for a loan which would be valid with the assent of his tutor, in certain cases, and, in some other way, by following the conditions applicable to the civil law and the common law. I fail to see the necessity of that provision which puts the minor borrower in a situation altogether different than if he borrowed exclusively on his own initiative for the same purpose. Of course, once again, it is a small point, but it may reveal a state of mind which makes people who draft legislation here in Ottawa say: If such and such a provision violates the provinces' jurisdiction, the courts will decide. Well, the courts do not always get the opportunity to decide and that state of mind is bad and must be destroyed as much as possible. That is all I want to say about clause 15. And now about the general principle.

Is Parliament authorized to guarantee and promote loans to university students? I cannot admit, of course, that the federal Parliament gets its jurisdiction from section 91, paragraph 15, of the British North America Act, which gives it control over the banks—incorporating banks and issuing of bank notes. With all due respect, I cannot see at all what the banks have to do here that is essential, except possibly to act as agents in granting the loans.

On the other hand, I do not feel this legislation is directly concerned with education. I would say it is no more related to education than the provisions of the Income Tax Act which allow a student or his father to deduct tuition fees from their taxable income. In other words, the federal Parliament is seeking to pass this bill to help students in their studies the same way it did in the case of other legislation. Even if I do not think it is *ultra vires*—that is why I cannot oppose it—and even if I am not against the principle involved here, I should like to point out that this is a field where, historically, the provinces had exclusive jurisdiction until Ottawa decided to pay grants to universities, a step which was clearly unconstitutional in my mind. Until then, the provinces had been the only ones to take initiatives, especially as far as scholarships and direct aid to students were concerned.

From a technical point of view, this field of jurisdiction may be obscure; the federal Parliament and the provinces may be equally competent but, historically and in fact, this field once came under the exclusive jurisdiction of the provinces. Therefore, before decid-

ing to introduce this type of legislation, it appears to me that, in the troubled times we live now, as far as relations between Ottawa and Quebec are concerned, it was imperative for the government to take all the necessary precautions so as to avoid a conflict. I submit that the government did not take all those precautions. No doubt it is urgent to assist the students—but it was even more urgent to save Canadian unity and I accuse the government in that respect of lack of insight and of a sense of responsibility. It knew beforehand that in Quebec they would say no—rightly or wrongly, and I will come back to that point. The government should have tried to find a solution—not only a solution I would say based on circumstances, such as that offered to us by the provisions allowing the provinces to opt out of those loan schemes—but a more substantial and more actual solution. If I am not mistaken, the option formula contained in this legislation, which enables any province to opt out from the scheme, is similar to the formula adopted by the previous government with regard to university grants in 1960. The purpose then was to correct a situation which had existed for several years. In spite of the Quebec government's opposition, the St. Laurent government had set up a system of university grants, and Quebec universities did not participate and did not take advantage of those grants. In order to remedy the situation, the previous government established an option formula which enabled the Quebec government to increase by 1 per cent the corporate income tax, so as to make up the amount payable in grants to its universities. Now, the present government laid down this option formula, this opting out, as it is called, as a principle.

This formula is exceptional on close inspection, because it is not exactly under that form that it was included in the Liberal party's program. That platform stated that in every case, the federal government would establish a joint program and that when the scheme would finally be established, the provinces which would want to withdraw would receive a fiscal compensation. In practice, each time an objection was raised in Quebec, when a project or plan was introduced an option formula was offered as, for example, last year in the field of loans to municipalities.

This option offered last year in the field of loans to municipalities is still offered this year in the program of loans to students. Now I feel that this possibility of option offered for all practical purposes to the province of Quebec alone encourages the isolation of that province at a time when it is already encouraged by other circumstances and this at the expense of Canadian unity. I feel that this optional system is a bad thing.

Hon. Mr. Vaillancourt: What would you suggest instead?

Hon. Mr. Flynn: If a piece of legislation is constitutional, and if the federal Government is satisfied that the act falls within the limits of Parliament's jurisdiction, the legislation should be adopted or rejected. However, I may say that before adopting such a position, the government and Parliament should act in such a way that this question should be satisfactorily settled. It is not enough to do what is being done in the Quebec legislature at the present time, that is, to threaten to resort to the courts and not to do it, or to threaten secession. This is not the solution or a solution. One of these days, people will have to submit such problems of the division of powers to a court, the decision of which should be accepted. If we agree on the Supreme Court, let the legislation be submitted to the Supreme Court. I object to the constitution being amended by a majority of the provinces.

Suppose this act was *ultra vires* with regard to the powers of this Parliament. Would the fact that nine provinces out of ten agree with the central government make it constitutional? Of course not. However, that is what is happening in the way the government is acting. And also in the way the Quebec legislature is reacting at this time.

I say it again, to know where we stand it will be necessary one of these days to submit those questions to a referee, either the Supreme Court or another body if the latter's decision is not satisfactory. The constitution is not above changing. There are hazy areas, as I said a little earlier; how is it possible also to circumscribe powers in the field of credit? That is a joint jurisdiction. The provinces are already in the field of scholarships, students' loans and now the federal government is getting into it. Who knows but that those matters come under its jurisdiction? From an administrative point of view, should not only one government look after those things? Honourable senators, those are the points I wanted and thought I ought to make. As I said, the situation, considering the constitutional arguments involved, is not too good. The solution whereby a province can

opt out is not too good either and, in the long run, can have serious consequences.

I suggest that federal-provincial conferences should be held for other purposes than calling together government representatives who are merely interested in balancing their present budget. Real solutions to problems facing us in the field of constitutional conflicts should be sought. Moreover, I sincerely think that it is time that we had an extraordinary conference to examine, not only the question of jurisdiction, which is only the reflection of a more serious problem, but also our whole constitution which, once again, may not be a constitution since it is an act which was imposed upon us by the Imperial Parliament, an act which we have not yet succeeded to amend ourselves. It is high time for us to adopt a formula to settle here our own conflicts and settle them adequately.

I will not oppose this bill, but I do hope we realize the gravity of the situation.

(Text):

Hon. T. A. Crerar: Honourable senators, the first observation I wish to make this afternoon is that Senator Yuzyk and myself were apparently born too soon. Senator Yuzyk has spoken of his early steps down the pathway of an education. Well, 70 years ago last month I wrote an examination in Manitoba to qualify as a school teacher. Although I had been absent from school several years, working on the farm—not eight hours a day but as a matter of fact about 12 hours a day, and it never hurt me—I passed the examination.

The next problem I had was to earn some money, because one of the regulations in the educational department was that while you might pass an examination and qualify to become a school teacher, you could not commence to teach until you had had a normal school training. In those distant years the normal school training was 10 weeks for the junior grade in teaching. I estimated it would cost me approximately $200 to attend the session of the normal school and get my diploma to teach.

So I had to go to work. I worked steadily from the middle of July, when I received the return from the examinations, until Christmas time. Since the only kind of work available then was farm work, I earned the most of my $200 that was necessary by working in the harvest fields for a dollar a day, and probably worked an average of 12 hours a day. How convenient for me, had I been able at that time to go to some government which would give me several hundreds of dollars, without interest, and if I failed to repay it in the end, everything would be all right.

Honourable senators, I say in all seriousness that the discipline I had in that pathway to an education and to teaching was one of the most valuable experiences I have had in my life. I am old-fashioned enough to believe that when you get some money handed to you on a platter you don't realize the value of it in the same degree that you do if you have to earn it. Consequently, I am bound to say that I can work up no enthusiasm for this bill.

I do not intend to criticize this bill on the ground that Senator Flynn criticized it a short time ago, other than to say that our provincial and federal responsibilities have become altogether too much mixed up, and that much of the difficulty we have in this country today, so far as provincial and federal differences are concerned, is due to this fact more than anything else. As far as I am concerned, I would like to see a redefinition of these responsibilities. I would like to see the provinces assigned their responsibilities and the revenues necessary to support them, and the federal Government put in the same position. Then each would have to manage its own affairs, and if any conflict arose between them, let the courts settle it. That was the method followed in the first 50 or 60 years following Confederation—and it worked. We did not have all this talk we have today that is really confusing and disturbing a great many people in this country.

I come now to an examination of this bill. I only received a copy of the bill a few hours ago. I was familiar with the general tenor of it, but I wished to get the bill with the amendments that had been made in the Commons. The first criticism I have to offer of the bill is that we do not know what liability the federal Government is assuming. I had hoped that the sponsor of the bill, Senator Fergusson—who, by the way, did a very good job of introducing it—would have been able to give us some information as to how much money would be involved in this operation. Quite obviously that depends on the number of students who take advantage of it, but some estimate could surely have been made.

In this modern day and age, if you offer a loan, interest free, not to be repaid for six or seven months after the student has graduated, I am rather inclined to think that many will want to take advantage of it. That is the spirit of the time.

What will be the total amount involved? Are we going to have from 20,000 to 50,000 students a year who will take advantage of these loans? The loans will be available up to five years. What is going to happen to the

student who starts in at university, borrows a thousand dollars, then fails in his Christmas examinations and decides that the university is not for him? Will he have to repay the thousand dollars, and when will he have to repay it? I think these are practical matters associated with the bill upon which we should have some information.

There is another feature with which I wholly disagree in this proposed legislation. The federal Government makes available the money for loans, but who will determine who shall get the loans? The federal Government says, "We will advance an unlimited amount of money—" we are not told how much it is "—and we will advance it free." But then the provinces will, under the provisions of this act, create by order in council an authority who shall lay down the ground rules governing who shall be the recipients of these loans. Has the province any interest then in seeing that the loans are made with as great a degree of safety as possible? Not at all! If they lay down the ground rules under which a student has to qualify to get a loan, no one has a five cent piece of responsibility if the student fails to repay. I think that is a definite weakness in this plan.

It has often been a matter of comment that many students drop out of university if they fail in their Christmas examinations or in their final yearly examinations, and they are probably out for good. In the meantime, however, they may have received $1,000 by way of a loan. Some may continue and drop out in the second or third year—that has happened. If my memory serves me aright, the number of students who drop out has always been a matter of concern to the universities. Therefore, it seems to me that this is not the right way to go about it. I am not opposed to giving some assistance on reasonable grounds, but I think this is the wrong way to do it.

During the last election there was a good deal of talk about scholarships for university students, and if I remember correctly, the figure of 10,000 scholarships at $1,000 each was mentioned. I would infinitely prefer that scheme to the present one, and I will tell you why. First, we limit the amount of money that has to be provided to $10 million a year. We know what the commitment is. Secondly, we establish 10,000 scholarships, and a student has to reach a certain degree of excellence before he can get a scholarship. That is an incentive to the student to strive for excellence in his academic work and to try to make the most of his opportunity. What is the moral and spiritual effect of that upon the student compared to the one who gets $1,000 handed to him, interest free, which he may build up to $5,000 before his university term is finished? I think there is a definite difference there in the effect on the quality of the student's thinking.

We should provide the incentives, and let students aspire to reach them rather than provide assistance on a basis that gives no incentive whatever.

Another suggestion I would make, is that the duty of the parent as far as possible to supply the means for a university education is ahead of any duty of the state, which rightly pays for the student's primary education. I suggest that we might provide for allowances by way of income tax deductions for parents who are sending their children to universities. and I would make such an allowance pretty liberal. The parents are always interested, if they are good parents, in seeing the student succeed, and in this way we would establish a closer relationship between the student and the parent in this important phase of the student's career.

These are just a few observations off the cuff on this legislation. As I said a moment ago, I cannot work up any strong enthusiasm for it, but I do think, if the bill is going to committee—and perhaps it would be a good idea to have it go to a committee—that we should endeavour to find out what the total financial obligation will be. Is it going to be in the order of $40 million, $50 million, $100 million, $200 million? We do not know. I submit that is not a very sensible way for a legislative body to proceed in handling the taxpayers' money.

Hon. Allister Grosart: Honourable senators, I will not delay the Senate long with my remarks. I believe the general outline of the bill has been excellently covered by Senator Fergusson, and I think she has dealt with most of the questions raised in the long debate in the other place.

I have been most interested in the comments made by honourable senators. I find myself in general agreement, first of all, with Senator Flynn when he reaches the conclusion, out of his experience and deep knowledge of the law and of Quebec, that this principle of opting out is a very dangerous one in terms of the survival of Canadian unity, because, as he has pointed out, it seems, as far as we can see into the immediate future, that it will always be the same province that will opt out. In the long run, in these matters where there is general agreement that national action is desirable to achieve some level of equality of opportunity across the nation, the opting out principle, I suggest, is going to work against equality of opportunity and it will, before very long, prove to be a highly divisive expedient.

I agree also with one of the points made by Senator Crerar, that it is a dangerous

principle to allow a unilateral provincial decision in the spending of money that the provinces will not have to raise. As far as I know, this is the first time this principle has been introduced into legislation of this sort. It seems to me a development of the cost-sharing principle which, in itself, in specific applications has made a great deal of sense, because where there was a provincial decision as to spending in that type of legislation there was always a matching provincial responsibility to provide at least some part of the funds being spent. As I read this legislation, there is no such matching responsibility here.

I said a moment ago I see very divisive features in this type of legislation. In that respect this provincial spending authority and administrative authority, without matching responsibility, is also, I think, very dangerous. It has long been one of the objectives of all those interested in education to provide across this nation equality of opportunity in education; and I am wondering if this bill, instead of providing equality, will bring about very great inequalities of opportunity because, as I read the bill, the decision as to who, within certain limits, may qualify—18 to 25 and so on—is a provincial one and may vary greatly from province to province.

For example, consider a student who has just finished Grade XII in one province. That student has the option of going to university in certain provinces, or of continuing in high school into Grade XIII. Perhaps the sponsor of the bill can answer this question, because I do not think it was raised in the other place:

What are the rights of that student? The student has graduated from grade XII and is now entitled to go to certain universities, but not to others. If that student elects to take Grade XIII in high school, is he or she disqualified, because the bill speaks only of post secondary school education? I think this is a very important point because it may impose on many students a choice of university that is not the best for them, certainly not the one they would prefer. We all know there are universities which require Grade XIII and a certain standing in a certain number of subjects in that grade before they will admit a student. Is such a student denied the assistance in one province that he would be able to get in another by going to a university with lower educational requirements? This is an important question and, as I say, as far as I know it has not previously been raised.

One other point—and, honourable senators, may I say I raise this on behalf of and at the request of one of the very intelligent young men who surround His Honour at the moment. He is one of those who has certainly provided well the means of advancing his own education over the years. He asks: If the individual province is to decide what educational institution qualifies under this bill, will there be a difference in each province? Will one province assist this young man's further education and another refuse? This young man would like to go to an institution where he will get training in public speaking, radio and television announcing. Will he in this province be permitted to do that and obtain a loan under this measure, or will he not? Will a student in another province have that right which may or may not be denied this young man?

Here again, I see this danger of allowing very important decisions to be made at the provincial level in respect of the spending of federal money. It is quite possible you will have a race for some of this money on the part of some provinces—and I am not suggesting any particular province—and you might find other provinces will follow Senator Gershaw's suggestion, that it has to be a highly limited operation.

All we know, as I read the bill, is that each province will make up its own mind and will decide what scholastic qualifications a student requires. Each province will decide on its own what constitutes "need", and each province will decide what institutions qualify, not necessarily of higher learning, but post-secondary school institutions. If there is a definition of that, I do not know what it is. If it is wide enough to take in any institution which gives instruction past the high school level, that is one thing, and it will take in a very strange variety of institutions.

My criticism of the bill would be that in giving this discretion to the provinces, it is setting up no national standard, and yet national money is being expended. I say no more than that, honourable senators, because I believe it is urgent that this bill be passed. Perhaps some of the remarks that have been made here will be taken into consideration before the administrative rules are laid down under which these vast sums of money will be expended. I think the principle of the bill goes so far that perhaps that is not now possible. As I understand it there will be no uniform standard for, or no uniform control of the spending of this money.

I do not share Senator Crerar's concern that the federal fiscal liability in the matter has not been spelled out. It is my understanding that there has been very full disclosure of the possible costs to the federal Government. It is also my view that one of the very best qualities of our present Minister of Finance is that over and over again in introducing fiscal measures he goes to great lengths to assess and to state the estimated expenditure likely to be incurred in the implementation of such legislation. Senator

Fergusson gave me quite a clear indication of the possible liability of the federal Government. If I remember correctly, she said it might be in the region of a billion dollars in a decade. That is sufficient to indicate to me that the federal Government is aware that the costs of this may be very great in terms of credit, and it is easy to estimate from the remarks made by the Minister of Finance and others what the cost of administration, losses and interest will be.

I would hope, honourable senators, that this bill will have speedy passage because the time is now extremely short if its provisions are to be of advantage to the many thousands of young men and women who would not be able to enter university or other institutions of higher learning this fall were it not for the terms of this bill. I hope that the bill will not be held up unnecessarily.

Hon. G. Percival Burchill: Honourable senators, I am sure we all agree that no young man or woman in Canada should be deprived of a university education for the lack of the necessary finances. Nevertheless, I am inclined to agree with Senator Crerar that this bill should go to a committee—

Hon. Mr. Roebuck: Hear, hear.

Hon. Mr. Burchill: —where we can be given some information which I, at any rate, would welcome.

In a matter of this kind one can only speak of the conditions existing in that part of Canada from which one comes. I am afraid I cannot become as enthusiastic as my good friend and colleague from Fredericton about the dire need for this legislation in my own province of New Brunswick. I may be all wrong, and I may not know what I am talking about—there may be a need in other sections of Canada, of which I have no knowledge—but in the Province of New Brunswick we have been well blessed, and perhaps more blessed than the other provinces, by the bestowal over a great many years of the wonderful Beaverbrook scholarships.

I had the great distinction and honour of serving for several years on the commission which dispenses these scholarships and I learned something of the conditions throughout the province in this respect. In the cases where we were obliged to decline applications we discovered that nearly all the applicants so declined were enabled to go to college by means of scholarships from other sources. One such source, as mentioned by Senator Fergusson, is the I.O.D.E. So far as the University of New Brunswick is concerned—and I include Mount Allison and other universities in New Brunswick, and I think I can include Nova Scotia as well—there are numerous scholarships available. These scholarships have been available to students who could not obtain assistance from other sources.

Furthermore, in New Brunswick—and I gather the same applies in other provinces, because only this afternoon Senator Flynn mentioned the Province of Quebec—they have a campaign for loans to students. On Friday last, in Fredericton, I happened to discuss this matter with the deputy minister who told me that in fact they have provision for such provincial loans to students.

Hon. Mrs. Fergusson: How much do they allow annually?

Hon. Mr. Burchill: I don't know. However, that is one source.

Furthermore, on Tuesday last I happened to be talking to the president of one of our great chartered banks, and I was surprised when he said that they have student loan policies in their banks, and have had them for a number of years. I do not know what the conditions are for obtaining such a loan, but he said that the facilities have not been used and, in fact, right across the country only $300,000 or $400,000 had been sought for this purpose. Perhaps there are conditions in connection with this policy which are not acceptable to the students.

The great question in my mind is as to how great the demand is for this bill, and how many students in our country today are deprived of going to university because they cannot find the means to do so. I am sure there is much information not available to us today that could be given to us in committee.

There is another matter which troubles me somewhat, and in speaking on this I speak only for the universities with which I am familiar. I refer to the fact that the universities are overcrowded, and the necessity to increase facilities. If this bill succeeds in doing what we are told it will do, namely, to enable people to go to university who cannot at the present time afford to go there, then we will have to increase the number of universities. Every university in the land today has a campaign on for millions of dollars for capital funds to enlarge its present premises and to expand in order to take care of the students at present attending.

Another problem which comes to my mind —and this has been mentioned by the presidents of many universities—is the problem of obtaining teaching staff. Teachers are not available in Canada. Apparently they have all gone to the United States. If we can find in Canada today a group to take advantage of this legislation and go to university, then we have to enlarge our universities and find more teachers to take care of them.

These are just a few observations that came to mind as I was listening to the debate this afternoon. As I have said, I hope this bill will go to committee where we can get more information than we received today.

Hon. Gunnar S. Thorvaldson: Honourable senators, the time is getting late and consequently I shall be rather brief in my remarks on this bill. It seems to me that we have had quite a love feast in the Senate this afternoon because everybody appears to support this bill. It is difficult to judge whether Senator Burchill, who spoke just before me, supports the bill or not, but at least he supports the idea of sending it to committee.

Well, to make a long story short, I believe that this bill is bad and irresponsible; it is simply a vote-catching gimmick and in my view does not deserve to go to a committee of the Senate. I say this because I believe this bill will be a bad thing for Canada. In the first place, it will be a bad thing in regard to the general position vis-a-vis the federal Government and provincial government's constitutionally. Secondly, I believe it is, and will be, a bad thing for the young people of this country. I make the prediction that this bill and the result of it will cause untold trouble. In so far as its being of future benefit to this country is concerned, I do not think it is worth the paper it is written on.

Somebody said that I am against it. Yes, I am against it. I am not going to recount the statements made by the honourable Senator Crerar. I will content myself with saying that I agree with everything he said, particularly in regard to the details and the principle of the bill.

Let me take first the example of the young people of this country. As all honourable senators know, the universities of Canada are full. They have as many students as they can manage to teach. We are building more and more universities, and we are acquiring more and more students. I agree with all of that, because that is a good thing. That is as it ought to be. But the method adopted by this bill is not the best way to assist in the education of university students.

To begin with, I repeat what has been stated so often, namely, that education is primarily a provincial responsibility. I quite understand why the federal Government would like to assist with education in such ways as providing money to help the provinces build universities, and to help educational institutions to build not only buildings but also dormitories through the C.M.H.C. I have supported projects like that because it is my opinion that legislation to these ends is beneficial to the interests of education and the interests of young people.

However, let me come down to cases. Senator Crerar referred to the fact that he taught school and did other work to further his education. That can be said of anyone here who has gone through university, whether they graduated 30 or 50 years ago. We all did the same thing. Our families tried to help us to the extent they were able, but what is of greatest importance, and what was of importance in respect to the character building of the people of this country, is that we all went out and earned money to at least help in putting ourselves through college.

I went through two universities, the University of Saskatchewan and the University of Manitoba. I did not teach school in the summer as many of my fellow students did. I worked in the harvest fields, in sawmills, and at any job where I could earn a few dollars to help put myself through college. I do not say that about myself alone because this was the method adopted by other university students whose education could not be subsidized completely by their parents and relatives. That is one of the great things that has helped to make our country what it is today. Our university graduates acquired a sense of responsibility by virtue of the fact that they themselves had to earn much of or the whole of the money required to put themselves through college.

Let me go a little further. I wonder what would have happened to me personally—and I am reasonably conscientious about my debts—if when I finished law school in not so very good times many years ago I had been faced with a debt of $5,000. A debt of $5,000 at a rate of interest of 6 per cent would have cost me $300 a year. Not only that, but I would have had to pay back the principal amount. Quite frankly, I wonder how long it would have taken me, or even whether I could have paid it back at all within a reasonable time.

That is the position in which hundreds and thousands of university students are going to find themselves after they have accepted this largesse of the federal Government. It is from the point of view of the students, honourable senators, the persons who will become obligated in this way, that I oppose this type of legislation. I repeat that I am completely and utterly against it because I think it is unsound.

My second point is this: Why should the federal Government take every opportunity possible to mix up these constitutional relationships between the federal authority and the provincial authorities in the field of education? That is causing, as Senator Crerar said,

more trouble than he would ever have expected. It is causing trouble day by day, and it is going to cause much more. It is part of the reason why some provinces are opting out of these schemes. That is resulting not only from steps that the federal Government takes in the field of education, but from steps it is taking in regard to so many other affairs that are essentially within the constitutional authority of the provinces.

Personally, I am very concerned about this trend in Canada in general, but in a bill like this it is accentuated to an extent that I think is wholly unnecessary, and it will result in needlessly continuing the present constitutional conflicts in this country.

I make these few remarks to indicate that there are some people at least in the Senate who believe this legislation to be bad, and who believe most sincerely that it is not in the best interests of the country to pass this bill.

A moment ago I said that there are many ways in which the federal Government, and indeed the provincial governments, can assist in education. If the financial assistance proposed in this act is necessary, then it should be given by the provinces. The provinces are not paupers by any means. The provinces have the means to do this if they wish to do it, and if they believe it to be necessary or in the public interest. But I doubt very much whether any single provincial legislature, certainly in western Canada, would feel that it is necessary in the interests of education to pass legislation authorizing loans of this kind.

Hon. Mrs. Fergusson: What makes you think the provinces have those means, Senator Thorvaldson?

Hon. Mr. Thorvaldson: They have the means.

Hon. Mrs. Fergusson: What makes you think they have?

Hon. Mr. Thorvaldson: I think the provinces have done a great deal in assisting students.

Hon. Mrs. Fergusson: I am referring to financial means; I am not referring to the power. What makes you think the provinces have the financial means of doing this?

Hon. Mr. Thorvaldson: I say the provinces have great financial means.

Hon. Mr. Connolly (Ottawa West): Why have they not used them?

Hon. Mr. Thorvaldson: I think they have greater financial means than they indicate when they come to Ottawa, cap in hand, pleading for more and more financial help. I am not speaking of one government, but in the last 20 or 30 years nearly every government has seemingly been willing to pour out the largesse of the federal taxpayer to the provinces for anything they can think of asking for. Indeed, I believe that much more will be said about that particular subject matter in a day or two when, as I expect, another bill that is presently before the other place comes to us. However, that is a problem in itself. At the moment I am just referring to this matter of additional federal Government activity in the field of education.

Hon. Cyrille Vaillancourt: Honourable senators, I shall not speak in the same spirit that my predecessor did. I agree with this bill, and I ask that it be passed quickly.

Hon. Mr. Choquette: The caisses populaires too, I bet you!

Hon. Mr. Vaillancourt: Yes, sir.

In the last ten years we have instituted a loan called the "prêts d'honneur," and I can say that we have practically never lost a cent on a "prêt d'honneur."

(Translation):

A few minutes ago, the senator from Winnipeg mentioned the percentage of students in Canadian and American universities, as well as the results obtained both here and in other countries. When I heard Senator Thorvaldson say he was against the bill, I wondered what will happen here? We are told that education comes under provincial jurisdiction. However, in French the term "education" does not have the same meaning as in English. In French, we say "instruction, enseignement". "Education" is something else. Some people are well educated, but quite ill-bred, according to the French meaning, and some people are well-bred, but find it impossible to get an education. Therefore, the word "education" does not have the same meaning in both languages.

This morning, riding on the train, I read an article written in the same spirit Senator Thorvaldson spoke about. It cited section 93 of the British North America Act but not the exact words that appear in the official version. How then can we expect the public to be well informed?

On the other hand, there are newspapermen who claim the right to think as they please, contrary to common sense, and who want to spread their views throughout the country, refusing to those who pay their salaries the right to say anything.

Education will become more and more necessary from now on because of automation and uneducated people will have to be content with a low standard of living. But when

one says that this matter comes under the provinces' jurisdiction and wonders why the federal Government is meddling, one suggests that the federal Government is giving the provinces the right to levy taxes.

It would be easy for the highly industrialized and wealthy provinces to get money for those scholarships, but would the less well off provinces be able to offer the same advantages to their young people?

If the less industrialized provinces buy industrial products from the wealthier provinces and enable them through those purchases to become more prosperous economically, is it not fair, sensible and just that the latter should make up for it by paying a little for the others? In that way, with taxes coming from the country at large, it is possible to help the less favoured provinces which are not as well off but which contributed nevertheless to our prosperity. It is neither more nor less than a restitution or compensation that is given them. Is it not logical and fair?

It is said that this bill interferes with the education of children.

We have had the Family Allowances Act for almost 20 years. That act stipulates that school-age children must attend school to be entitled to the allowances. Does getting those allowances from the federal Government mean that the latter is interfering in any way with education? Does the federal Government force the children who benefit from those family allowances to go to such and such a school? To learn history or geography from such and such a textbook? To use such and such a dictionary? Yet when that Family Allowances Act was enacted many people protested that the federal Government was interfering in a provincial field of jurisdiction. Try to withdraw those allowances today under the pretext that the act violates section 93 of the British North America Act.

The provinces claim that education comes under their jurisdiction. When I asked a question to Senator Flynn a moment ago, I did not mean to embarrass him; I just wanted to have his opinion. According to our honourable colleague, the fact that any province who wishes to do so may distribute the money on its own means that there is freedom of choice. According to him, the contracting out formula is only temporary and the senator claims that we should seek a more concrete and permanent solution. If there is one who agrees with him on that point, it is surely I. Yet, when one hears the discussions which are going on elsewhere, it is obvious that we still have a long way to go in that connection and that a permanent solution will not be found overnight. In the meantime, we have to rely on the contracting out formula. I agree that this is a make-shift solution.

Senator Flynn was saying that the option system was introduced a few years ago. And when Mr. St. Laurent was Prime Minister he realized the precarious situation of the universities and tried to find a solution to their problems. I will always remember the words of the premier of a certain province who said the universities have enough money. And this same premier admonished the universities not to accept future grants from the federal Government, otherwise provincial grants would be withdrawn. It was not even an option.

Hon. Senator Flynn: However, it was not a question of separatism.

Hon. Senator Vaillancourt: It was even worse.

It is difficult to build up a country as huge as ours, considering that the needs vary greatly from one province to the other, and reach perfect agreement. Do you want another striking example? No later than last week, I read in the papers that Laval University in Quebec City will borrow over $6 million from the C.M.H.C. in order to build student residences. Is this an intrusion in the education of students who will benefit from such a residence? As far as I know, no complaints were made concerning this loan; I am not aware of any editorial objecing to this assistance to students, and yet, this money loaned by a federal corporation will be used to build a student residence on the Laval university campus. This does not mean, however, that the students will have to buy such and such a book, or take such and such a course, etc. They are given the opportunity to attend university in order to complete their studies and to acquire knowledge, so as to earn a better living and to better serve their country.

So, in reply to those who say that the federal Government encroaches upon the field of education, I say that such is not the way I interpret the matter. But if the government said: You will study in such or such a university, you will follow such or such a course, or buy such or such dictionary—this would be interference in the field of education; but if it is only a question of furnishing the means, I say: Go ahead.

Our universities—Laval, Montreal, McGill, Toronto, Queen's, etc.—receive grants from the Ford Foundation, the Carnegie Foundation, the Russell Sage Foundation and others. What amazes me is that those grants of $50,000 or $100,000 are earmarked for the study of some specific problems, of some matters well established in advance. It is a kind of control

over the education of our young people. Those grants come from a foreign country, from the United States and we are happy to accept that money; no one is criticizing. But now, the government of our country, to whom we pay taxes, is telling our young people: We are going to help you through scholarships and assist you in obtaining loans. You will study what you like and you will follow the classes you like. Many of our people take exception to that and they argue as though the Government of Canada were not our government; as though the money were not our money, as though the federal Government were hostile to us. I do not understand how people could see things that way.

As far as I am concerned, contrary to Senator Thorvaldson, I shall vote in favour of the bill and that, as soon as possible, because time is pressing, the month of September is around the corner.

The pessimists sometimes say: What will come out of all this? They discourage our young people. On the contrary, we should try through all possible means to educate a better class of people so that tomorrow our young people will be more highly educated and better than they are today.

(Text):

Hon. John J. Connolly: Honourable senators, first of all, as Leader of the Government, I wish to pay Senator Fergusson a tribute for the comprehensive and effective way in which she presented this bill to the house. I wish also to thank all honourable senators who took part in the debate.

I feel this bill deserves the kind of attention it has had here today. I hope that it will go to a committee for further consideration before being passed. That is the practice of the Senate and we should not depart from it in this instance. I hope that we may finish our consideration of the second reading today so that it can get to committee tomorrow. Because of the circumstances and the lateness of the session, it seems to me that the Standing Committee on Banking and Commerce may be that to which Senator Fergusson should consider referring this bill.

While comment could be made on all of the various speeches, I was particularly impressed by that of Senator Flynn. His was a thoughtful, trenchant and important discourse, and we are all grateful to him for it.

We all have the highest respect and honour for the Constitution of this country, which is the British North America Act. However, I think also that people must be aware of the real facts of life, and constitutional lawyers as well as legislators must be included in that group, because along with respect for the Constitution, I feel there must be an acute awareness of national problems.

Senator Crerar has referred to the fact that we have had conflicts of jurisdiction since the beginning of Confederation that have been referred to the courts and have been resolved. This is very true. It seems to me that many of those legislative references, and the litigation that has been embarked upon in respect of the Constitution, have not always been of a character such as this bill, which is deemed to be and is intended to be helpful to a segment of the community.

Many times the conflicts in the courts as between federal and provincial jurisdiction have been conflicts in which the federal authority was attempting to assert a jurisdiction which it did not have and which the province desired to have in the interests of its fiscal or economic responsibilities.

This is not that kind of thing. In the field of education, we in the Senate through our committee on manpower and employment did a great deal a few years ago to indicate to the Canadian people the importance of the training of our young people, if as a country we were to survive. The reason, of course, is the competitive character of the economy in which we live and the kind of economies with which we have to compete in the world at large.

One of the things that came out of that committee, which I think was crystal clear to every member of the Senate, was the overriding importance of giving our young people all the training that we could give them, including general university training. We pointed up the importance not only of providing good technicians and scientists, but as well the importance of developing citizens of good sound judgment.

Through the years since Confederation, the problem in the field of education has confronted the constitutionalists, on the one hand, and the educationalists, on the other.

Perhaps I might with profit mention a few of the areas in which the federal authorities, recognizing the need for national standards, and the fact that education is a problem of national importance, have tried to help, without intruding into the field of provincial jurisdiction laid down in the British North America Act.

Hon. Mr. Thorvaldson: Do you mean that the British North America Act is of no importance in educational matters?

Hon. Mr. Connolly (Ottawa West): No. The honourable senator will not throw me off the path with that question, because obviously I do not mean that, and he knows it.

What I am saying is this, that in the area of trying to assist the universities, the federal

Government now spends some $38 million a year on the capital grants formula. Originally it was on the basis of 50 cents per capita and now is at the rate of $2 per capita, because the need grew and continues to grow. The National Research Council spends some $23 million a year on scholarships for scientists, both undergraduate and graduate. The Atomic Energy Control Board spends over $1 million a year on research in universities. The Children of War Dead (Education Assistance) Act spends three-quarters of a million dollars assisting children of deceased service men in their education. The Canada Council last year spent $15,750,000 in providing capital grants to universities, and over $1 million in scholarships at universities.

Under the Technical and Vocational Training Act, which the Government supported by the gentleman opposite initiated a few years ago, $142 million is being spent. I think the Manpower and Employment Committee of the Senate had a good deal to do with pointing up the importance of that field.

Central Mortgage and Housing is spending some $27 million in loans to universities in respect of student residences. The federal Government is largely, or entirely, responsible for the education of Indians, for education in the Northwest Territories and in the Yukon.

The federal Government maintains three service colleges for the training of young people for the armed services of this country. The children of service personnel, both at home and abroad, are assisted in getting their education. Honourable senators who have been to visit the brigade in Soëst, and the air force in Germany and in France, know the extent of the work done there, all out of national defence spending each year.

Senator Yuzyk, whose speech we all enjoyed this afternoon, indicated the value that came from the payments made under the veterans charter for the education of ex-servicemen.

Why do I talk about these things? It is because I think they prove that all parties and all governments recognize education not only as a local problem but also as a national problem.

Senator Flynn has suggested that perhaps these loans that are to be made should be made with the tutors or the guardians of young people who are to receive the loans.

Senator Crerar, I believe, has suggested that the parents should have something to say about guaranteeing or approving the loan. I think the idea in this legislation is that the responsibility for these loans should rest upon the shoulders of the young men and women who take them.

Senator Flynn raises the question as to whether or not it is legally possible for the federal Government to guarantee these loans to the students. Well, section 7 of the bill provides for a guarantee of the federal Government, not to the student, but to the bank. This is a minor point which we can look at again in committee.

I think the experience has been that the amount of student lending that the provinces felt they should embark upon has not been adequate to meet the requirements of the students. The amounts of individual loans are not large enough in themselves and the overall amount is not adequate for the needs.

A great deal of criticism has been levelled against the Government for invading a provincial field. I have already dealt with the one aspect of the answer to that proposal, namely, that this is not a provincial problem, this is a national problem. But I would point out that at the federal-provincial meeting in Quebec in April, and at subsequent meetings between federal and provincial ministers—and all of the provinces were involved—the proposals contained in this bill were discussed and approved. There is no provincial objection to the proposals that are here laid down.

Hon. Mr. Flynn: I suggest there was one—by Quebec.

Hon. Mr. Connolly (Ottawa West): I think not. I think the Government of Quebec, because of section 12, is quite happy to run its own plan.

Hon. Mr. Flynn: But it was on that occasion that the Premier of Quebec threatened to bring the measure before the courts.

Hon. Mr. Connolly (Ottawa West): That was before the conference, I think. Again, this is something we can discuss in committee.

Senator Crerar wanted to know what the ultimate liability is under this measure. At the present time the fund provided is $40 million. I point out that of course this is not a grant that is made to each student; it is a loan the student gets from the bank at a low rate which the bank is prepared to charge in the interests, I think, of good business and, ultimately, good banking. It is estimated it will cost the federal Government this year something like $2 million for the interest that will accumulate on these loans made by the bank. It is expected that in five years approximately $200 million will be out on loan. The cost to the federal Government for the interest at that time will be proportionately higher. I think what is being done here is an investment in better educational standards and better educated Canadian citizens.

Senator Crerar has asked about failing students and drop-outs. Section 5 provides that when a student is no longer a full-time

student he does not qualify for the loan, and within seven months after the time he has ceased to be a full-time student the interest begins to run and the loan begins to be repayable in accordance with the regulations that will have to be made.

Hon. Mr. Crerar: What I had in mind was, the student may have received a loan and then drops out. Then what happens to the loan? Is he still responsible for it?

Hon. Mr. Connolly (Ottawa West): Oh indeed he is.

Hon. Mr. Crerar: If he refuses to pay it, what then?

Hon. Mr. Connolly (Ottawa West): Then he is liable to whatever action can be taken against him.

Senator Crerar also asked a question as to who determines who shall get the loans. The provincial authorities, the universities especially, have had a pretty broad experience over the years in dealing with applications for student loans of this kind. I believe a great many members of the Senate know this to be a fact and know a good deal more about it than I do.

The proposal is that these provincial facilities for weeding out the applicants for the loans and determining worthy cases and rejecting the unworthy cases can safely be left in the hands of these people who have had the experience through the years. This is new legislation; it is breaking new ground; but I do suggest that the experience in the provinces, in the universities, will be one that can be put to very good use as this develops.

I say to Senator Crerar—because we are talking about loans—that when the bill comes along to provide for 10,000 scholarships a year, at a cost of $10 million a year, I am going to suggest to him that he agree to sponsor that measure.

Hon. Mr. Crerar: May I inquire if we are to have a bill also for 10,000 scholarships a year?

Hon. Mr. Connolly (Ottawa West): Not before the end of this week, I would think.

Hon. Mr. Crerar: If we are, I hope somebody will tell us where we will get the money to do all this.

Hon. Mr. Connolly (Ottawa West): That will be the duty of the sponsor of the bill at that time.

Hon. Mr. Crerar: Then I shall not be the sponsor.

Hon. Mr. Connolly (Ottawa West): Let me say this, that the offer will be an open-end offer, since you spoke so eloquently on the proposal for scholarships this afternoon.

Senator Crerar has also mentioned the question of the duty of the parent as opposed to the duty of the state, and the fact that the parents' duty in respect of education takes precedence over the responsibility and right of the state. Of course, with this proposition we all agree; but he would reinforce the parents' responsibility and right by giving more liberal tax allowances. As far as that proposal goes, it is a good and valid one, except that it is felt that a good many of the students who would qualify for loans under this measure are probably from homes where a tax allowance does not mean too much.

Hon. Mr. Aseltine: They do not pay any tax now.

Hon. Mr. Connolly (Ottawa West): Probably the amount of money that is available makes their tax return a pretty negligible factor.

When it comes to trying to supply some help for the families of the poor who have children with the capacity to take advantage of a good education, I think a measure of this kind is a great step forward to realizing a very noble objective.

Senator Grosart talked about the problem of opting out, to which he objects very strenuously. When we come to consider the bill on federal-provincial fiscal arrangements there will be opportunities to deal with that question more fully than we should on this measure.

I think the pertinent questions Senator Burchill put should be discussed in the committee. I am suggesting that, in any event, because I am now encroaching on the dinner hour.

Hon. Mr. Choquette: There is very little left for the committee to discuss now; my good friend has done such a fine job.

Hon. Mr. Connolly (Ottawa West): Well, I am only an amateur.

I am concerned about what Senator Thorvaldson said. He said this bill is bad and irresponsible and that therefore it should pass. I do not think I have ever heard a *nonsequitur* in the Senate that upset me quite as much as this. Our duty is to look at the legislation that is put before us by the Government—

Hon. Mr. Thorvaldson: Surely, I was not as bad as that.

Hon. Mr. Connolly (Ottawa West): —and I do not think we pass legislation because we think it is so bad it is irredeemable. I am sure the honourable senator does not take that position seriously. I, for one, would not want a pattern of performance of the Senate based on that proposition. I am sure he

would not either. I hope too that Senator Thorvaldson, for whom I have a very high regard, does not feel that the Government of which I happen to be a member takes every opportunity to mix up federal and provincial responsibilities in the field of education.

Hon. Mr. Thorvaldson: I did not say that.

Hon. Mr. Connolly (Ottawa West): I understood that to be the import of his remark. If that is not so, then I am mistaken. However, I revert to what I said at the opening of my remarks. In a real world and with the kind of problems we face in this country today in respect of education, it seems to me we cannot allow ourselves to be poured into a straitjacket of 1867 without doing everything we can to try to make that constitution work in a way that is going to be effective in 1964. I think this measure might be a realistic approach to that ultimate end.

Hon. Mrs. Fergusson: I call it 6 o'clock.

The Hon. the Speaker: Honourable senators, it is 6 o'clock. Is it agreed that the sitting be resumed at 7.30 p.m.?

Hon. Senators: Agreed.

Hon. Mr. Connolly (Ottawa West): I think 7.30 would perhaps be a little too early. Our usual time for meeting in the evening is 8 o'clock. I know the rules of the Senate provide for resumption at 7.30, but would it meet with the approval of the Senate if we adjourned now, to reassemble at the call of the bell at 8 o'clock this evening?

Hon. Senators: Agreed.

The Senate adjourned during pleasure.

At 8 p.m. the sitting was resumed.

Hon. Mrs. Fergusson: Honourable senators—

The Hon. the Speaker: I must inform honourable senators that if the honourable Senator Fergusson speaks now it will have the effect of closing the debate.

Hon. Jean-François Pouliot: Honourable senators, I listened with deep attention to the debate that took place this afternoon on education and instruction. At the outset I must say that in my view no one of us has a higher sense of duty than the Leader of the Government (Hon. Mr. Connolly, Ottawa West) and it will not be offensive to my colleagues if I say that. I wish to congratulate the honourable Senator Fergusson for the excellent exposé that she made of the bill. She mentioned the objections that were raised in the other house with respect to this matter, and answered them.

When we are here together we legislate not only for our contemporaries but mostly for the coming generation, and if there is a bill that may affect to a certain degree the coming generation it is a bill providing for loans to students. I know very well, and you know too, that if it were not for the personal regard that I have for the Leader of the Government in this chamber, and for the Prime Minister in particular, I might use figurative language in dealing with such matters, but I will do my best to speak as serenely as I can tonight.

We heard this afternoon honourable Senator Crerar mentioning what had happened when he passed his examinations 70 years ago. I congratulate him. When I was admitted to the Bar my great joy was in not having to pass any other examination. But, should we not revert to 2,000 years ago, to the time of Quintus Horatius Flaccus, the great poet, to Virgil, to Cicero and all those others, if we do not go further back to Athens and Greece? At that time they had no automobiles, no radios, no television, they lived very simply but they had the time to think. The philosophers and their schools did excellent work. The classics should not be forgotten, because they were ideal teachers and professors; they were followed by a large number of disciples, and even today we quote them as masterly minds. They took time to live, they took time to think, and they were not embarrassed by the struggle for life. They were an example to mankind. At first the pagan philosophers and their students believed in divinities, they believed in mythology, they believed in the Supreme Being. Afterwards came Christianity. In the Old Testament the Jews believed in Jehovah. The Christians believe in our Lord. The trouble today is the agnosticism of many students. They seem to be indifferent to all beliefs. There is a school of thought in Montreal called the Mouvement Laïque Français, which insists on the recognition of atheism and agnosticism.

It is unfortunate. Some years ago we would never have believed that the time would come when the students would need to be told to have a strong religious belief in the Supreme Being, that it would lead to the respect of all laws. As you know, honourable senators, the basis of law was the ten commandments of God. If there have been more laws—and you know how many laws there are—it is precisely because of the weakness of man. The more wicked man is the more laws we have.

Now, coming to the subject matter of loans to students, I wonder whether this bill is good or not and I give the benefit of the doubt to the Government. I find that as the universities cannot admit all the students

who want to follow courses, I wonder why we should encourage more students to get into universities which will be unable to receive them unless they are enlarged. I still believe that each government should expend only the money that it gets from taxation and that the provinces should pay for education from the moneys that they get from taxation.

What I regret about the moneys advanced by the Parliament of Canada to the provinces is that we parliamentarians, members of both houses of Parliament, cannot know what use is made by the provinces of that money. If the Parliament of Canada gives subsidies amounting to millions of dollars to the provinces for education and asks the provinces to render an account, that account will be refused.

The provinces refuse to inform the Government of the use that is being made of the federal money being granted to them for educational purposes. I find that it makes no sense. At least we should know what is done with the money.

In this case, loans are being made for the purpose of helping students. To help them in what manner? At the present time is education in Canada at the standard it is expected to be? Honourable colleagues, I have read in the press that students did not know who was Sir John Macdonald, the Prime Minister at the time of Confederation. They were not taught. A lot was lacking in the teaching of history. The same applies to many great names in history.

Is it possible to have a reform of education? I should use the word "instruction," as Senator Vaillancourt has aptly said, because instruction is the basis of education. Education is the complement of instruction. Instruction is the furnishing of the mind with useful information and useful data; and education is the formation of the heart. There is a place where instruction and education are given jointly, and that is in the homes where the good mothers teach their children the rudiments of both knowledge and prayer. There they teach and educate their children. Should it not be done in the university?

I recall a student of political economy of the University of Toronto, who was attending a lecture of a friend of mine. I asked this student, "How many are in your class?" She said, "The course is given in Convocation Hall, and 1,500 of us listen to the professor." How could any professor lecture successfully to 1,500 students?

It seems that education should start by the knowledge of fundamentals. I wonder if the time will ever come when the Parliament of Canada will have the authority to render an immense service to Canada by the reform of education on a sound basis?

At the present time, all that seems to be needed by the provinces for education is money, and it is money that is the basis of discussions.

There are some very important other matters that I will not speak of tonight, but which should be looked into and remedied, but nobody pays any attention to that. The only sign shown by the provinces to try to get more money from Ottawa is the big sign of the dollar. We live in strange times.

I will not oppose the bill, because if I do I will be accused of being against youth, and of being unwilling to promote the education of the young ones; but I wanted to make those remarks to show the importance of the matter, and in the hope that at the next conference between representatives of the provinces and the Government of Canada, they will insist on the teaching of fundamentals and of religious principles to youth. It is the best manner in which to ensure that the younger generation will do well in life.

One should be very careful about the teachers and professors who are the apostles of atheism and of separatism. There are many like that. This is not only at university level. Last week I mentioned the remarks of a former bâtonnier of the Province of Quebec, an outstanding lawyer who complained about professors who were giving a wrong kind of teaching to their students. All those matters are so vast it is impossible to deal with them in a few moments, but we should consider them honestly and in the hope of improving the condition of teaching and the learning of the youth of this country; and it would be the best service that could be rendered to them.

I repeat what I said in the first place, that I have the highest regard for all of you, and if at times some of you use vehement or violent language it must be due to enthusiasm, and the good nature of everyone should not be forgotten because of some exaggeration of language. I have been most moderate tonight in order to try to make you think of the importance of the problems that we have to deal with here, especially with regard to instruction and education.

Hon. James Gladstone: Honourable senators, as this is something very close to my heart I felt I should speak on the subject. When I made my first speech in this chamber I spoke of the importance of education. Since that time we have gone through quite a number of changes. At the time I spoke we, the Indians, did not have the right to vote, and there were many things we were not entitled to then that we are now. If I have understood the speeches made today on student loans, I hope that my people will be

included in whatever legislation is being passed.

I have not the statistics before me, but I am proud to tell you of the way in which the Indians have accepted the introduction of education, not only on their own reserves but in outside communities. Many parents who five or six years ago did not want their children to go away from their reserves to be educated, now tell me, "We want to send them to schools outside, to get them acquainted with life outside our reserves." Anyone who would like to dispute that statement need only visit our reserves and find out to their own satisfaction. Integration cannot be forced on anybody, but I do think that whenever Indians are welcomed outside the reserves and accepted into the communities that surround them, they will readily respond. I feel that the federal Government and the governments of the provinces should get together on this and produce a positive program which would have the effect of making the Indians feel they are wanted.

At this point I want to take issue with my honourable colleague from Toronto-Spadina, Senator Croll, who, in the course of a speech which he made in Sudbury a couple of years ago, said that he would recommend that all Indian reserves be abolished, and that the Indians should be paid 20 times the value of their reserves. I answered him, I think it was in the Windsor *Star*, and if I remember correctly what appeared in the paper was that he was foolish to say such a thing. In fact the actual words I used were that I thought he was crazy to say that, but the reporter put it down that I said he was foolish. In my view this sum of 20 times the value of the reserves should be paid to the Indians as of now to enable them to catch up with the things that were omitted in the development of Canada. The reserves should have been developed when the settlers came in, and along the same lines.

When I was a youngster of about 10 years old we had very good Indian people. When the terms of treaties were issued it was provided that there should be one cow or one calf to a family of one, and two or three to a family of three or four. This was promised in the treaties and the Indians responded by trading in their cayuses for cattle. They thought this was a good idea. I know from experience that the number of cattle owned by Indians in that fashion when I reached the age of 18 and left school was around 6,000 head. The Indians had reached that stage through their initiative and trading their ponies or cayuses, as they called them, for cattle. This situation remained until they started us farming, but not knowing how to farm, not having the proper know-how, it was a failure and our cattle were taken to pay our debts, and so we came down to nothing. But I am proud of the fact that since 1945 the Government of Canada have finally acknowledged that they could not extinguish the Indian race, and so they began to think in terms of developing them and helping them to fit into the present way of living. I am also proud to say that the Indians are responding in a wonderful way.

However, there are two things I would like to mention that should be corrected. The first is that while the federal Government has given the right to Indians to buy liquor, this is under the administration of the provinces. I think it should be done away with. It is an individual matter. The problem in this regard will never be cured in any other way. My reserve lies 20 miles from the border—and I trust I am not out of order in mentioning this because I feel it does come under the heading of education—and 17 people have been killed in that 20 miles because of the prohibition on liquor. If there had been the same law as you have, that a bottle could not be opened between the place at which it was bought and the residence of the buyer, then all those deaths could have been prevented. Do not tell me that we cannot take care of our drunken Indians when they come home—we know how to tie them up and lock them up. I think this is a restriction that ought to be removed.

I am happy to tell you, honourable senators, that in British Columbia where the Indians are given full rights I have seen them in lounges acting as respectably as any other person. There is no discrimination. I might add also that while travelling through British Columbia I found they had very nice homes. If they cannot stay in town to drink a bottle of beer, then they take it with them to drink at home. The old people who stay at home tell me that this is better, because when they sober up in the morning they know there is some fencing to be repaired. They have some fine irrigation ditches in that territory to be kept in repair. Many of them go to town at 3 o'clock in the afternoon, and come home with another load on, but a lot of them are beginning to think they should take care of things at home. Psychologically that has had a very good effect. I found this same problem in Saskatchewan when they were given the same rights. The chiefs came to me at Moose Jaw and said: "We did not ask for this privilege. We do not want to stop it, but this is a problem we have to face at some time in the future anyway. All we want is better policing." That is all they asked for in Saskatchewan. I do not know how they are getting along, and I do not know what the neighbours think of the

Indians in Saskatchewan. However, when I went to Saskatchewan I found conditions much better than they were five years ago.

I had been in Ottawa many times from 1940 to 1953, and in 1958 I was appointed to the Senate; these are the things that I thought should be changed in the Indian Act. There was a joint committee of the Senate and the House of Commons on Indian Affairs in 1959, and I asked some of my colleagues here, some of whom were Members of Parliament in those days, if they would help. The only one who responded was Senator Horner.

There were two others, one of whom was an invalid and who would have liked to join the committee but was incapable. He has since passed over to the other side. However, there was one member of the Senate—I do not believe he is here tonight—from British Columbia, who said: "I will not be made a fool of again." We made our recommendations in 1946, 1947 and 1948 and not one of them was acted upon.

Honourable senators, all I am doing is bringing this to your attention. I do not know whether I am speaking out of turn, but I think that this chamber, composed of the champions of those who need help, should set up a committee to administer the Indian Act and to recommend amendments to it from time to time. Some sections of the Indian Act need amendment as time goes on, and I cannot think of a better place in which that work can be undertaken than this chamber.

Hon. Muriel McQ. Fergusson: Honourable senators, I think the honourable Leader of the Government (Hon. Mr. Connolly, Ottawa West) in his speech this afternoon gave excellent replies to most of the questions raised by those who have spoken in this debate. I find he has expressed more articulately than I could have done my own reactions to the statements made by those who criticized the bill. I agree with all he said.

Honourable Senator Crerar mentioned one or two things that I omitted to speak about. In particular he asked the length of time that borrowers will have in which to pay off the debt. The period is ten years. I regret very much that I neglected to mention it while I was explaining the bill.

Honourable senators, if the bill is given second reading I will move that it be referred to the Standing Committee on Banking and Commerce.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

Hon. Mrs. Fergusson: Honourable senators, I move that the bill be referred to the Standing Committee on Banking and Commerce.

Hon. Mr. Connolly (Ottawa West): Honourable senators, I have been consulting with the Chairman of the Standing Committee on Banking and Commerce (Hon. Mr. Hayden) who has told me that the committee will meet tomorrow morning at 9.30. Notices have been sent out, but I thought I should mention that fact at this time.

Motion agreed to.

PRIVATE BILLS

BANK OF WESTERN CANADA—REPORT OF COMMITTEE ADOPTED

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill S-6, to incorporate the Bank of Western Canada, and had directed that the bill be reported without amendment.

Report adopted.

MOTION FOR REFERENCE BACK TO COMMITTEE NEGATIVED

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

Hon. T. D'Arcy Leonard: Next sitting.

The Hon. the Speaker: Honourable senators, it is moved by the honourable Senator Leonard, seconded by the honourable Senator Paterson, that this bill be placed on the Orders of the Day for third reading at the next sitting of the Senate. Is it your pleasure to adopt the motion?

Hon. M. Wallace McCutcheon: Honourable senators, I move, seconded by honourable Senator Thorvaldson, in amendment, that the bill be not placed on the Orders of the Day for third reading at the next sitting of the Senate, but that it be referred back to the Standing Committee on Banking and Commerce for the consideration of further evidence in relation thereto.

The Hon. the Speaker: Honourable senators, it is moved by the honourable Senator McCutcheon, seconded by the honourable Senator Thorvaldson, in amendment, that the bill be not placed on the Orders of the Day for third reading at the next sitting of the Senate, but that it be referred back to the Standing Committee on Banking and Commerce for the consideration of further evidence in relation thereto. Is it your pleasure, honourable senators, to adopt the motion?

Hon. Mr. Leonard: No.

Hon. Mr. McCutcheon: Honourable senators, I think I should make it clear that I am not

opposed to the incorporation of new banks. I propose to vote in favour of the third reading of the bill to incorporate the Laurentide Bank of Canada, and it may be that I can be convinced that I should vote in favour of the third reading of the bill to incorporate the Bank of Western Canada. But my concern and, I think I can safely say, the concern of a number of honourable senators is that we are passing legislation which will permit two or three people to control a bank.

I have before me the proceedings of the Standing Committee on Banking and Commerce dated Wednesday, May 6, 1964, and I will read from page 63 which contains some questions I put to Mr. Stevens and his answers thereto:

> Senator McCUTCHEON: Then I think the answer to my question follows from that, that you and Mr. Mollard and Mr. Bell are in a position to sell the control of British International Finance (Canada) Limited to any person you choose.
>
> Mr. STEVENS: Yes.
>
> Senator McCUTCHEON: Your answer is "yes"?
>
> Mr. STEVENS: Yes.
>
> Senator McCUTCHEON: In selling that control you would thereby transfer effective control of Wellington, effective control of York, and possibly effective control of C.F.I.
>
> Mr. STEVENS: I think if you use the word "effective" it is generally true, yes.

Honourable senators, I am not without some experience in business, and "an effective control" is usually effective. Then I asked:

> In doing that, you would dispose of the effective control of 433,000 shares of the new bank.

I should interject that that is 43.3 per cent of the authorized capital of the new bank. Mr. Stevens answered:

> Yes, if you follow your line of reasoning:

My next question was:

> Yes, we are following it; and the answer is Yes or No.
>
> Mr. STEVENS: Yes.
>
> Senator McCUTCHEON: Would you consider that 43.3 per cent of the shares of a bank held by one group would constitute effective control of the bank?
>
> Mr. STEVENS: Yes.

I will not pursue that phase of the matter any more than to say that was the position when we decided to discontinue any further consideration of this bill in committee, and we decided, having considered it clause by clause, that we would not consider the preamble but that we would have it on the agenda for each meeting of our committee—leave it to the sponsor to move approval of the preamble when he saw fit to do so.

Now, honourable senators, I think I can say without any question of contradiction that it was this examination, and other honourable senators engaged in it, that resulted in the Laurentide Bank coming in a few weeks later and completely changing the method in which they were going to set up their share capital.

In the light of that, on Wednesday last the sponsor of the bill moved that the preamble be considered. I will not read at great length from the evidence of the report of the proceedings. What the sponsor of the bill said was:

> Since the evidence of Mr. Stevens and Mr. Coyne was given, they have advised me—

And I am coming back to this.

> —that Stevens Securities Limited has sold 10 per cent of the outstanding common stock of Canadian Finance and Investments.

What honourable senators must remember is that this is a pyramid, which stands on its apex, not on its base. I will refer to what the apex of the pyramid is. There are three companies involved that grow out of this very small company—one is York Trust, one is Wellington Trust, and one is Canadian Finance and Investments. So what the sponsor of the bill said last Wednesday night was that Stevens Securities Limited, which is the family company of Mr. Stevens, who is one of the promotors of the bill and will be one of the provisional directors if the bill is passed, has sold 10 per cent of the outstanding common stock, common shares, of Canadian Finance and Investments. I will come back to what that means in a moment.

He says:

> They sold it to Empire Life Insurance Company, and Stevens Securities Limited and British International Finance (Canada) Limited, which were at the base of this—

I interjected:

> This pyramid standing on its point.

Senator Leonard went on to say:

> Well, they believe they no longer have control of that particular company.

Senator Leonard made quite a long and persuasive statement, and other honourable senators spoke, and then Senator Leonard

made another statement which, when I come to deal with the capitalization of Canadian Finance, puzzles me a little. He says:

> As a result of the sale of 10 per cent of the shares of that company—

Referring to Canadian International Finance.

> to the Empire Life, they—

and I presume he refers to the Empire Life.

> —propose to take over a further treasury issue of deferred shares that would be at least 10 per cent of the shares of the bank.

There is some confusion there. As I shall point out presently, there are no deferred shares authorized for Canadian Finance, unless they have been authorized since the last time the witnesses appeared before us, and if they have been, we should have the witnesses.

I made this statement:

> I was going to suggest earlier that we do not consider any of these bills tonight, because as you yourself, Mr. Chairman, said honourable senators would want to read the evidence that we had today, they would want to read the transcript and, as I say, I understood the sense of the committee some weeks ago was that until we had all the evidence on hearing the applications we would consider none of them. Now I take it that there has been a change in the situation . . .

The chairman assured me there had not been a change, and I accept the chairman's word implicitly. I then went on to say:

> All I say is that I am not satisfied that the sale of 10 per cent of the shares by a company with—I have not got my notes or my papers with me—

I have got my papers tonight.

> —the sale of 10 per cent of the shares of a company which is obviously not a top company or, as I described this group, not the bottom company, to the Empire Life, represents a substantial change in the control, which I object to.
>
> I suggest, Mr. Chairman, that if the basis on which this application has been made to us is now being substantially changed, as Senator Leonard suggests, then we should call the witnesses back and let us find out where the control really lies, who really controls this company, because the company which it is alleged 10 per cent of whose shares will be sold to Empire Life, is not the top controlling company in this group. As far as saying that the Treasury Board will have an opportunity of looking over this, the Treasury Board is not concerned with the things that we are concerned with in this committee. The Treasury Board is only concerned with "how much money have you got paid in and how much money have you paid to the Minister of Finance." There is no suggestion that there be any Government legislation to delineate Canadian control of any bank. There is some suggestion that the Minister of Finance said there may be legislation to delineate what foreigners may own. And I say that if there has been any substantial change in the proposals of the petitioners for this bill, then they should come before us, we should hear the evidence and they should tell us what they are.

Now, honourable senators, this is my position. Obviously, there has been an important change in the financial arrangements, because I accept the word of the sponsor of the bill implicitly. My position is that I want to have the sponsors come and tell me what those changes are, that they be subject to the type of cross-examination to which we obviously cannot subject the sponsor of the bill.

I could go one step further, and I think when I am through honourable senators will understand why I might go one step further. I can say I would like to have the President of the Empire Life here, and I would like to know who controls the Empire Life.

The sponsor of the bill has his own suspicions and I have mine, and if we are merely substituting one additional individual, then it does not change my basic objections to incorporating a bank which formerly we thought was going to be controlled by three persons, but now is going to be controlled by four. As far as I am concerned, that does not change my basic objections at all. That is not the extent of dilution in which I am interested. Let us see what is really happening. I do not want to waste time reading the evidence, but all this can be documented.

As the proposition was put before us, the York Trust Company was going to purchase 33,000 shares of the new company; Canadian Finance and Investment, if that is its name, was going to purchase 150,000; Wellington Trust was going to purchase 250,000; and, as I have read, Mr. Stevens in his evidence admitted that he regards himself as having effective control over those three companies, he and his two associates—and that represents 43.3 per cent of the authorized capital of the new bank.

Now, there is another change which has been suggested in the holding—no change suggested in the holdings of the shares in the bank but in these three companies. These three companies are still going to hold—because these are representations made to the public in prospectuses that have been issued,

and trust certificates have been sold on the basis of them—43.3 per cent of the shares of the new bank, if it is incorporated.

There is also no suggestion by the sponsor of the bill (Hon. Mr. Leonard) that there will be any change in the control of The Wellington Financial Corporation, Limited; it will continue to be controlled by British International Finance (Canada) Limited, and those two companies will have 283,000 shares of the bank, which is 28.3 per cent.

What is this great change that has happened to change control? My honourable friend said, and I admire the way he said it, "They consider they will no longer have control of Canadian Finance and Investments Limited." They may consider that, and what I and other honourable senators consider, can be completely different things. However, what he said was that there had been sold 10 per cent of the equity of Canadian Finance and Investments Limited by Stevens Securities Limited—Mr. Stevens' personal family holding company, which he admits he does not control, and no father ever controls his own family holding company, although Mr. Stevens agreed he would have great influence in the company. They have sold 10 per cent of the outstanding common shares of Canadian Finance and Investments Limited to the Empire Life.

I think we should look at the prospectus of Canadian Finance and Investments Limited, of earlier this year, clause 29. This of course is signed by Mr. Stevens and his associates. This is what it says:

> There are no persons who by reason of any agreement in writing are in a position to or are entitled to elect or cause to be elected the majority of the directors of the company. British International Finance (Canada) Limited, Stevens Securities Limited and James E. Coyne, by reason of beneficial ownership of securities of the company could by voting together elect or cause to be elected the majority of the directors of the company.

The evidence will show—and I am not going to go through the evidence, but I make this statement—that when Mr. Stevens was questioned he agreed that in the final analysis, once the financing was done which this prospectus is related to, British International Finance (Canada) Limited and Stevens Securities Limited could elect a majority of the directors, that they did not need anyone to assist them.

If the capital has been changed, all I am asking is that the witnesses come before the committee and tell us. The capitalization of Canadian Finance and Investments Limited—I will not worry about preferred shares, because they do not vote except under special circumstances and when dividends have been in arrears for a period. I will just deal with the issued voting capital, 400,000 shares of Class A without nominal or par value, which carry 400,000 votes, or one vote apiece, and 50,000 common shares, without any par value, carrying 20 votes each, one million votes. So the total votes, if everybody is present at a shareholders meeting, is 1,400,000 votes.

Here we have two parties, one British International Finance (Canada) Limited, the other Stevens Securities Limited, who on the sixth day of May agree that once this financing is done, which has been done, they control this company which in turn will own 18 per cent of the shares of this bank. If they control it, they must have had something in the order of 700,000 votes; and of course somebody paid $3 million for the Class A shares and they carry one vote apiece. For the common shares somebody paid $123,000, and they carry 20 votes apiece or one million votes, out of 1,400,000.

My arithmetic may be a little faulty, but I assume that what Mr. Stevens meant was that he and his associates controlled something in the neighbourhood of 700,000 votes.

When the sponsor of the bill tells me that Stevens Securities Limited, not British International Finance (Canada) Limited, but Mr. Stevens' personal holding company, sold 10 per cent of the shares, I do not know what 10 per cent he has sold; but if he sold 10 per cent of the Class A shares, he sold 40,000 votes. If he sold 10 per cent of the common shares, he has sold 100,000 votes. I say that in neither case were Mr. Stevens and his associates justified in communicating to the sponsor of the bill the statement which the latter made, that they feel they have no longer control of this company.

I do not want to labour the matter, but I would like to refresh the recollections of honourable senators who have read the evidence, with the fact that the bottom company, as I call it, which stands on the apex and has the pyramid going up around it, is a company having, according to its latest prospectus, a capital of 268,000-odd Class A shares with a stated value of $1,822,000-odd, and of 64,236 common shares for a paid in capital of $194,564.

It is through that latter holding of $194,564 that Mr. Stevens and his associates control these other companies.

May I say that I am not being critical of them; indeed, I might even be envious of them. I am simply saying that I regard it as improper in the circumstances that we should put this bill on the Order Paper for third reading tomorrow, that the appropriate thing to do is to ask the sponsors to come back; they have obviously had some second

thoughts in the light of the examination in the Banking and Commerce Committee, and we should ask them back here on Wednesday morning and let them talk to us a little further. Have they really diluted control, or have they brought a fourth gentleman in? What is the situation? When we know the facts, we will vote.

Hon. Gunnar S. Thorvaldson: Honourable senators, as seconder of this motion, I just want very briefly to make my position clear in regard to this bill. I will include the Laurentide bill also in regard to my actions concerning them.

I have continuously, since the two bills came into this house, supported them in principle. I have never suggested that there should not be more banks in the country. Indeed, I think it would be a good thing to have additional banks in Canada. On the other hand, I think it is the duty of Parliament, and particularly of the Senate to see that the capital structure of a bank is proper, is appropriate, and that it gives a reasonable percentage of power to those people who buy shares in a bank. In other words, I believe it is reasonable to say that we should not incorporate a bank where a few dollars, or one or two hundred thousand dollars, at the bottom of a pyramid can effectively control such an institution.

I may add that I happened to be chatting to Mr. Stevens after the first or second meeting of the Banking and Commerce Committee on this bill, and we were talking about the question of capitalization. I said to him, "I take it for granted you will have these questions of capitalization and effective control remedied. As far as I am concerned, that is the only objection I have to your bill, and I am sure you will find a method of doing so."

I am aware of the arithmetic we have received tonight from our colleague Senator McCutcheon; I have followed the pages of the *Hansard* reports of the Standing Committee on Banking and Commerce meetings, and I believe that his arithmetic is correct.

I want to say this: I find there are 2,060 holders of shares in this bank in my own province of Manitoba. Consequently, apart from other factors, I feel I have a responsibility to see that the voting power of these residents of Manitoba is not unduly diluted by the manner in which others have very much greater voting power for really less money. As I understand it, the fact is that the people at the bottom of the pyramid—namely, the people who control British International Finance (Canada) Limited, the people who own the common shares of that company which carry 10 votes each—for an investment of some $194,000-odd, have a 43.4 per cent voting interest in this bank. I think we all recognize that a 43.4 per cent voting interest in a corporation of that kind represents control of that corporation.

Hon. Mr. Hayden: Would the honourable senator permit a question?

Hon. Mr. Thorvaldson: Yes.

Hon. Mr. Hayden: In what the honourable senator is saying, is there the suggestion that the prospectus which was issued on the offerings to the public of trust certificates—which, if a charter were granted, would be converted into shares—did not disclose the various interests, and that some information was concealed?

Hon. Mr. Thorvaldson: No, I do not suggest for a moment there was anything concealed, but I read from page 62 of the verbatim report of the Banking and Commerce Committee for May 6, 1964. It is only the end of Senator McCutcheon's question which is relevant, so I will not read it all. He asked, in part:

> There is no difference in the shareholdings as between those two dates. It shows that there are 268,013 Class A shares issued and 64,236 common shares, the value attributed to the common shares being $194,564. What is the difference between those two classes of shares?

Mr. Stevens replied:

> Solely voting, and the Class A are participating. They get an initial 20 cents per share dividend, and then when the common get an equal dividend they are equally participating. I say "solely voting" in the sense that the common have ten votes per share and the Class A one vote per share.

I suggest to honourable senators this is one of the main factors which gives this undue power in this proposed bank to just a few people. Consequently, I support Senator McCutcheon in the request that these gentlemen be called back as witnesses so that we can find out if they have made an appropriate change in this capitalization with which the Senate can be satisfied. All that is involved is simply for them to let us know definitely whether these changes have been made which I am sure most of the senators who are members of the Banking and Commerce Committee desired to have made in this case.

Hon. Salter A. Hayden: Honourable senators, as chairman of the Banking and Commerce Committee that heard the evidence and made the report, I am not proposing to take sides in anything that I say here; but there are a few things that the honourable senator who preceded me said that bother me a bit.

He spoke about his interest in the 2,000-odd shareholders from his province, and he was concerned as to whether there was any dilution of their interest.

Hon. Mr. Thorvaldson: Just their voting interest.

Hon. Mr. Hayden: Yes, their voting interest.

Well, a prospectus was issued in connection with every offering of shares in relation to this bank. Those materials were filed before us and were discussed. I think I can assume, and my friends would agree with me, that that material disclosed the voting interests.

Hon. Mr. McCutcheon: It certainly did.

Hon. Mr. Hayden: Yes. And if it did not the prospectus would not be a proper prospectus on which to offer the shares to the public. Therefore, we must assume there was before this committee, as there was before the people who purchased these shares or bought trustee certificates, the information as to the disposition of voting.

Certainly, on the basis of any evidence we have had, even including the statement made by the sponsor afterwards, it could not be said of anything that was done that there was a dilution of the voting interest of a bloc of shareholders from Manitoba because, if what was done was as related by the sponsor on the last occasion before we voted, the effect of that would be to spread over a larger number of people a quantity of voting shares that were more concentrated before that.

Hon. Mr. Thorvaldson: Do you not think you are engaging in dialectics on this matter?

Hon. Mr. Hayden: No, I do not think I am engaging in dialectics on this matter as much as my friend was doing a little window dressing when he used the word "dilution". As chairman of this committee, I am saying that the evidence was before us and showed the position of the voting strength, and we were told at the last meeting there was some change in that which reduced the concentration. We had the evidence—

Hon. Mr. McCutcheon: All we want to know is what the change was.

Hon. Mr. Thorvaldson: That is right.

Hon. Mr. Hayden: If the Senate wants that evidence then, of course, it will refer this matter back to committee. That is the privilege of the Senate. I am not arguing at this time against any course of action the Senate might take in relation to this bill and the further duty of the committee. What I am saying now is that in regard to the consideration this committee gave to this bill which was before it, every factor is in evidence and it is there for every person to read and appreciate, and—

Hon. Mr. Thorvaldson: I read it. Indeed, I read from the evidence here.

Hon. Mr. Hayden: At least when I interrupted my friend I asked a question and I asked his permission to ask that question, which is more than he is doing now. Two of us cannot talk at the same time.

What I am saying is that all the materials were there. If you want confirmation of the statement which the sponsor made, it is the privilege of the Senate to ask for it. I am concerned that every factor be exposed to the Senate, and it is for the Senate to make the decision. In the light of that, if the Senate feels the measure should go back to committee, that is the responsibility of the Senate.

Hon. Mr. Thorvaldson: Might I ask the honourable senator a question?

Hon. Mr. Hayden: Yes, I would be happy to hear one.

Hon. Mr. Thorvaldson: Has there been any substantial change in the capitalization as revealed on May 6, about which the committee in general was very unhappy? Has there been any substantial change related to the committee in regard to the facts appearing in the *Hansard* that I hold in my hand for that date? If so, can you tell the Senate what those changes are?

Hon. Mr. Hayden: I do not follow my friend's question. Was there any substantial change?

Hon. Mr. Thorvaldson: Has there been any substantial change in regard to the facts related before your committee on May 6, and has there been any substantial change in the capitalization as indicated then?

Hon. Mr. Hayden: I know of no evidence other than that given before the committee, and in that evidence I know of nothing which points to any substantial change as a result of which the number of issued shares was substantially increased, or increased at all.

Hon. T. D'Arcy Leonard: Honourable senators, this bill received first reading last February, and I moved second reading in March. So it has now been under consideration by the Standing Committee on Banking and Commerce of the Senate for approximately five months.

When we were debating second reading I agreed with Senator McCutcheon for a delay pending the receipt of the report of the Royal Commission on Banking and Finance, the Porter Commission. In due course that report

was issued, and there was nothing therein that would in any way derogate from the application for the charter of the Bank of Western Canada. On the contrary, the whole tenor of the Porter Commission report was in favour of more competition in the banking field.

The Standing Committee on Banking and Commerce then proceeded to consider the application for a charter for the Bank of Western Canada, and to hear the evidence. Once again, at the suggestion of some senators a delay occurred pending the hearing of evidence in the consideration of two other applications for bank charters then before the Senate, the Laurentide Bank and the Bank of British Columbia. All sections of the bill concerning this bank were passed, and the preamble was left for still further consideration.

I point these matters out because I think all honourable senators have had ample time to consider whether or not this application for a charter for the Bank of Western Canada should proceed out of this chamber. Now Senator McCutcheon raises this evening, as he did at the hearing before the Standing Committee on Banking and Commerce, the question of concentration of control in the hands of a comparatively small group representing the sponsors of this bank. As he has said himself, he is not inexperienced in business. He was very modest when he said that. I cannot refrain from quoting the remark of one of my colleagues in the Senate after that hearing in which Senator McCutcheon questioned the witnesses before the committee on stock ownership in the proposed Bank of Western Canada. My colleague said it sounded like Satan rebuking sin.

It was quite obvious from the evidence brought out that there was, if not effective control in this comparatively small group. The explanation they gave was certainly satisfactory to me, and I thought it would satisfy the majority senators.

When they decided last year—because the first advertisement in the *Canada Gazette* was published last December—on this venture of incorporating a new bank in Canada, there had not been a Canadian-owned bank incorporated in 52 years, and consequently it was a venture that required considerable courage, initiative and energy, as well as money. It had been said by the late Mr. James Muir, President of the Royal Bank of Canada, that anybody who dared to start a bank in Canada would require at least $10 million.

This particular group have been very successful in their enterprises in the financial field. With these companies that have been mentioned here, Wellington Financial Corporation, York Trust and Savings Corporation, and others, it was natural that the sponsors should turn to those companies for the purpose of initiating the incorporation of the bank. It was also very much in their minds that they wanted the broadest possible public ownership, particularly in western Canada, because they had decided this was to be primarily a bank of western Canada with its head office in Winnipeg. If they were to succeed in getting this very substantial sum of money, as to which I am sure many people had doubts that it could be raised, then they themselves would have to stand behind this incorporation with their own money and their own resources. They went ahead.

While there have been various percentages mentioned, and various discussions as to what is control and what is not control, may I put a few facts before the Senate. Senator McCutcheon is aware of them, but I think Senator Thorvaldson is probably not fully aware of them. All of the shares subscribed for, the 43.3 per cent listed here, by Wellington Financial Corporation, by British International, and by Canadian Finance and Investments, are all being paid for in cash.

Hon. Mr. Thorvaldson: Do you suggest I am not aware of the fact that all the shares are paid for in cash?

Hon. Mr. Leonard: I must say you left the inference that something like $197,000 was not dealt with, whereas all the money being put up by Wellington Financial Corporation is being put up in cash for the purchase of the shares. When they talk about what is control and what is not control of the company—

Hon. Mr. Thorvaldson: On a question of privilege, my honourable friend suggested I left the inference in regard to those shares. I want to remind him that what I said on the point was material I read from the report of the Standing Committee on Banking and Commerce, namely, Senator McCutcheon's question and Mr. Stevens' answer. All I said on that point was read from that report.

Hon. Mr. Hugessen: My honourable friend said that the rights of our friends in western Canada were completely diluted. That was completely wrong. Everybody who subscribes to these shares, whether a trust company or Mr. Jones of Saskatoon, pays exactly the same.

Hon. Mr. Thorvaldson: Taking the bottom of the pyramid which consists of the common shares, you have a much smaller investment, and while people like holders of the common shares of British International Finance (Canada) Limited have a very small investment, they have greater control than individuals who hold other shares.

Hon. Mr. Hugessen: They pay exactly the same amount for the shares of the bank.

Hon. Mr. Leonard: I accept Senator Thorvaldson's point that he was not trying to suggest there was any dilution so far as the purchases by these institutions or the bank itself are concerned. Mr. Stevens told the truth and gave his evidence very frankly. He gave the name of all shareholders, and mentioned the particular instance where there was extra voting power with Canadian Finance and Investments Limited, which was subscribing for 15 per cent of the shares in the Bank of Western Canada.

As Mr. Stevens and Mr. Coyne explained, it was their desire to make sure this bank was properly organized, and started, and that it was going to be run on as sound lines as they themselves could make it. When they became aware of the fact that there was some disposition in the minds of some senators that this question of undue concentration or control was a factor, they felt that they should, consistent with the organization of the bank and consistent with the planning of its operation, make some move towards a lessening of that concentration. That was the extent of the information I gave the committee last week. I informed the committee of what they had done, and what they planned to do in that respect; that is to say, the trend towards a lessening of their share ownership and share control that was in their minds.

The only actual step that had been taken at that time was the sale of 10 per cent of the common shares, which includes the voting power in so far as Canadian Finance and Investment Company is concerned, to Empire Life.

As I said before, one cannot always say exactly what is effective control of a company. Somebody might own 49 per cent of a company and still not have effective control because the 51 per cent was against the 49 per cent. Similarly, you may find in some situations that 10 per cent is an effective control depending upon how widespread the ownership of the remaining 90 per cent is, and the inability to organize that 90 per cent in any way as against the 10 per cent.

Here we have had a large issue of shares to the general public, primarily in western Canada. We have shareholders such as Great West Life Insurance Company and other life insurance companies, and well-known investment companies. The issue was placed through a group of investment dealers. I would suggest that in those circumstances it would be difficult to say that any particular share ownership in any group of less than 50 per cent could not be conclusively regarded as being control in this particular situation.

However, in moving towards a lessening of their own interests they have sold 10 per cent of Canadian Finance and Investment Company—that is, the common shares—to Empire Life. As far as Stevens himself and his particular group are concerned—that is, Stevens Securities and British International Finance (Canada) Limited—all I can say is what I said last week, that they do not feel that they now control British International Finance (Canada) Limited.

Hon. Mr. McCutcheon: Excuse me. I am sorry, but I think the honourable senator made a slip of the tongue. He is not saying they do not feel they have control of British International Finance?

Hon. Mr. Leonard: I meant Canadian Finance.

Hon. Mr. McCutcheon: You said "British International Finance."

Hon. Mr. Leonard: If I said that then I was wrong. It is Canadian Finance and Investments Company which, in turn, will be subscribing for 15 per cent of the shares of the Bank of Western Canada.

Again, they have indicated their intention—and they will put this in any form that might be required—to make a further issue of treasury shares. Perhaps I should say to Senator McCutcheon that I think the *Hansard* report is not exactly correct in respect to what was said. There will be an issue of treasury shares, or a secondary issue of shares, their intention being to reduce their own share ownership by a further 10 per cent. Then, ultimately, as and when the bank is in operation, they plan to make a further dilution of their own share interest.

As far as I am concerned, and I think as far as the Senate is concerned, it should be borne in mind that the Bank Act does not prescribe any percentage of ownership that any individual or any group of individuals may hold as a maximum in a chartered bank. Actually, at the present time the Mercantile Bank of Canada is, according to general repute, owned entirely by the National and City Bank, which is a nonresident institution. No one of us, I imagine, knows exactly what is the extent of ownership in any of the other chartered banks. I would think if one went back over the history of our chartered banks it would be found that at various times, and probably at incorporation, there was of necessity a concentration of ownership pending the organization of the bank in order that it could get started.

Hon. Mr. Roebuck: And a sale of their shares.

Hon. Mr. Leonard: Yes. Now, if there is to be any control on the extent to which any

one individual, or any group of individuals, should hold shares in a chartered bank then that is something that should apply to all banks. It should not be just a case of the application of the views of any one senator, or group of senators, to this proposed incorporation. It should be in the Bank Act. As far as the sponsors of this bill are concerned, they are prepared to accept any such amendment that will be applicable to all banks.

This application for a charter, if it passes the Senate, will go to the House of Commons. The debate on it there will take some time. If, as and when it passes the House of Commons, the Treasury Board has one year in which to issue a certificate. Therefore, it may well be October or November of 1965 before the bank can commence operations.

All bank charters, including this one if it is granted, expire on July 1, 1965. The revision of the Bank Act will apply to this application just as much as it will to all the other charters. I suggest that any question of the matter of the extent of ownership in any one person, or in any group of persons, is not a matter—

Hon. Mr. Aseltine: May I ask a question? Is this not the objection that we are asked to incorporate a Bank of Western Canada with control in the City of Toronto? That is the part that bothers me, and it has bothered the rest of us. I, for one, do not like it.

Hon. Mr. Leonard: I can well understand Senator Aseltine's dislike of it. Unfortunately, it happens that at the present time the head offices of the major banks are in either Toronto or Montreal.

Hon. Mr. McCutcheon: You are overlooking Halifax.

Hon. Mr. Leonard: There is one head office in Halifax, but the senior executives of that bank are located in Toronto. Someone had to start this, Senator Aseltine, and it happens to be started by this particular group. The head office of this bank will be in Winnipeg. They have given me, and through me the Senate, the assurance that the majority of directors will be residents of Western Canada.

Hon. Mr. McCutcheon: That will not improve the quality of the bank.

Hon. Mr. Leonard: I would think it would improve the quality of the bank. I am in accord with that view. Furthermore, the majority of the directors will not be the nominees, directly or indirectly, of the group who represent this share ownership to which objection has been raised. In those circumstances, the bank will be a bank managed by a board of directors of whom the majority will be residents of Western Canada, and who will not be nominees of this particular group.

Honourable senators, in the circumstances it seems to me that the applicants are entitled to have this bill read the third time. As I said before, it is 52 years since any group of Canadians had sufficient confidence in their own country, and the initiative and the courage, to start a Canadian-owned bank. I would suggest, honourable senators, that the amendment be defeated, and the bill stand for third reading tomorrow.

Hon. Arthur W. Roebuck: Honourable senators, I should like to ask a question of the sponsor of this bill. What is bothering me is this. What cogency or relevance has all this discussion to the incorporation of this bank?

I have been concerned intimately in the incorporation of many companies. Provisional directors are appointed, but nobody asks who is going to control the company after it is incorporated. We all realize that it may be controlled by one group today and by another group tomorrow.

There was no concealment here. There was no undertaking that no further shares would be sold, so that those who control this bank at the moment, or who think they do, will continue to control it for all time. Nobody has suggested anything of that kind, that I know of. I see no relevance in this discussion to the incorporation of the bank.

We know that they intended to sell shares, and that those who bought them knew the capital structure of the company in which they were investing their money. If they did not, then it was their fault because it was very wide open. Everybody could have found all this out before they invested their money.

If we take the time to refer this back to the committee to find out something that is of no interest to us, what will we do? If we find that some shares have been sold, which we expected might have been sold, which changes to some extent the control of the company, well, what then? It has not been suggested that these new purchasers of the shares are disreputable people. I suppose that if they were escaped bank robbers or something of that kind we might hold our hand; but so far as we know the presumption is that they are as respectable people as the original ones. So if we call these people together and question them at considerable length, what of it? Where do we go from there? Are we then in any better position to say that this bank should be incorporated than we are now? We gave this matter thorough consideration, we voted on it in the Banking and Commerce committee with a very large attendance, and decided by an overwhelming majority to report the bill; and for my part I am ready to vote for it now and confirm the report of the committee.

Hon. Mr. McCutcheon: Honourable senators—

The Hon. the Speaker: I must inform honourable senators that if Senator McCutcheon speaks now it will have the effect of closing the debate.

Hon. Mr. McCutcheon: Honourable senators, I have had occasion before in this chamber to say how difficult it was to follow Senator Leonard—and the situation has not changed any tonight. Really the issue is not whether we should incorporate the first bank that has been incorporated in 52 years. We have a great choice of banks to incorporate this year and we will probably get one or two of them through. Therefore, I do not think we should worry too much about that.

I am not going to follow Senator Leonard through an argument which I think was 99 per cent irrelevant.

Hon. Mr. Roebuck: The whole thing is irrelevant.

Hon. Mr. McCutcheon: I beg your pardon.

Hon. Mr. Roebuck: The whole argument is irrelevant.

Hon. Mr. McCutcheon: Not mine, but Senator Leonard's.

Hon. Mr. Hayden: We did not expect you to say that it was irrelevant.

Hon. Mr. McCutcheon: No.

It is true there is nothing in the Bank Act which says how banks should be controlled by Canadians. There is nothing in the Bank Act which says how they should be controlled by anybody at the moment. I read the statements that I made as reported in the unrevised *Hansard* report in the Standing Committee on Banking and Commerce last Wednesday night in that regard. This is not a matter in which the Treasury Board, without legislation, can consider, but I come back to the fundamental question. If the incorporation of banks were to be a routine thing, by which if you produced your $10 million—and actually under the Bank Act you have to produce a lot less than that—and if you walked in the door and signed the appropriate papers in the office of the Secretary of State and got the seal on the charter and paid in your money, then of course that would be quite different. But the mere fact that the applicants for a bank must come to Parliament means that Parliament is entitled to pass some judgment.

Now, if I might sum this matter up, as I see it, very quickly, it is this. Having heard the sponsors of this bank, there were a sufficient number of the members of the committee who were concerned about authorizing a charter for a bank which would be controlled by a very small group of people. Incidentally I am not very much impressed by that sale to the Empire Life because I have just now got the evidence of March 18, and at page 35 I see that the Empire Life is one of the large independent purchasers of bank stock. But putting that aside, there was evidence in the corridors and in the questions that were asked, that there were certain senators who were concerned about such an incorporation. I think the best evidence of that is the fact that the sponsors of the Laurentide Bank completely changed the formation of their capital structure from what had been projected, before they came to the committee. It was completely changed.

Now, all I am saying to the Senate tonight is, and this is all that is involved in my resolution, that the sponsor of the bill made certain statements. It is true we only have a preliminary *Hansard* report—I accept his statement that the report may not be completely accurate, and so on—but he stated, and he did not state it for any other reason than to persuade us to report the bill without amendment, that the sponsors of the bill felt they no longer had any control over one of four companies that are interested in this bill, because they had entered into a certain transaction. All I requested last Wednesday night and all I am requesting now, is that the sponsors of the bill come and tell us the story. Just as I refused to be cross-examined by Senator Farris, so I would not presume to cross-examine Senator Leonard. He is not a witness in this affair. Let us have the sponsors come, let us have them tell the story, and if the Senate then decides to pass the bill, the bill will be passed. But I say that we are accepting a very dangerous precedent, on an important point like this, where we have had witnesses who have appeared before us for two days, who present briefs at great length, if then on the *ipse dixit* of the sponsor—and I may say that the sponsor and I are old friends, and he knows that anything I say is not a reflection on him—if on the *ipse dixit* of the sponsor, we admit a material change in the evidence and put something through. The difference between now and 9.30 on Wednesday morning is not going to make or break the Bank of Western Canada.

The Hon. the Speaker: Honourable senators, it is moved by honourable Senator McCutcheon, seconded by honourable Senator Thorvaldson, in amendment, that the bill be not placed on the Orders of the Day for third reading at the next sitting of the Senate, but that it be referred back to the Standing Committee on Banking and Commerce for the consideration of further evidence in relation

thereto. Is it your pleasure, honourable senators, to adopt the motion as amended?

Some Hon. Senators: Yea.

Some Hon. Senators: Nay.

The Hon. the Speaker: Those in favour of the motion as amended, please say "content".

Some Hon. Senators: Content.

The Hon. the Speaker: Those against the motion as amended, will please say "non-content".

Some Hon. Senators: Non-content.

The Hon. the Speaker: In my opinion the non-contents have it.

Senators Aseltine, McCutcheon, Thorvaldson, rose.

The Hon. the Speaker: Call in the senators.

Amendment of Hon. Mr. McCutcheon negatived on the following division:

CONTENTS

Honourable Senators

Aseltine	Irvine
Brooks	Macdonald (Cape Breton)
Choquette	McCutcheon
Flynn	McLean
Fournier (Madawaska-Restigouche)	Méthot
Haig	Thorvaldson
Hnatyshyn	Willis—15.
Hollett	

NON-CONTENTS

Honourable Senators

Basha	Isnor
Beaubien (Provencher)	Lambert
Boucher	Leonard
Bourque	Macdonald (Brantford)
Burchill	McGrand
Connolly (Ottawa West)	Paterson
Croll	Pouliot
Dupuis	Roebuck
Fergusson	Savoie
Gershaw	Smith (Kamloops)
Gouin	Smith (Queens-Shelburne)
Hayden	Stambaugh
Hugessen	Vaillancourt
Inman	Walker—28.

The Hon. the Speaker: I declare the motion as amended lost.

Hon. Mr. Bouffard: I abstained from voting on account of the fact that I am a director of the Royal Bank of Canada. If I had voted, I would have voted for Senator McCutcheon's amendment.

Hon. Mr. Molson: I did not vote for the same reason, that I am a director of a chartered bank.

(*For statement by Hon. Mr. Cook, see p. 931*)

The Hon. the Speaker: It has been moved by the honourable Senator Leonard, seconded by the honourable Senator Paterson, that this bill be placed on the Orders of the Day for third reading at the next sitting of the Senate. Is it your pleasure, honourable senators, to adopt the motion?

Hon. Mr. McCutcheon: On division.

Motion agreed to, on division.

LAURENTIDE BANK OF CANADA—REPORT OF COMMITTEE ADOPTED

Hon. Mr. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill S-13, to incorporate Laurentide Bank of Canada, and had directed that the bill be reported with the following amendments:

Page 1, line 20: Strike out "ten" and substitute therefor "thirty".

Page 3, line 22: Strike out "$10,000,000" and substitute therefor "$30,000,000".

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

Hon. Mr. Hayden: With leave of the Senate, I move that this report be taken into consideration now.

Honourable senators, the only amendment in this bill was that the capital was increased at the request of the company from $10 million to $30 million.

Report adopted.

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

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

Motion agreed to.

THE CONGREGATION OF THE MARIST SISTERS —REPORT OF COMMITTEE ADOPTED

Hon. Mr. Bouffard, Chairman of the Standing Committee on Miscellaneous Private Bills, reported that the committee had considered Bill S-38, to incorporate Congregation of the Marist Sisters, and had directed that the bill be reported without amendment.

Report adopted.

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

Hon. Mr. Fournier (Madawaska-Restigouche) moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

DIVORCE

REPORTS OF COMMITTEE PRESENTED

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 445 to 505, inclusive, and moved that the said reports be taken into consideration on Wednesday next.

Motion agreed to.

MARRIAGE AND DIVORCE ACT

BILL TO AMEND—ORDER FOR SECOND READING STANDS

On the Order:

Second Reading of Bill S-16, intituled: "An Act to repeal the Dissolution and Annulment of Marriages Act". (*Honourable Senator Pouliot*).

Hon. Jean-François Pouliot: Honourable senators, I ask that this order stand until October 20.

Order stands.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Tuesday, July 28, 1964

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

Prayers.

RESTAURANT OF PARLIAMENT

JOINT COMMITTEE—CHANGE IN COMMONS MEMBERSHIP

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons to acquaint the Senate that the name of Mr. Leblanc has been substituted for that of Mr. Boulanger on the list of members appointed to serve on the Joint Committee on the Restaurant.

DOCUMENTS TABLED

Hon. John J. Connolly tabled:

Copies of letters received by the Prime Minister of Canada from the Acting Premier of Newfoundland and the Premiers of Ontario, Prince Edward Island and Saskatchewan, dated July 9, 13, 14 and 20, 1964, concerning a proposed conference to consider the Report of the Royal Commission on Health Services. (English text).

Copy of Ordinances, chapters 1 to 15, made by the Council of the Northwest Territories, assented to on June 12, 1964, pursuant to section 15 of the Northwest Territories Act, chapter 331, R.S.C., 1952, as amended 1953-54, together with a copy of Order in Council P.C. 1964-1109, dated July 16, 1964, approving same. (English text).

Report of the Department of National Revenue containing Statements relative to Customs-Excise Revenue and other services by ports; Excise and Income of Canada, for the fiscal year ended March 31, 1964, pursuant to section 5 of the Department of National Revenue Act, chapter 75, R.S.C., 1952. (English and French texts).

Statement of Receipts and Expenditures under Part V of the Canada Shipping Act (Sick Mariners) for the fiscal year ended March 31, 1964, pursuant to section 321 of the said act, chapter 29, R.S.C., 1952. (English and French texts).

CANADA STUDENT LOANS BILL

AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the following report of the committee on Bill C-110, to facilitate the making of loans to students:

> Your committee recommend that authority be granted for the printing of 800 copies in English and 300 copies in French of their proceedings on the said bill.

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

Hon. Mr. Hayden: I move, with leave, that the report be adopted now.

Report adopted.

REPORT OF COMMITTEE ADOPTED

Hon. Mr. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill C-110, to facilitate the making of loans to students, and had directed that the bill be reported without amendment.

Report adopted.

THIRD READING

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

Hon. Muriel McQ. Fergusson: Honourable senators, with leave of the Senate, I move that this bill be read the third time now.

Motion agreed to and bill read third time and passed.

ROYAL ASSENT

NOTICE

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

GOVERNMENT HOUSE

Ottawa

28 July 1964

Sir,

I have the honour to inform you that the Hon. Emmett M. Hall, Puisne Judge of the Supreme Court of Canada, acting as Deputy to His Excellency the Governor General, will proceed to the Senate Chamber today, the 28th July, at 5.45 p.m., for the purpose of giving royal assent to certain bills.

I have the honour to be,
Sir,

Your obedient servant,
Esmond Butler
Secretary to the Governor General.

The Honourable
The Speaker of the Senate.

STAFF OF THE SENATE

PROTECTIVE SERVICE—SUMMER UNIFORMS

On the Orders of the Day:

Hon. Arthur W. Roebuck: Honourable senators, may I call attention to a matter which I think is of some importance? All of us have been struggling against the heat and feel it rather severely, although most of us are dressed in very light clothes. However, I notice that the members of our Protective Service are dressed in warm, woollen clothes in this extreme heat.

It may not be possible to correct this situation quickly, but it should be noted by those who have authority in this matter, so that before another summer the members of the Protective Service may be dressed appropriately for the atmosphere in which we live.

I remember that some years ago the Toronto police were dressed in similar heavy clothes, and I had something to do in a small way with bringing what I considered to be common sense into the situation. I think the police of Toronto look very much better today in their summer clothing than they did in wool, such as is used by the bobby in London, and which was the standard which we all tried to meet at that time. The atmosphere of London is very different from that of Toronto, and still more different from that of Ottawa.

I trust that whoever has authority in this matter—and, Mr. Speaker, perhaps you have some influence—will study the problem and see that these men are dressed appropriately before another summer comes.

Hon. John J. Connolly: I think everybody agrees with what has been said by Senator Roebuck. I remember a year ago, when I was Chairman of the Internal Economy Committee, it was moved that a change should be made, and somehow or other a kind of inertia overtook me, with the result that these men never had their situation remedied. However, Senator Smith (Kamloops), the Chairman of the Internal Economy Committee, has been actively considering this question. I think, as a matter of fact, in these days the idea of wearing heavy woollen uniforms, even in winter, for people working indoors is rather old-fashioned and antiquated, and that perhaps a new, lighter uniform could be devised that would serve for both summer and winter wear. I hope some action will be taken quickly.

Hon. Sydney J. Smith: Honourable senators, this was brought to my attention, but unfortunately by the time I got to work on it with certain members of the Internal Economy Committee we found it was impossible to do anything to correct the situation for this summer. I can, however, assure honourable senators that we are already acting with a view to having the situation corrected next year.

Hon. Vincent Dupuis: On this question of being too heavily clothed, I am reminded of when I was in the other place some years ago. One of the members moved that we should not be bound to keep our coats on in the summer while we sat in the chamber, and Mr. Speaker said to him that in London the members wore their coats and we had to follow the British custom. Then the member said, "Mr. Speaker, I move that you put your wig on like in London," and the whole matter was dropped.

Hon. James Gladstone: When coming down from my office to the chamber today I saw two ladies, and I said to them, "I envy you young ladies, you are so coolly dressed. I wish to goodness something could be done about the situation for us poor men."

PRIVATE BILLS

BANK OF WESTERN CANADA—THIRD READING

Hon. T. D'Arcy Leonard moved the third reading of Bill S-6, to incorporate Bank of Western Canada.

The Hon. the Speaker: It is moved by honourable Senator Leonard, seconded by honourable Senator Paterson, that this bill be now read a third time.

Hon. M. Wallace McCutcheon: Honourable senators, it will probably not surprise honourable senators if I say that I want once again to protest against this bill being given third reading at this time when, in my opinion, the Senate lacks information which is readily available if it chooses to ask for it, and which I think is very pertinent and might well influence honourable senators in their decision as to the ultimate disposition of this bill. In the circumstances I shall vote against third reading.

Hon. Mr. Horner: I intend to vote against it.

Hon. M. Grattan O'Leary: Honourable senators, I was unavoidably absent from this house last evening, but had I been here I would have voted for the amendment moved by Senator McCutcheon.

I find it hard to understand why, when the Standing Committee on Banking and Commerce of this house, which is a great committee, undertakes to investigate these applications for bank charters, it should not want to make its investigation as complete as possible. I do not think it is making its investigation as complete as possible unless it calls before it the president of the Empire

Life Insurance Company, and have him tell why in such a short time he made this very large and, to some, seemingly curious investment in this particular bank.

I have great respect for the integrity of the Empire Life Insurance Company. I had the privilege of knowing Mr. Percy Fell, its former president, for some years, and I have the privilege of knowing Mr. Jackman and, indeed, the privilege of knowing one of its former distinguished directors, Senator Norman Lambert. I recall, too, that this is the Canadian life insurance company that was founded by Sir John Macdonald and which only a few years ago was prevented from passing into foreign hands by the Canadianism of some of the people connected with it.

I must say that as a member of the Standing Committee on Banking and Commerce I would feel much happier in giving my support to third reading of this bill if I knew the committee was going to meet next Wednesday to discuss the matter further. After all, as Senator McCutcheon said last evening, what difference can it make to the life of this particular bank if we wait three or four days before giving our final decision?

I would like to know what is the connection between the British International Finance (Canada) Limited and the Empire Life Insurance Company. Surely these are almost elementary questions that the committee should have wanted answered before giving its final approval to this bill.

I think if you went across this country today and asked the average Canadian whether he thought the Standing Committee on Banking and Commerce should have asked these questions and tried to get the answers to them, that Canadian would say, "Why, certainly. How can you avoid asking such questions?" This, I repeat, is something I find hard to understand.

I find it hard also to understand why my distinguished friend, Senator Leonard, last night did not immediately accept the amendment moved by Senator McCutcheon. Does any senator in this house believe that this was an unreasonable request? Is it unreasonable that we postpone for two or three days our final decision on this bill so that we can ask a question that should have been asked the other day in the first place? Surely, there would be no difficulty about it, and everybody would feel happier about it if we had this information before us. We do not have it before us.

I am going to support the third reading of this bill, but I would feel much happier, and I am sure every other honourable senator would feel much happier, if we had given this bill a little more investigation in the first place.

Hon. Mr. Leonard: Honourable senators—

The Hon. the Speaker: Honourable senators, I am sorry, but I do not think the honourable Senator Leonard can speak now because he has already spoken, having moved third reading.

It is moved by the honourable Senator Leonard, seconded by the honourable Senator Paterson, that this bill be now read the third time. Is it your pleasure, honourable senators, to adopt the motion?

Hon. Mr. McCutcheon: On division.

Hon. Mr. Hnatyshyn: On division.

Motion agreed to and bill read third time and passed, on division.

LAURENTIDE BANK OF CANADA—THIRD READING

Hon. David A. Croll, for Hon. Mr. Cameron, moved the third reading of Bill S-13, to incorporate Laurentide Bank of Canada.

Motion agreed to and bill read third time and passed, on division.

CONGREGATION OF THE MARIST SISTERS—THIRD READING

Hon. Edgar Fournier moved the third reading of Bill S-38, to incorporate Congregation of the Marist Sisters.

Motion agreed to and bill read third time and passed.

ADJOURNMENT

Leave having been given to revert to motions:

Hon. John J. Connolly moved that when the Senate adjourns today it do stand adjourned until Friday next, July 31, at 3 o'clock in the afternoon.

He said: Honourable senators, the bill that we are expecting first and foremost is the bill on interim supply, which is being debated in the other place. Supply runs out on July 31, and I think it is proper and really incumbent upon the Senate to be here to deal with it at least on the last day of the period for which supply has been voted. I have no assurance whatever that the bill will be available to us on Friday, but if it is, I think all honourable senators would feel they should be here to deal with it. If we get it, I hope we can deal with it that day and pass it. If we do not get it, then it will be for the Senate to decide to what date we should adjourn thereafter.

I am hopeful—I always am optimistic about progress in the other place—and for that reason I have made this motion.

Hon. A. J. Brooks: Honourable senators, I am sure that we cannot take any objection

to what the honourable Leader of the Government has said or to what he has proposed that we do. The reason is not only that we have an interim supply bill now before the Commons, which we hope to have here on Friday, but that we have no other business to do. I think that is the chief reason why it is proposed that we adjourn until Friday.

I agree with the leader, that the position is very uncertain. The business of this house, especially this session, has been most uncertain, not through any fault of our leader here or through any fault of the Senate but because it has been impossible to get business from the other place for us to transact. The business of this house has been well conducted, in my opinion, as far as the Senate is concerned. We make no objection to the adjournment until Friday.

Hon. Mr. Connolly (Ottawa West): I would remind honourable senators that if the bill should become available sooner His Honour the Speaker has authority to recall the Senate. This we should keep in mind. The honourable the Speaker and myself consult about these matters and we try as much as we can to meet the convenience of all honourable senators. I know we are not completely successful in this effort, but we do try to accommodate honourable senators.

Motion agreed to.

Hon. Mr. Connolly (Ottawa West): I move that the Senate do adjourn during pleasure to reassemble at the call of the bell at approximately 5.35 p.m.

The Senate adjourned during pleasure.

At 5.45 p.m. the sitting was resumed.

The Senate adjourned during pleasure.

ROYAL ASSENT

The Honourable Emmett M. Hall, Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned, and being come with their Speaker, the Honourable the Speaker of the Senate said:

> Honourable members of the Senate:
>
> Members of the House of Commons:
>
> I have the honour to inform you that His Excellency the Governor General has been pleased to cause Letters Patent to be issued under his Sign Manual and Signet constituting the Honourable Emmett M. Hall, a Puisne Judge of the Supreme Court of Canada, his Deputy, to do in His Excellency's name all acts on his part necessary to be done during His Excellency's pleasure.

The Commission was read by the Clerk.

The Honourable the Deputy of His Excellency the Governor General was pleased to give the royal assent to the following bills:

> An Act respecting The Quebec Board of Trade.
>
> An Act to incorporate Nova Scotia Savings & Loan Company.
>
> An Act to facilitate the making of loans to students.

The House of Commons withdrew.

The Honourable the Deputy of His Excellency the Governor General was pleased to retire.

The sitting of the Senate was resumed.

BANKING AND COMMERCE COMMITTEE

Hon. Mr. McCutcheon: Honourable senators, before the Senate adjourns, may I say that I have had a conversation with the Government Whip, from whom I understood that there would be no meeting of the Banking and Commerce Committee this week. Since there are some of us who might not want to come to this house day by day if there is no business for the Senate to transact, could we, in those circumstances, be given reasonable notice of when the Banking and Commerce Committee is to be convened?

Hon. Mr. Vaillancourt: I agree.

The Senate adjourned until Friday, July 31, at 3 p.m.

THE SENATE

Friday, July 31, 1964

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

Prayers.

CONSUMER CREDIT

JOINT COMMITTEE—CHANGE IN COMMONS MEMBERSHIP

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons to acquaint the Senate that the name of Mr. Otto has been substituted for that of Mr. Pennell on the list of members appointed to serve on the Joint Committee on Consumer Credit.

DOCUMENTS TABLED

Hon. John J. Connolly tabled:

Statutory Orders and Regulations published in the *Canada Gazette*, Part II of Wednesday, July 22, 1964, pursuant to section 7 of the Regulations Act, chapter 235, R.S.C., 1952. (English and French texts).

Order in Council P.C. 1964-836, dated June 4, 1964, authorizing under section 21A of the Export Credits Insurance Act, long-term financing by the Export Credits Insurance Corporation for the purchase from Canadian Vickers Limited, Montreal, Quebec, of engineering services and capital equipment by the President of India for use in the National Aeronautical Laboratory at Belur, Bangalore, India, pursuant to section 21B of the said act, chapter 105, R.S.C., 1952, as amended 1960-61. (English text).

Hon. Mr. Brooks: May I ask the honourable leader if the amounts involved in the order in council are given?

Hon. Mr. Connolly (Ottawa West): No, the amounts are not given on the list.

The list continues:

Order in Council P.C. 1964-984, dated July 2, 1964, authorizing under section 21A of the Export Credits Insurance Act, long-term financing by the Export Credits Insurance Corporation for the purchase of capital equipment from Automatic Electric (Canada) Limited, Brockville, Ontario, by the Philippine Long Distance Telephone Company, Manila, Philippines, pursuant to section 21B of the said act, chapter 105, R.S.C., 1952, as amended 1960-61. (English text).

Order in Council P.C. 1964-1094, dated July 16, 1964, authorizing under section 21 of the Export Credits Insurance Act, contracts of insurance by the Export Credits Insurance Corporation for shipment of 350,000 metric tons of wheat to the Czechoslovak Socialist Republic prior to October 28, 1964, pursuant to section 21B of the said act, chapter 105, R.S.C., 1952, as amended 1960-61. (English text).

Order in Council P.C. 1964-1095, dated July 16, 1964, authorizing under section 21 of the Export Credits Insurance Act, contracts of insurance by the Export Credits Insurance Corporation, for shipment of 200,000 metric tons of wheat to the Polish People's Republic prior to November 4, 1964, pursuant to section 21B of the said act, chapter 105, R.S.C., 1952, as amended 1960-61. (English text).

Consolidated Index and Table of Statutory Orders and Regulations published in the *Canada Gazette*, Part II, for the period January 1, 1955 to June 30, 1964. (English and French texts).

Hon. Mr. Brooks: Might I suggest to the honourable Leader of the Government that it would be more informative if we knew the amounts involved. After all, the amount is the main feature of these orders in council.

Hon. Mr. Connolly (Ottawa West): I quite agree. Of course, the purpose of my reference to the list of documents is to draw to the attention of honourable senators the fact that the orders in council are being tabled. They are now on the table and the amounts are available to be seen. I refer briefly to the documents in order to alert honourable senators, so that if you are interested in any of them you can obtain the details.

I do not think my friend the Leader of the Opposition would suggest that I refer to the documents in detail in these tablings.

Hon. Mr. Brooks: No. I was not suggesting that, but it is a small matter to include the amount.

Hon. Mr. Aseltine: In dollars, you mean?

Hon. Mr. Brooks: Yes, in dollars. Then, when they are referred to by you in tabling, as they were today, the amount in dollars would be known.

Hon. Mr. Lambert: May I suggest that to get these items expressed in terms of dollars and cents involves a simple matter of procurement from the Department of Trade and Commerce.

Hon. Mr. Brooks: It is also a very simple matter to have it expressed here.

PRIVATE BILL

MEOTA PIPE LINES LTD.—REPORT OF COMMITTEE ADOPTED

Hon. A. K. Hugessen, Chairman of the Standing Committee on Transport and Communications, reported that the committee had considered Bill S-39, to incorporate Meota Pipe Lines Ltd., and had directed that the bill be reported without amendment.

Report adopted.

THIRD READING

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

Hon. John A. Robertson: Honourable senators, I move, with leave of the Senate, that this bill be given third reading now.

Motion agreed to and bill read third time and passed.

DIVORCE

REPORTS OF COMMITTEE ADOPTED

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 506 to 532, inclusive.

The Hon. the Speaker: When shall these reports be taken into consideration?

Hon. Mr. Roebuck: In view of the present situation as to the business of Parliament and the very indefinite prospects, I move, with leave, that these reports be considered now. In this connection I consider it appropriate at this time to give some statistics with regard to the operation of the Divorce Committee.

First let me give some statistics which apply to this present session as of today.

Petitions presented	531
Petitions withdrawn	22
Petitions recommended	509

This means that we have dealt with all the petitions presented to us this session; we have kept right up with the new business as it arrived.

I now give some more general figures. On June 27, 1963, which was the last day for the filing of petitions during the previous session, there were 1,111 petitions presented to the Senate. Of these, 503 received royal assent, leaving a balance of 608 to be considered during this session. Since then a further 543 petitions have been filed, making a total of 1,151 to be considered this session. Of that number the committee has, as of this afternoon, reported to the Senate 531 cases, which leaves a balance of 620 to be dealt with later.

Of the remaining 620 cases, 270 are now ready for trial, which leaves a total of 350 cases, both old and new, to be considered. Of these some will never be heard because they were filed some time ago and the enthusiasm of the applicants has cooled in the meantime. Upon our return in the fall we will probably give notice to these applicants that they must proceed with their petitions or we will dismiss them for want of prosecution; so, there will not be that many cases for processing by the committee and the Commissioner. As honourable senators know, these figures change almost daily as new petitions are filed, and as petitions previously filed and which comply with our rules are processed and presented to this house.

I should like to express my thanks to the members of the committee for the generous attention they have paid to the work and the assistance they have rendered me. It is no small task to consider the reports of the Commissioner and decide how we should proceed. We have rejected something of the order of 10 cases. For the most part, we discuss doubtful cases with the Commissioner, and frequently he adjourns cases so that further evidence may be adduced. This occurs when the parties do not comply with the rules but are nevertheless entitled to the relief they ask. Petitions are almost never dismissed on purely technical grounds.

Honourable senators, with that explanation, and in view of the situation as it exists, I ask that these reports be considered now.

Motion agreed to and reports adopted, on division.

DISSOLUTION AND ANNULMENT OF MARRIAGES

APPOINTMENT OF HON. CHARLES A. CAMERON AS AN OFFICER OF THE SENATE

Hon. John J. Connolly: Honourable senators, I move, seconded by honourable Senator Brooks, with leave of the Senate, that the honourable Charles Alexander Cameron be appointed an officer of the Senate.

I think a word of explanation is required in this case. We have just heard a most interesting report from the Chairman of the Divorce Committee. At this time in the session I know that all honourable senators are deeply impressed, as I am, with the conduct of the work of that committee under the chairmanship of the distinguished member from Toronto Trinity (Hon. Mr. Roebuck).

There is a widely-held feeling of satisfaction arising out of the very efficient work done by Mr. Justice Walsh, the present Divorce Commissioner. Mr. Justice Walsh, however, has found that there are some applications before the Senate in regard to the hearing of which he must disqualify himself because he had an earlier interest as counsel

or in some other capacity. In order to arrange for the efficient discharge of the work of the Divorce Committee, particularly in respect of these cases in which Mr. Justice Walsh feels that he is not properly qualified to sit for the reasons I have just given, it is proposed in this motion that Mr. Justice Charles A. Cameron be appointed an officer of the Senate for the purpose of dealing with such matters on behalf of the Senate.

I suppose it is unnecessary for me to say that Mr. Justice Cameron, who retired recently from the Exchequer Court of Canada, is one of the eminent jurists of this country.

Hon. Mr. Roebuck: Hear, hear.

Hon. Mr. Connolly (Ottawa West): We are very fortunate indeed that he has indicated a willingness to devote whatever time is necessary to this work. He will not be called upon to do any extraordinary amount of work. He will be paid a per diem allowance in accordance with the normal regulations applicable to comparable situations. The amount will be worked out by the Department of Justice, and will be processed through the Internal Economy Committee of this house.

Hon. A. J. Brooks: Honourable senators, the honourable Leader of the Government explained to me this morning the necessity for asking for the appointment set out in this motion. The report of the honourable chairman of the Divorce Committee is, I am sure, completely satisfactory to all members of the Senate. It would appear from his report that the work of the committee and of the Commissioner is being carried out both satisfactorily and expeditiously. Frankly, I would take from his report that the system under which we are working at present tends to be easier and more expeditious than the previous system. However, the honourable chairman of the committee may give us his opinion on that at some future time.

I know Mr. Justice Cameron very well, as I am sure many honourable senators do. I have known him for many years. He and I entered the House of Commons in the same year. I followed his career as a judge of the Exchequer Court over many years and I know it has been highly satisfactory to the public. I know of no one better qualified than he to take on work of this kind. I am pleased to second the motion.

Hon. Arthur W. Roebuck: Honourable senators, may I add a word of satisfaction. I agree with what the honourable Leader has said regarding Mr. Justice Cameron. I, too, have known him for many years. I appeared before him on several occasions in private litigation when he was a judge of the Exchequer Court. He has always been looked upon by me and by others as one of the very able members of that court. I regret his retirement on account of age, because he was and still is fully competent.

It is perfectly obvious that we must have an understudy to our commissioner, not only for the hearing of cases in which he may have had an interest when he accepted the appointment, but also because we schedule cases as far as two weeks ahead, and, as no person is made of iron, the time may come when he will not be able to hear all the cases which have been scheduled. Therefore, it is only a matter of reasonable precaution that we should have somebody else able to step in and take his place on such occasions.

I am very pleased to have an additional officer added to our staff, and particularly pleased that Mr. Justice Cameron is to be appointed. We could not have found a better qualified person. He has had experience in divorce work. His ability as a presiding officer and his broad experience in human affairs makes his an ideal appointment.

Motion agreed to.

DESIGNATION AS OFFICER OF SENATE

The Hon. the Speaker: Honourable senators, pursuant to the authority conferred upon me by section 3 of the Dissolution and Annulment of Marriages Act, chapter 10 of the Statutes of 1963, I hereby designate the honourable Charles Alexander Cameron, an Officer of the Senate, to hear evidence on petitions for the dissolution or annulment of marriages and to report thereon.

PRIVATE BILL

BANK OF WESTERN CANADA—CORRECTION OF DIVISION LIST

Hon. Eric Cook: Honourable senators, with your permission I would like to state that on July 27 last, when the vote was taken on the motion that Bill S-6, to incorporate the Bank of Western Canada, be not placed on the Orders of the Day for third reading at the next sitting of the Senate but that it be referred back to the Standing Committee on Banking and Commerce for the consideration of further evidence in relation thereto, I abstained from voting on account of the fact that I am a director of a chartered bank. However, His Honour did not see me when I rose to declare my position. I now rise to state that fact in order to set the record straight.

DIVORCE

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of Reports of the Standing Committee on Divorce Nos. 445 to 505, inclusive, which were presented on July 27.

On motion of Hon. Mr. Roebuck, Chairman of the Standing Committee on Divorce, reports adopted on division.

RESOLUTIONS ADOPTED

Hon. Mr. Roebuck, Chairman of the Standing Committee on Divorce, presented the following resolutions:

Resolution 423, for the relief of Nathalie Katyk Longtin.

Resolution 424, for the relief of Lena Melenchuk Fantie.

Resolution 425, for the relief of Gabrielle Alarie Ungar.

Resolution 426, for the relief of Ernestine Dorothy Jarvis Burton.

Resolution 427, for the relief of Tony Kokker.

Resolution 428, for the relief of Thelma Lillian McRae Crooks.

Resolution 429, for the relief of Helen Kardash Masorzewski, otherwise known as Helen Kardash Masor.

Resolution 430, for the relief of Marie Marthe Raymond Laurin.

Resolution 431, for the relief of Myrna Ann Homer Garrett.

Resolution 432, for the relief of Mary Theresa Zelda Anderson Loader.

Resolution 433, for the relief of Liane Boedenbrucker Kanz.

Resolution 434, for the relief of Gisele Dennis Leger.

Resolution 435, for the relief of Bessie Zinman Grossman Talpis.

Resolution 436, for the relief of Mary Theresa Megin Horan.

Resolution 437, for the relief of Lucien Real da Silva.

Resolution 438, for the relief of Evelyn Lorraine Roy Nichols.

Resolution 439, for the relief of William James Graham.

Resolution 440, for the relief of Gisele Labelle Gosselin.

Resolution 441, for the relief of Ruth Weber Koenig.

Resolution 442, for the relief of Maria Eugenie LeBlanc Ferguson.

Resolution 443, for the relief of Peter John O'Neill.

Resolution 444, for the relief of Maureen Beatrice Thibideau Pahocsa.

Resolution 445, for the relief of Doris Agnes Nicholson McKay.

Resolution 446, for the relief of Montague Ross.

Resolution 447, for the relief of Magda Szabadi Schwartz.

Resolution 448, for the relief of Yvon Herve Joseph Perron.

Resolution 449, for the relief of Lois Elizabeth McCuaig Marshall.

Resolution 450, for the relief of Bessie Horovitch Rubins.

Resolution 451, for the relief of Terrence Roy Puckett.

Resolution 452, for the relief of Elsie Harriet Derick MacWhirter.

Resolution 453, for the relief of Jeny (Jerry) Gold Wolinsky.

Resolution 454, for the relief of Nathan Boimash.

Resolution 455, for the relief of Gilles Saumur.

Resolution 456, for the relief of Albert Dube.

Resolution 457, for the relief of Sylvie Margaret Giles Umberg.

Resolution 458, for the relief of Ida Patricia Kelly Belanger.

Resolution 459, for the relief of Elizabeth Isabel Simpkins Veinot.

Resolution 460, for the relief of Carmen Rousseau Poirier.

Resolution 461, for the relief of Gerard Roy.

Resolution 462, for the relief of Beatrice Elizabeth Nussey Gunnell.

Resolution 463, for the relief of Sarah Goldman Obront.

Resolution 464, for the relief of Margaret Jeanice Pratt Kelly.

Resolution 465, for the relief of Graham Tyzack.

Resolution 466, for the relief of Chaia Libstuk Rosenblum.

Resolution 467, for the relief of Paul Rene Lavoie.

Resolution 468, for the relief of Shirley Ruby Norton Ratte.

Resolution 469, for the relief of Edith Elizabeth Zwicker Denault.

Resolution 470, for the relief of Margaret Susan Eldridge Legare.

Resolution 471, for the relief of Beverly Ann Johnston Martin.

Resolution 472, for the relief of Francoise Pauline Capistran Richard.

Resolution 473, for the relief of Kevin Francis O'Brien.

Resolution 474, for the relief of Lynn Ellen McElrea Roht.

Resolution 475, for the relief of Renee Henriette Gisele Fournier Brougham.

Resolution 476, for the relief of Marie Blanche Yvonne Therese Lemay Daniel.

Resolution 477, for the relief of Doris Evelyn Oakley Baker.

Resolution 478, for the relief of Ruth Anna McCoy St. Onge.

Resolution 479, for the relief of Stanley Edward Wood.

Resolution 480, for the relief of Ines Jean Ulloa Burr.

Resolution 481, for the relief of Dorothea Margaret Slack Schofield.

Resolution 482, for the relief of Joan Helen Gertrude Heckman Best.

Resolution 483, for the relief of Patrick Marcel Renaud.

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

Hon. Mr. Roebuck: Honourable senators, I move, with leave that these resolutions be taken into consideration now.

Hon. Mr. Isnor: May I inquire of the honourable Chairman of the Divorce Committee whether those 60 cases are taken from the 350 cases yet to be considered?

Hon. Mr. Roebuck: No; they are included in the report that I presented.

Resolutions adopted, on division.

RESOLUTIONS ADOPTED

Hon. Mr. Roebuck, Chairman of the Standing Committee on Divorce, presented the following resolutions:

Resolution 484, for the relief of Paul Andre Clement Robert Dubois.

Resolution 485, for the relief of Muriel Arpin Saykaly.

Resolution 486, for the relief of Guy Duquette.

Resolution 487, for the relief of Jennie Alice Sloane Rubin.

Resolution 488, for the relief of Frederic Rosenthal.

Resolution 489, for the relief of Marylin Marcovitch Bernstein.

Resolution 490, for the relief of Peter Karas.

Resolution 491, for the relief of Norma Evelyn Osborne Stone.

Resolution 492, for the relief of Joseph G. Rolland Robert.

Resolution 493, for the relief of June Connolly McNeil.

Resolution 494, for the relief of Sophia Veronica Dochmacka dit Taylor Lucciola.

Resolution 495, for the relief of Marie Etudienne Lina Boissonneault Guy.

Resolution 496, for the relief of Heinrich Julius Guido Klos.

Resolution 497, for the relief of Klara Hajnalka Gyurich Koltai.

Resolution 498, for the relief of Marlene Katherine Coburn Graham.

Resolution 499, for the relief of Muriel Elizabeth Clark Fletcher.

Resolution 500, for the relief of Marie Antoinette Gisselene Marielle Bisson Lekeuche.

Resolution 501, for the relief of Demetrius Destounis.

Resolution 502, for the relief of Mary Joan Meyers Boucher.

Resolution 503, for the relief of Audrey Gertrude East Gallant.

Resolution 504, for the relief of Ruth Alice Helen Greenblatt Manson.

Resolution 505, for the relief of Ruth Margaret Mollet Burns.

Resolution 506, for the relief of Eileen Theresa Flynn Pryce.

Resolution 507, for the relief of Esther Trager Goldberg.

Resolution 508, for the relief of Maureen Wyse Kelsch.

Resolution 509, for the relief of Beverly Alice Eastman Watson.

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

Hon. Mr. Roebuck: Honourable senators, I move, with leave, that these resolutions be taken into consideration now.

Resolutions adopted, on division.

Hon. Mr. Roebuck: Now may I say thanks to my colleagues in the Senate. We adjourn with the extensive work of this committee well in hand. Very few have any grounds for complaint. Everyone who pressed for a hearing has been heard. Cases which came in recently have been dealt with. There are a number of cases ready for hearing, and they will be scheduled just as soon as the Commissioner returns from his summer vacation.

The honourable Senator Brooks expressed the view that the appointment of the Commissioner had lightened the labours of the Senate Committee, and he suggested that I comment on that point. His observation is quite correct. Instead of spending long hours, as we have in the past, listening to the evidence, an official, a professional jurist, and an excellent and eminent one, a justice of the Exchequer Court, does that in our place. However, please do not think he has taken all the burden off our shoulders. It is a long way from that.

Resolutions which are presented in this house have been thoroughly examined and

passed on by the committee. Action is taken on the responsibility of the committee, with the concurrence of the Commissioner.

I have already stated that I am grateful to the members of the committee for the kindness, industry and willingness with which they have assisted me in examining, and passing upon the reports to the committee. The system has worked harmoniously, pleasantly and effectively, and I express my thanks.

BUSINESS OF THE SENATE

Hon. Mr. Connolly (Ottawa West): Honourable senators, we have reached the end of the Order Paper; there is no further business before the Senate. We came here today, hopeful that the interim supply bill would be available to us. This bill would provide supply for the months of August and September 1964. Supply has been voted to this day, July 31.

I think it important to point out to Parliament and to the country that the Senate is sitting today and is ready to deal with whatever business should come before it. I would point out also that it is no fault of the Senate that the supply bill is not before us today. The resolution to introduce this bill was presented in the other place on July 27. I should further point out that the last supply bill with which we dealt received royal assent on June 30.

What should be done by the Senate in these circumstances is, I think, obvious—we must adjourn. I would suggest, however, that since the other place will consider private members bills at 5 o'clock, in the rather remote event that the supply bill might be available by 5 o'clock, the Senate should now adjourn until approximately that hour, to return at the call of the bell.

I think we shall next be dealing with interim supply. It is then expected that we shall be dealing with a measure in respect of fiscal arrangements between the federal and provincial authorities; and, ultimately, I hope we shall have the resolution in respect of a distinctive Canadian flag.

Since we are not able to proceed with the consideration of this legislation, and it is inappropriate that we should deal with the resolution in respect of the flag in advance of the completion of its consideration by the other place, we must now adjourn. However, I am sure that all honourable senators and, I hope, the members of the public, realize that when the Senate adjourns on such occasions as this the date set for our reassembly is an arbitrary date; it means only that the Senate must meet by that date, at the latest. Under our rules Mr. Speaker may recall the Senate to return at an earlier date than that to which it has adjourned.

I am therefore going to suggest later that when the Senate adjourns today it do stand adjourned until this day two weeks hence, Friday, August 14, subject to recall immediately upon the passage in the other place of the bill in respect of interim supply.

Having said that, it might be appropriate for me to refer once more to the performance of the Senate this session. Up to today the Senate has completed its consideration of over 530 divorce applications. In addition, it has passed some 54 measures—36 public and 18 private bills. We have in committee one public bill, the Companies Act, two private bills, and one private member's public bill, that in respect of *habeas corpus*. I believe this is a performance worthy of the Senate of Canada, and one in which we can all take great satisfaction.

Of the measures which have been initiated and passed in the Senate, fourteen are now on the Order Paper in the other place, nine of these are public bills or measures, and five private.

I repeat that the Senate is here today, the day upon which supply runs out, and is ready and willing to act. However, we must adjourn because we have no business before us. But, like MacArthur, we will return, under the orders of Mr. Speaker as soon as the supply bill is ready for our consideration.

Honourable senators, I propose that the Senate do now adjourn during pleasure, to reassemble at the call of the bell at approximately five o'clock this afternoon.

Hon. A. J. Brooks: Honourable senators, I do not intend to comment to any extent on the necessity for the adjournment. I might point out that we are not setting a precedent, and I do not think the honourable Leader of the Government is suggesting that it is. We have a blanket resolution which provides for adjournments of this kind; and every session there are adjournments of the Senate for the reason he has just stated, that there is no business before it. We find ourselves in that position today; there are no bills ready for our consideration.

I could comment at some length on this subject but, as I say, I have no intention of doing so at the present time. In following this procedure the public know, as do honourable senators, that we are simply following a procedure that has been adopted every session. This situation has arisen because the Commons has not placed further business before us. Anyone who has read back numbers of *Hansard* will realize that in former days Government and Opposition leaders recognized the fact that the work of the Senate is very

much dependent on the House of Commons; this is natural, because most of our business comes from the other place.

The Senate adjourned during pleasure.

At 5 p.m. the sitting was resumed. Hon. Arthur L. Beaubien, Acting Speaker, in the Chair.

BUSINESS OF THE SENATE

On the motion to adjourn:

Hon. John J. Connolly: Honourable senators, I am informed that in the other place the committee has risen and reported progess. They are now considering private members' bills.

I advert to my remarks earlier today and repeat that in the circumstances of having no legislation for consideration, the Senate can do no more at this time than adjourn.

Before moving the adjournment, if it is not presumptuous of me to do so, I wish to thank all honourable senators who have been kind enough to come here for the sitting today. I know many came at considerable inconvenience, and while they need no tribute from me as to their high sense of duty, I do pay tribute to them.

I now move, seconded by Senator Lambert, with leave of the Senate, that when the Senate adjourns today it do stand adjourned until Friday, August 14, at three o'clock in the afternoon, subject to recall.

Motion agreed to.

The Senate adjourned until Friday, August 14, at 3 p.m.

THE SENATE

Friday, August 7, 1964

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

Prayers.

APPROPRIATION BILL NO. 8, 1964

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-116, for granting to Her Majesty certain sums of money for the public service for the financial year ending 31st March, 1965.

Bill read first time.

SECOND READING

Hon. John J. Connolly, with leave of the Senate, moved the second reading of the bill.

He said: Honourable senators, when we last met I informed the house that as soon as the bill for interim supply had been passed in the other place, the Senate, as has been its practice, would assemble immediately to deal with it. As honourable senators know, this bill was not available until very late yesterday afternoon. Immediately upon its receipt I consulted with His Honour the Speaker, and as a result the Senate was summoned to meet here this afternoon at three o'clock.

I apologize for the shortness of the notice given to honourable senators. I am not, of course, implying that this was due to any fault of mine or that I could have or should have given any longer notice. All honourable senators know the circumstances prevailing. However, I do thank all of you who have responded to the telegram sent by the Clerk on behalf of Mr. Speaker. This is a matter of importance, and the Senate is aware of the fact that the bill should be dealt with as soon as possible.

The bill before us is Bill C-116, to grant to Her Majesty interim supply for three months ending October 31, 1964.

Supply has been granted by Parliament up to July 31 of this year, and this bill will cover the three months of August, September and October.

First, I want to say, as I always do on such occasions, that in no instance is the total amount of any item being released by this bill. Secondly, I say that the bill is in the form that is usual for interim supply bills. There are no surprises in the draftsmanship of the sections or the schedule. Thirdly, I give the assurance that the passing of this bill by the Senate will not prejudice the right of any honourable senator to criticize or discuss any of the items contained in it, or, indeed, in any of the main or supplementary estimates that are before the house.

I should like to add that since Easter, as all honourable senators are aware, the Standing Committee on Finance has had referred to it the main and supplementary estimates. Any of the items in either the main or the supplementary estimates are available for discussion before that committee. There is a vast difference between the position we were in at Easter and the position we are in now. The Standing Committee on Finance will be meeting just as soon as the Senate is again on a regular schedule of sittings. That is some assurance to all honourable senators that if all of the information required on the various items affected by this bill is not given, or the bill is not adequately explained by me today, there will be opportunity for further study of any of those questionable items when the Finance Committee meets.

I should add that I propose to deal with the items in the schedule—perhaps not fully but I hope in sufficient detail to satisfy honourable senators as to their meaning. In this way I can alert honourable senators as to the items in which they might have an interest. I do this purposely so that if one desires to pursue a further investigation into any one of them, that can be done in the Finance Committee.

I have been following the practice on the last few interim supply bills we have had here to lay before each honourable senator a memorandum showing the position with respect to supply which has been voted already by Parliament and what can be reasonably expected to come in the foreseeable future.

Honourable senators who have the memorandum which I have had distributed today will see that the total Government spending proposed in the main estimates and in supplementary estimates, both of which have been tabled for this fiscal year, amounts to $7,217,102,244, exclusive of payments from the old age security fund, which is another matter.

Hon. Mr. McCutcheon: It is still money.

Hon. Mr. Connolly (Ottawa West): Of that total, the statutory amount of spending is $2,860,819,997. The total amount to be voted for the main and for the Supplementary Estimates A—and these are the only ones Parliament has before it—is $4,356,282,247.

Already we have had four supply bills, and this is the fifth. The total amount which will

have been voted by Parliament, after this bill has been passed, will be $2,712,028,509.54. Assuming that this bill is passed, Parliament will still have to vote $1,644,253,737.46, the last figure shown in the right-hand column in the memorandum.

Perhaps it would be as well to advert to the table and to the bills passed already.

Appropriation Act No. 1 generally granted two-twelfths of the amount of the main estimates, plus certain additional percentages of other items, for a total of $684,120,260.18.

Appropriation Act No. 5, which was the second one we had, granted one-twelfth generally, plus additional proportions of certain items, to a total of $338,136,717.59.

The third supply bill, Appropriation Act No. 6, which again was for one month's supply, granted one-twelfth of the main estimates, four-twelfths of the supplementaries, plus certain proportions of certain estimates, for a total of $469,308,421.26.

The next Appropriation Act, No. 7, was a special act which granted payments to make up the full amount of two items of the estimates, firstly, 56a in the Department of National Defence. If honourable senators will remember, that was a $1 item which was to cover payments to be made to people compulsorily retired from the armed services. It also covered item L17a, which was a loan item that dealt with the financial requirements in respect of the Columbia River.

The present bill proposes to grant three-twelfths generally of the main estimates and of the supplementary estimates, plus certain additional percentages which I will deal with in a moment. In other words, this bill, as it is drawn, proposes to grant to the Government, generally speaking, three months' supply.

Now I come to the bill. I should like to say in the first place that the total amount to be granted by this bill is $1,037,030,109.84. That amount appears in the marginal note to section 2 of the bill.

If I may briefly describe the other provisions of section 2, I think it might be helpful to honourable senators before I come to consideration of the schedules.

Section 2(a) proposes to grant three-twelfths of all items in the main estimates, with the exception of one item, and that item is External Affairs Vote No. 20. The reason for the reduction to two-twelfths of that item is that heretofore nine-twelfths of that item has already been granted. If we granted three-twelfths on this occasion then the item will have been completely granted. That is not the intention of this bill.

Section 2(b) proposes to grant an additional three-twelfths of certain items under the Department of Transport estimates.

Section 2(c) grants an additional two-twelfths of certain items in the Department of Agriculture, and, in respect of legislation, the House of Commons requirements.

Section 2(d) grants an additional one-twelfth of certain items in seven departments, plus an additional one-twelfth of a loan item. These are all in respect of the main estimates.

Hon. Mr. McCutcheon: Where is the loan item?

Hon. Mr. Connolly (Ottawa West): The loan item is item L10. Does the honourable senator want an explanation now, or shall I deal with it when I come to it?

Hon. Mr. McCutcheon: I am sorry—when you come to it.

Hon. Mr. Connolly (Ottawa West): Section 2(e) grants three-twelfths of all the items in the supplementary estimates, except three other items. They are National Defence Vote 56a, and loan item L17a, both of which were dealt with in Appropriation Act No. 7 and have been completely granted under the provisions of that act. The other is item L37a which was dealt with in an earlier bill in respect of payments for stockpiling of uranium. These three items are exceptions from the proposal to grant three-twelfths of all items in the supplementary estimates. In addition to that, it is proposed to grant two-twelfths of an item of the Department of Justice, and of a loan-investment item, both of which are in the supplementary estimates.

That is the general explanation of section 2. I think the details will emerge more clearly when I come to discuss the particulars contained in the schedules.

Section 3 of the bill is the usual provision to the effect that the amount authorized may be paid or applied only for the purposes and subject to the terms and conditions specified in any individual item.

Section 4 provides that when the estimates purport to confer an authority to enter into a commitment, that commitment must be entered into only in accordance with the terms of the item and after a certificate from the Comptroller of the Treasury that these limitations have been observed.

Section 5 provides that there shall be an accounting for the spending under these items in accordance with section 64 of the Financial Administration Act.

Honourable senators, I come now to the schedules, and I hope I shall not weary you with too much detail. However, I think I should be expected to give at least some general explanation in respect of these schedules.

I have said the main purpose of this bill generally is to grant three months' supply, to grant three-twelfths of the main estimates and

three-twelfths of the Supplementary Estimates A; and section 2(a) of the bill does that. The further subsections of section 2 grant the additional proportions of certain items in the estimates.

Schedule A, which is on page 3 of the bill, proposes to grant three-twelfths of certain items in the estimates of the Department of Transport, in a total amount of $7,044,425. The two items under consideration are Nos. 15 and 25. Item 15 involves payments to the Canadian National Railways to meet certain deficits in connection with the Newfoundland Ferry and Terminals operation, for the Prince Edward Island Car Ferry and Terminals operation, and for the Yarmouth-Bar Harbour Ferry operation. Item 25 deals with amounts required to be paid under the Maritime Freight Rates Act in respect of certain compensation payable to the railways under that act and for certain supplemental pension allowances under the provisions of the Railway Employees' Provident Fund, and certain payments to be made to the former employees of the Newfoundland Steamship and Telecommunication Services which are now under the control of the Canadian National Railways.

Hon. Mr. Brooks: Could the honourable Leader tell us if any of these ferries are paying and, if not, what the deficit is in the case of each individual ferry?

Hon. Mr. Connolly (Ottawa West): No, I am sorry I have not that information at the moment but I shall obtain it for the honourable senator.

Hon. Mr. Brooks: There is a request for another Bar Harbour ferry. I was wondering if the present one is paying.

Hon. Mr. Connolly (Ottawa West): In view of the provisions of this item, I would think deficits are being incurred now.

Hon. Mr. McCutcheon: There are deficits for all of them?

Hon. Mr. Connolly (Ottawa West): Yes, I think so. The reason the extra proportion is required at this time, I am informed, is that the payments made in respect of these two items are made on a calendar-year basis rather than on the basis of the fiscal year of the Government. In one sense payments are perhaps three months behind now. I think that is not literally true, but the payments must be completed by the end of the calendar year. That is the explanation I have for Schedule A.

Schedule B, on page 4 of the bill, proposes to grant an additional two-twelfths of certain items in the Department of Agriculture and in respect of the House of Commons, in a total amount of $4,235,450.

The item in the Department of Agriculture covers payments to be made in respect of irrigation and water storage projects in the western provinces. I am informed the specific reason is that there has been a step-up in the work being done on the South Saskatchewan dam project. It is expected that the compacting of the main fill and the completion of the main river channel can be looked to before freeze-up. For that reason additional amounts would be required for the payment of the contractors involved.

So far as the additional proportion required for the House of Commons is concerned, I think it is obvious that the expenditures for the protection, cleaning, messenger and other incidental running expenses of that body run higher when the house is in session. As honourable senators know, that house has been in session fairly continuously since early last winter.

Hon. Mr. McCutcheon: Maybe we should not pass that item!

Hon. Mr. Connolly (Ottawa West): That might help, but I do not think we would make ourselves too popular if we took that course. We might have a similar item for the Senate at some future time, and perhaps we could husband our resources.

I come now to Schedule C, on page 5, which proposes to grant one-twelfth of the total of certain items in seven different departments, for a total of $6,442,850.

First, in the Department of Agriculture there are certain grants payable about this time of year for cheese factories, for agricultural fairs, and, I understand, warrants in connection with the payment of high-grade hog and sheep carcasses. For that reason the extra proportion is required at this time.

Under the Department of Fisheries, for the Fisheries Research Board of Canada, additional amounts of money are required at this time because of the research work being done by the board on both coasts and indeed in inland waters. Honourable senators will notice that there is special mention in the item of the cost of work on lamprey control and research, about which Senator Paterson spoke to us a few years ago in such an interesting way.

Hon. Mr. Brooks: It is proving very successful too, I believe.

Hon. Mr. Connolly (Ottawa West): I understand it is a highly successful program. Senator Paterson spoke to the Senate about it when the program was being initiated. Obviously a lot of this work is best done in the summer months, and for that reason extra money is required at this time.

The Department of Mines and Technical Surveys requires extra money for field and air surveys, mapping and aeronautical charting, for marine surveys and research, for geological research, for geographical surveys and research, and as well for continued work in the Arctic on the polar continental shelf project. Obviously these are projects in which field parties are at work in the summer months. The largest part of the expenditures in connection with these items is incurred at this time, and by October 31 a good many of these accounts will require to be paid.

In the National Film Board the additional proportion is required because certain payments for contracts in which they are involved are coming due, and for that reason extra money is thought to be required before October 31.

In the Department of Northern Affairs and National Resources the usual kind of summer work is being done with respect to wildlife conservation in the parks and the National Battlefields Commission. Again, the extra money is required before the weather turns cold. Likewise, the water resources section of that department requires extra money in connection with water gauging installations now being undertaken.

In the Privy Council some money is required now in connection with the work of the Centennial Commission on projects of national rather than local significance, and a commitment has been made which requires money before October 31.

In the Department of Transport there are certain administrative accounts which require payment earlier in the year than normally can be expected because of the late passage of the estimates, and this additional proportion is required.

Hon. Mr. McCutcheon: Would the Leader of the Government allow a question? I am a little puzzled by this item. I understand his explanation up to date, but what items under the heading "Departmental Administration" are required to be paid outside of the regular cycle of the fiscal year?

Hon. Mr. Connolly (Ottawa West): I am informed that there are certain items in connection with the payment for work done by consultants in the Department of Transport who have been engaged upon projects recommended by the Glassco Commission. I understand too there are some equipment rental payments to fall due before the end of October. There are some travel items that have been or will be incurred which require a little extra money under this particular item. I think this is the first time any additional requirement has been sought on item No. 1 of the Department of Transport. I notice that the honourable senator is looking at the main estimates or the supplementary estimates. Perhaps there is more information there than I have given. It may also be explained a little more clearly.

Hon. Mr. Brooks: I am concerned with the large amount of $3,773,000, compared with the total estimate of $14,000,000.

Hon. Mr. Connolly: Well, it is one-twelfth of the total which is being sought here.

I come now to the last item in schedule C, which is loans, investments and advances. This contains an item of $2,000,000 to be loaned to the Canadian Broadcasting Corporation in connection with the consolidation of its facilities in the City of Montreal.

In Schedule D, on page 8, it is proposed to grant two-twelfths of the item, amounting to a total of $229,656.67. So far as the Department of Justice is concerned, this item deals with certain pensions, which it is proposed to pay or to increase—and at any rate all pensions will now be upon the same basis—for widows of certain penitentiary officers who were killed on duty. I understand that some of these pensions were granted by Parliament many years ago. Others were granted quite recently. It was felt that the earlier pensions were inadequate. It is now proposed to put them all on the same basis and to pay a reasonable amount in each case.

The last item in Schedule D covers the loan to the Government of India to finance purchases of aircraft and aircraft parts in Canada by that country. We discussed this matter in connection with an earlier bill, and the amount now proposed to be granted would leave one-twelfth of this item ungranted.

Honourable senators, I think that is all I can say at the moment about this bill.

Hon. A. J. Brooks: Honourable senators, as the honourable Leader of the Government has told us, the supply bill has been somewhat delayed in arriving in this chamber.

Hon. Mr. McCutcheon: Not unduly delayed.

Hon. Mr. Brooks: Not unnecessarily delayed. However, the Leader of the Government has given a very full explanation of the bill. It is the usual explanation, as the honourable leader well knows.

He has also given us the usual guarantees that there is no prejudice so far as obtaining further information is concerned. It is my experience that all interim supply bills are the same in this regard; there is no prejudice so far as the intention to give further information is concerned, but as each bill comes

along the time becomes more limited, and one has no real opportunity to get the information.

As the honourable leader has pointed out, supply and estimates are matters of very great importance to Parliament and to the public. Somebody has said that interim supply has not been unduly delayed, and with that I agree completely. As I said, this matter is of very great importance, and there has been no opportunity in the House of Commons to study the estimates during this session which has been running since February. Many questions were asked, and indeed many questions needed to be asked, when interim supply under this bill was being sought in the other place. I understand only one department has been passed.

Hon. Mr. Connolly (Ottawa West): Two departments.

Hon. Mr. Brooks: I stand corrected. There have been others considered for a short time.

From my own experience in the House of Commons I know that constituents of members in that place are very anxious to know just what amounts of money are being set aside for their particular constituency. Farmers want to know what subsidies are forthcoming; fishermen and labourers are also interested in this matter and that is one of the reasons why so much information has been sought.

The honourable Leader of the Government has also pointed out that we in the Senate are rather fortunate in having reactivated our Finance Committee. I agree with that. However, I am not one of those who believe that our Finance Committee can take the estimates for different departments and study them. There must be more study of a general nature than is done by committees and individuals in the other place. I hope that before too long the chairman of the Finance Committee of the Senate will be able to make at least a progress report and to point out to us just what is being done. I know that all members are entitled to attend the committee meetings, but all members do not have the time to do so. Furthermore, there are many other committees which honourable senators wish to attend. I understand at the present time the Finance Committee is studying the Glassco Report. I also understand they have held four meetings. This hardly seems sufficient for the very important work they have to do and which I know they are anxious to do.

The bill before us, as has been said by the honourable leader, is in the usual form, and is to grant supply for the months of August, September and October. There is not much that can be said on the bill itself. It is very much the same as former bills. It authorizes the expenditure of approximately $1,037,000,000. This sum represents about three-twelfths of the main estimates for the current fiscal year.

The whole question of Government spending is, as we have often heard in this chamber, one of great concern. One has only to glance at the estimates to appreciate this fact. We are living, as has been pointed out on numerous occasions in recent years, beyond our means, and yet we continue to give consideration to and to take on projects the cost of which, as we all know, is exorbitant.

The Minister of Finance in his last budget address to the House of Commons indicated that it will be necessary to work out a list of priorities. This seemed to be an excellent idea so far as the public and the press was concerned. He also stated on that occasion that we could not expect to do everything at once. This also was very sound reasoning. The unfortunate part is, however, that it is not being followed even by the minister himself. Just a short time ago we passed a bill extending family allowances to boys and girls remaining at school up to the age of 18 years. This was passed practically unanimously by the other place. However, it is a measure which will add millions to an already overburdened treasury.

Also, just a short time ago we received the report of the Royal Commission on Health Services. This massive and important document will have to be studied very carefully, and I am sure it will be so studied by the members of the different provincial governments and the members of this Parliament.

The implementation of the main recommendations of the commission will substantially increase the already heavy Government expenditures on health care. According to the report, it is anticipated that by 1971, assuming the recommendations are implemented, we will be spending over $4 billion on health services and medical care alone. At the present time we are spending just a little over $7 billion on all services.

The Minister of National Health and Welfare announced a short time ago at the close of the dominion-provincial health ministers' conference that the Government will have a medical care insurance program ready by 1965. Next year we will await progress in this direction with great interest and trepidation.

There is also the Canada Pension Plan to provide retirement for Canadians with survivors' benefits for widows and orphans, the cost of which almost defies the imagination.

The question that arises in everybody's mind, of course, is where we are going to find the money for all this. The Minister of

Finance says Canadians today cannot afford everything at once. However, this is precisely what it seems we are trying to do, and without giving everything the necessary careful consideration. I should like to quote from remarks which the Premier of Manitoba, Mr. Roblin, made in discussing this subject a short time ago. He expressed great concern over the size of these spending plans, and called for a closed conference between the federal Government and the governments of the provinces to establish a list of priorities and to work out a timetable. This suggestion is very sound, and I am sure it will be discussed when the provincial premiers and the federal representatives get together. Mr. Roblin said:

> I feel there is a sense of urgency about my request. If the Government's pension plan and health services proposals are considered as unrelated matters, the cost will be enormous and the country will be in for a bad time.

He went on to say:

> Canadians generally want better pensions.

There is no question about that.

> We believe that Canadians also want better education for the young. How can we best phase these competing demands into the tax-paying capacity of our people?

I am sure that is where he had in mind the idea that certain priorities should and must be worked out.

The Montreal *Gazette*, in its issue of July 15, commenting on Premier Roblin's proposals, said:

> Premier Roblin's call for a federal-provincial conference to consider the country's economic priorities in relation to its tax-paying capacities is only a plea for the best use of our resources. It is hard to see that there is any alternative. The idea that we can all do everything at once and no matter how much, defies reason and abandons responsibility.

Honourable senators, I think the Premier of Manitoba is to be commended for the responsibility he has shown to the country as a whole. His ideas are sound. Such a conference, I think, is not only necessary, but urgent as well. In this era of so-called co-operative federalism, we have the provinces demanding a greater share of corporate and personal income taxes while at the same time the Government continues to push ahead with new programs that can only add to the burden of the taxpayer.

It seems to me that our efforts during these days of prosperity should be directed towards balancing the budget, cutting down on unnecessary Government spending and generally trying to hold the line on Government spending. That is why I was delighted to see our Finance Committee undertaking a study of the recommendations of the report of the Glassco Commission, and to note the progress that has been made in their application. I should like to see this committee meet more often. I should like to see it have the opportunity of making a closer study of the financial situation and of making the practical and helpful recommendations which the present membership is well equipped to make.

Hon. M. Wallace McCutcheon: Honourable senators, we are engaged again in this ritualistic process of passing an appropriation bill which will provide Her Majesty with money to carry on the work of the Government for, this time, three months, plus the necessary extras. With that I do not disagree.

I assume that the honourable Leader of the Government (Hon. Mr. Connolly, Ottawa West) is going to request us to waive the rules, and this afternoon I do not disagree with that. But the reason we were prepared to waive the rules on the last occasion was that we had re-established the Finance Committee which was going to look into the estimates and into Government expenditures, not in the way in which it is done in another place but by taking two or three departments this year and two or three departments next year, and making themselves acquainted with them and producing the kind of reports which might be helpful to both the Government of the day and the department concerned. This is what was done by the Finance Committee some years ago.

The fact is, as the honourable Leader of the Opposition (Hon. Mr. Brooks) has pointed out, that the Standing Committee on Finance has met four times. We are in the hands of the chairman. I am sorry to say this in his absence, but I think the chairman of the Finance Committee has lost interest in the committee. I think he has been more interested in certain other matters—

Hon. Mr. Brooks: Banking.

Hon. Mr. McCutcheon: —with respect to which we do not need to go into detail this afternoon. On a subsequent occasion—perhaps at the end of October—if we have made no more progress than we have today, then I will stand with my honourable friend Senator O'Leary (Carleton) and will see to it that the next appropriation bill does not pass except in accordance with the strict terms of the rules.

The honourable Leader of the Opposition has referred to this question of expenditures,

the question of priorities, and to Mr. Roblin's suggestion to the Prime Minister that there be a dominion-provincial conference to discuss priorities—because they must be discussed. I am saying here only what I have said on other platforms in recent months. We are told we are going to have a pension scheme. We do not really know what it is going to be. I understand we are waiting for a French translation of the White Paper, and as a result it will not be tabled until next week, although we have been promised it week by week. We still do not know what it contains. All we do know is that the scheme will drain off $700 million or $800 million a year from the private sector into the public sector. That is a lot of money.

Then we have the medicare plan. I have very great respect for my former colleagues, the members of the Royal Commission on Health Services, but I shudder a little when I read their report to the effect that we can afford to divert, again from the private sector to the public sector—and this is the important thing—$2.4 billion in the federal field alone as of 1971. It is implicit, of course, that the same amount would have to be diverted in the provincial field.

There are also the requirements of education. I am not to be bound by these figures because I did not do any special research on this matter before coming here this afternoon, but, as I recall, the Canadian Universities Foundation suggests that the capital requirements of Canadian universities over the next five, six or seven years amount to something of the order of $700 million or $800 million. I know, honourable senators, that every advocate has a tendency to exaggerate—that is what advocates are for—so the amount of money required may not be that great—perhaps it is only $500 million or $600 million. However, I want to underline what Mr. Roblin said. We can be sure everyone wants more pensions, everyone wants to avoid paying the doctors—although personally I think that paying the doctors is the lowest priority we have in this country—and everyone wants their children to have a better education. All I say is, once you look at these figures you realize we had better stop running into this thing in an unconsidered and an untidy way, and we had better sit down with the provinces and discuss priorities and where the money is to come from.

In that connection, the acting Prime Minister was quoted in the *Globe and Mail*—I do not read the publications of the other place—when he was asked whether the Government intended to give consideration to Mr. Roblin's request for a dominion-provincial conference on priorities. Here I will take the risk of paraphrasing his reply, although I have the quotation. He was quoted as saying in effect, "If Mr. Roblin is suggesting that a conference on priorities will result in a postponement of the Canada Pension Plan, then I say that that is not Government policy."

Honourable senators, this is the kind of arrogance which has led us into great difficulty in the past: All we have to do is take a narrow view, say we made a promise here and a promise there; we do not relate them, we do not add them up, we go through with one and so we have to go through with the other. No matter what the Minister of Trade and Commerce does or what the Minister of Finance does, we will be in great difficulty in this country, because we will become completely noncompetitive not only in the foreign field but in the domestic field also.

I could go on, but I am not going to make my main speech on this subject this afternoon. I just want to touch on those matters which the honourable Leader of the Government touched on. I apologize for interrupting him, although there was a matter he said he would deal with when he came to it, but in my opinion he has not dealt with it, so I propose to take a moment or two to deal with it. What I am interested in is item L10 in schedule C. It is headed, "Loans, Investments and Advances: Canadian Broadcasting Corporation: Loans to the Canadian Broadcasting Corporation for the purposes of capital expenditures subject to terms and conditions prescribed by the Governor in Council, $14,250,000."

I had occasion to mention that earlier in this session. I just touched on it then, but I wish to deal with it a little more fully now. This is a subterfuge to conceal, to reduce budgetary deficits. Here is a crown corporation. It is not as though we are lending money to Polymer or Eldorado. It is a crown corporation which requires $80 million to $85 million a year to balance its budget. It requires it from the people of Canada—and the Minister of Finance introduces an item to lend it $14,250,000 for capital expenditures.

That was the policy of the St. Laurent Government. When the Diefenbaker Government came into power, after about a year that Government wrote off all these advances, took them as budgetary items, and from there on all the capital expenditures of the C.B.C. were taken as budgetary items. They were spent. Everyone knew there was going to be no return on them other than the cultural return, which I have always found difficult to put on a balance sheet.

Hon. Mr. Connolly (Ottawa West): It is like good will.

Hon. Mr. McCutcheon: Yes, it is like good will, and the honourable leader and I know what good will means on a balance sheet.

Now, in this day, when we are balancing the budget or when we are budgeting for a lower deficit, we suddenly see a return to a type of accounting which I say without hesitation is completely inexcusable. I could use much stronger words, but His Honour the Speaker might call me to account if I should. What concerns me is that this is just the opening wedge. I am not concerned about $14,250,000 in the current deficit. I have been reading in the press and in the accounts of the House of Commons committees—I will not be bound by the figures I am mentioning, but they are right within 10 per cent—that the plans of the C.B.C. initially were to spend $83 million for their new complex. This is capital expenditure. This will be a loan, an investment, $83 million in Toronto and Montreal for a new complex. Then it went up to $102 million and the latest figure, as I recall, is $135 million. Let us say it is only $115 million—it is becoming a substantial figure. Are we to expect that next year there will be an item in Loans and Advances, a non-budgetary item, of $50 million, say, to cover what will be spent next year and in the following year—$60 million or $70 million more? This is a fraud on the Canadian people. I make that statement with no apology at all and with no intention of withdrawing it.

I would like to know who endorses the note of the Canadian Broadcasting Corporation that Honourable Mr. Gordon has taken for this $14 million.

As far as granting supply for three months is concerned I am glad we are doing so this afternoon. It may be that as far as this chamber is concerned we should grant supply for longer periods than we have in the past. The honourable Leader of the Government has given the usual undertaking that the granting of supply this afternoon will not prevent us from debating or discussing any particular item. Although this is not the responsibility of the Leader of the Government, we must all recognize that such an undertaking is really rather meaningless, since we never receive the estimates here in a form in which we can debate them item by item.

Hon. Mr. Connolly (Ottawa West): Except in committee.

Hon. Mr. McCutcheon: That is why I deplore the failure of the Finance Committee to sit regularly. After a certain incident early in April, we had a sudden flurry of activity in the committee, and then it disappeared. I am sure I have colleagues here who agree with me that unless that activity is resumed we may have other flurries in this chamber on similar occasions.

Hon. Gordon B. Isnor: Honourable senators, when I entered the chamber this afternoon I certainly had no thought of taking part in this debate. However, the remarks of the last speaker (Hon. Mr. McCutcheon) caused me to think a second time and to rise in reply on behalf of one who is not here today, as to why the Finance Committee is not meeting more often. I think it was rather an unkind remark by the last speaker about his colleague from Toronto-Rosedale (Hon. Mr. Leonard), that the latter is perhaps more interested in other matters.

I have sat as a member of previous finance committees, under the chairmanship of Senator Crerar, and also under the late Senator Hawkins, both of whom were highly praised for the efficient manner in which they performed their duties as chairman. I think the same can be said of the present Chairman of the Finance Committee, Senator Leonard. He has held four committee meetings. Perhaps he had intended to hold others—I have no reason to suppose that he did not. However, on account of the adjournment of the Senate, it was almost impossible for him to do so.

Hon. Mr. McCutcheon: Will the honourable senator allow me to interject this, that Senator Leonard is an old and personal friend of mine, for whom I have great admiration and affection. I think he can chair a committee as well as any member of this chamber. My complaint is that he did not call enough meetings.

Hon. Mr. Isnor: What the honourable senator has just said adds still further to my astonishment regarding his first remark, that Senator Leonard must be interested in other matters, and giving that as a reason for not holding further meetings.

I do not think I need to labour this question further. I want to put on record that I think we are most fortunate in having a man such as Senator Leonard as Chairman of the Finance Committee, and I am sure that when he makes his report it will be worth while.

I had hoped that Senator McCutcheon, who has had wide experience in dealing with millions, would tell us how he would have charged up this $14 million, other than as a capital expenditure. Perhaps he will do that now.

Hon. Mr. McCutcheon: If the honourable senator is asking me a question, there are two ways of keeping books, and the Government of Canada keeps its books on the basis that expenditures are expenditures and are charged off. That is why I would think that a

new post office in the honourable senator's riding would, by ordinary business accounting, be regarded as a capital expenditure; but historically, traditionally, it has been written off as a budgetary expenditure. That is true of bridges and of many things that the honourable senator and I would regard as capital expenditures. In other words, by and large, the federal Government—I should not say this Government, but the Government of Canada—has not distinguished between capital expenditures and current expenditures. It has operated on a cash basis and said, "We have taken in so much money and we have spent so much money."

I would not quarrel with the honourable senator if he were advocating that we set up a different accounting system such as some provinces have, where they charge current expenditures to one account and capital expenditures to another account. If we set up a capital expenditure account, then of course we will charge rent and depreciation. We will charge rent to the people who occupy the buildings, which of course we do not do now; and we will put depreciation in the current account for the current year.

What I object to, this being the practice of the Government, is that it does not set this up as a current expenditure; it sets it up as a loan, an advance.

If the honourable senator is prepared to lend $14¼ million to the Canadian Broadcasting Corporation with any expectation that he will get it back, then his business judgment is not what I know it to be. We are not talking about a set of books, where you set up your current expenditures and your current revenues on one side, and your capital expenditures on the other. This is a loan. Now, who endorses the note?

Hon. Mr. Isnor: I am pleased to hear the honourable senator's further words. We all recognize him as an authority in regard to finance and as one who is dealing in large amounts. Needless to say, I would not attempt to put my experience against his. However, I have always felt that when a capital investment is made—particularly in this case, where I understand the greater proportion of this $14 million will be used for construction purposes—and you have an asset against that $14 million; and while I might not be in a position to advance that $14 million, if the risk were good enough and I had the money, perhaps I would consider it.

Hon. Mr. McCutcheon: If the risk were good enough.

Hon. Mr. Isnor: I would consider the loan, I said.

I am very pleased to have the honourable senator enlarge on his remarks in regard to this particular transaction. Perhaps in future years we shall set up a different system as a result of the work of the Finance Committee under the chairmanship of Senator Leonard.

Hon. John J. Connolly: Honourable senators—

The Hon. the Speaker: Honourable senators, may I remind the house that if the honourable Senator Connolly speaks now, it will have the effect of closing the debate.

Hon. Mr. Connolly (Ottawa West): I thank honourable senators for the part they have played in discussing this bill today. I am bound to say that I personally feel, and I am sure all honourable senators feel, that whether there is a political sting in some of the remarks made, the comments which fall from honourable senators in respect of bills of supply are well worth having. I must also say that I profit from the views expressed, and by the feeling, very often, with which they are expressed.

The Leader of the Opposition (Hon. Mr. Brooks) asked about the ferry services deficits on the east coast. I am informed that for the calendar year 1964 the forecast deficits are as follows: for Newfoundland Ferry and Terminals, $8,791,000; for the Prince Edward Island Car Ferry and Terminals Service, $4,074,000; for the Yarmouth-Bar Harbour Service, $267,300.

With regard to Senator McCutcheon's remarks about the Chairman of the Finance Committe (Hon. Mr. Leonard), I do not want to labour this point. I do not think that Senator Leonard, as chairman of that committee, either lost interest in the committee or had his attention diverted by any other matter—certainly not any other matter that should not have engaged his attention. I think Senator Leonard, and I am sure my honourable friend will agree, is one of our most valuable members.

The Finance Committee has sat four times since it was established shortly after Easter. I think it is better practice for the Senate not to set up its Finance Committee until some of the estimates have been passed in the other house, where there is prior responsibility for work on the estimates. In the second place, I would point out that the Senate Finance Committee has had four meetings this session, late though it was set up. It is several sessions since the Finance Committee has met at all. In this respect we are ahead now, the last committee having sat under the chairmanship of Senator Emerson several years ago. I know in the last two years there were certain circumstances beyond the control of the Senate which made it impossible for the committee to meet. But the point is the committee has been set up again, has

met and will meet. I hope Senator McCutcheon will use his good offices to see to it that it does meet just as regularly as he would like it to meet—and I am sure he will.

With most of what Senator McCutcheon said about priorities in Government spending on all levels, I think we are all bound to agree. This makes good sense. There should and must be a clearing house, in view of the amount of public spending in this country. Public spending is undertaken by governments as a result of the pressure of people who want it. It is the business of all of us in public life to bring home to people who ask for so much public spending just what the consequences can be for the public institutions which do the spending.

With respect to the kind of comment that has been made here by the Leader of the Opposition (Hon. Mr. Brooks) and Senator McCutcheon, and which so often falls from the lips of senators on this side of the chamber—because those on the Government side are in fact just as critical as are the Opposition of the amount of public spending we are exposed to—I say such comment, made frequently enough, can have an effect on public thinking. That is what we are here for. This is what we should try to do. Perhaps I am encouraging opposition. I do not have to. Opposition is here. This is our way of life. This is the parliamentary system.

I do not propose to engage in a discussion with the expert when it comes to corporate organization, corporate finance and all of the accounting and bookkeeping aspects that enter into these fields. I would point out that item No. 1 in the main estimates, respecting the Canadian Broadcasting Corporation, deals with a grant in respect of the net operating deficit incurred by the C.B.C.

There is a good deal in what Senator Isnor has said about the payment of a grant to cover an operating deficit and the loan of a sum of money to create a capital asset. Senator McCutcheon says that the practice of doing it this way is unsound from the point of view of accounting practice. In any event, he says it is a misleading way of making budgetary proposals. I would point out, however, that the item is in the estimates. It is there for all to see. Whether it is a loan to be written off ultimately, or whether some day some of these properties might be sold and the capital investment or part of it is recovered, I cannot say.

Hon. Mr. Isnor: Or there might be an appreciation.

Hon. Mr. Connolly (Ottawa West): Yes—whether there is appreciation or depreciation. Perhaps we should have more accounting experts in the Senate than we have. The point I think about is that whether it is a loan or a grant, it is in the estimates and, therefore, we can at least consider it. Whether it is poorly done or not is a matter of opinion.

Motion agreed to and bill read second time.

THIRD READING

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

Hon. Mr. Connolly (Ottawa West): With leave, I move third reading now.

Hon. M. Grattan O'Leary: Honourable senators, when last Easter a bill largely similar to this one came to this house I refused to give it may assent. I am prepared to admit that this is not exactly the sort of bill that came to us at Easter, and yet it has this similarity, that it has been brought here today at the eleventh hour and this house is asked to give it first, second and third readings at one sitting.

Honourable senators, why has this bill come to us in this way at this time? I suggest, sirs, that it has come to us in this way at this time for two reasons. The first reason is because there are certain people in high places in this country who do not seem to understand that freedom of speech in a free Parliament involves more than the right to speak; it involves as well a duty to answer. In truth, that is the very heart of a free Parliament, that men on the benches of power shall be compelled to answer, and the failure to realize that in another place during the past week or ten days was responsible, in the main, for our getting this bill in this way at this time. The heart of our system, I repeat, is accountability, and without recognition and honour for that you in fact have no Parliament at all.

I think I am in a position to say to this house that had that principle been understood and honoured in another place last week this bill, which we are now asked to pass holus-bolus in one sitting, would have been before us at least two or three days ago, thus permitting us to give it whatever consideration it deserves and at least permitting us to avoid the seeming position which will be accepted by very many outside this house, of the Senate being merely a doormat for the House of Commons.

Secondly, this bill has come to us in this way at this time because certain people in the other place do not seem to realize or understand that this house is an integral part of Parliament. They seem not to realize that this house has its own rights, its own responsibilities, its own duties, and its own dignities, and that under our system and under our

Constitution such dignities, rights and responsibilities cannot be and must not be treated with disdain and contempt.

Honourable senators, during the two years I have had the honour of sitting in this house I have heard talk from the most responsible and most experienced senators about possible reform and possible improvement of the Senate. May I submit to you, honourable senators, that the first step, the first and most vital step in reforming this chamber, in making it more useful, and in gaining for it the respect and support of the people of this country, which I think it needs, is for this house to compel the other place to respect its position under the Constitution, and to realize that it is an integral part of Parliament, and that it cannot be used as a mere gramophone for the House of Commons.

I am going to give my consent to third reading of this bill tonight, but I do so under protest. I concur fully in what Senator McCutcheon said a while ago, that if the circumstances of this bill should be repeated, then, Finance Committee or no Finance Committee, it will not have my consent and I am sure it will not have his.

We complain when we read articles and editorials in the press scoffing at this house and treating it with disdain, but I say to honourable senators in all sincerity that one of the reasons for that public attitude is because this house has permitted itself again and again throughout the years, and is again permitting itself today, to be treated with contempt by the House of Commons.

Hon. Mr. Connolly (Ottawa West): Senator O'Leary has made quite a point about what he describes as the failure of people in high places in the other place to answer. I think we should have a little perspective in our approach to this question. This is an interim supply bill, not the final supply bill. Ministers in the other place are accountable to that place and must answer questions. I would suggest that they are not expected, and indeed it is not parliamentary practice to require them, to answer for all items in their estimates in a wide ranging debate on interim supply. Many, if not most, of the estimates for the departments are still to be debated in that house. I think there is no really valid foundation for a charge of arrogance in this respect. I think many of the pertinent questions asked in the other place have in fact been answered.

Hon. Mr. O'Leary (Carleton): In the last two days.

Hon. Mr. Connolly (Ottawa West): That may be, but whether they were answered in the last two days or in the last ten days, the plain fact of the matter is that on interim supply, which is supply for three months, I do not think it is necessary to discuss in detail all of the estimates of all departments in a wide-ranging debate. Parliament can expect to deal in detail with the estimates in the usual way later.

Hon. Mr. Brooks: Surely the fact is that there was unreasonable delay, that the information was not being made available to the public, and the request was made in order that the public might find out what was really in the estimates. It has now covered a period of three, four or five months.

Hon. Mr. Connolly (Ottawa West): I think we cannot resolve this difference of opinion completely here. But when the honourable senators opposite put it in this way, I think I should, on behalf of this side and on behalf of the Government, put the other position.

The other point I must make is with reference to the use of the Senate as a doormat in connection with interim supply. I consider it was my duty to request His Honour the Speaker to recall the Senate today. Supply ran out on July 31. This day is August 7. I have been informed that unless supply is available quickly there will be considerable delay in the usual arrangements in respect of salaries for public servants outside of Ottawa. This will amount to roughly $14½ million. Approximately 100,000 people will be affected if supply should be delayed beyond the end of this week and into the beginning of next week. I consider this to be a good reason why the Senate should come here today to consider interim supply.

In addition, I am informed that there are suppliers' accounts to be paid amounting to approximately $1 million. Furthermore, there are National Health and Welfare payments to provinces amounting to over $2 million in respect of hospital construction grants, and other items of this nature which are urgent. Therefore, I think that the Senate in coming here today is doing the duty all honourable senators would want to do. I do not consider it necessary to apologize for the fact that we treat this as urgent business. I do thank honourable senators opposite for their consideration of the situation.

Motion agreed to and bill read third time and passed.

ROYAL ASSENT

NOTICE

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

GOVERNMENT HOUSE

Ottawa

7th August 1964

Sir,

I have the honour to inform you that the Hon. Wilfred Judson, Puisne Judge of the Supreme Court of Canada, acting as Deputy to His Excellency the Governor General, will proceed to the Senate Chamber today, August 7th at 5.45 p.m. for the purpose of giving royal assent to certain bills.

I have the honour to be,

Sir,

Your obedient servant

A. G. Cherrier

Assistant Secretary

to the Governor General.

The Honourable

The Speaker of the Senate.

DOCUMENTS TABLED

Hon. John J. Connolly tabled:

Report on the Administration of Part I of the Royal Canadian Mounted Police Superannuation Act for the fiscal year ended March 31, 1964, pursuant to section 25 of the said act, chapter 34, Statutes of Canada, 1959. (English and French texts).

Report on the Operation of Agreements with the Provinces under the Hospital Insurance and Diagnostic Services Act for the fiscal year ended March 31, 1964, pursuant to section 9 of the said act, chapter 28, Statutes of Canada, 1957. (French text).

Report of the Prairie Farm Assistance Administration Commission of Inquiry established under Order in Council P.C. 1963-1896 of December 21st, 1963, dated June 10, 1964. (English and French texts).

Report of the Department of Trade and Commerce, intituled: "Private and Public Investment in Canada—Outlook 1964—Mid-Year Review." (English and French texts).

EMERGENCY SITTINGS

NOTICE TO SENATORS

On the Orders of the Day:

Hon. R. B. Horner: Honourable senators, before the Orders of the Day are called may I ask His Honour the Speaker if it is possible in future to notify those delivering telegrams to senators who live in the city that there is no need to wake them up in the middle of the night. I would appreciate it very much if that can be prevented from happening again.

Hon. John J. Connolly: Honourable senators, I thank the senior citizen of the Senate for drawing this matter to our attention, although I think I was the one worst done by. I think I live closer to the Senate chamber than any other senator, and I am sure I was the last one to receive a telegram. I went to bed at half-past ten last night, and the conveyors of the message almost pulled my door down in their efforts to deliver it to me at a quarter to midnight. However, honourable senators, these things happen.

I now move that the Senate do adjourn during pleasure, to reassemble at the call of the bell at approximately 5.40 p.m.

The Senate adjourned during pleasure.

At 5.45 p.m. the sitting was resumed.

The Senate adjourned during pleasure.

ROYAL ASSENT

The Honourable Wilfred Judson, Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned, and being come with their Speaker:

The Honourable Alan A. Macnaughton, Speaker of the House of Commons, then addressed the Honourable the Deputy of His Excellency the Governor General as follows:

May it please Your Honour:

The Commons of Canada have voted certain supplies required to enable the Government to defray the expenses of the public service.

In the name of the Commons, I present to Your Honour the following bill:

An Act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1965.

To which bill I humbly request Your Honour's assent.

The Honourable the Deputy of His Excellency the Governor General was pleased to give the royal assent to the said bill.

The House of Commons withdrew.

The Honourable the Deputy of His Excellency the Governor General was pleased to retire.

The sitting of the Senate was resumed.

ADJOURNMENT

Hon. Cyrille Vaillancourt moved, with leave, that when the Senate adjourns today it do stand adjourned until Tuesday next, August 11, at 8 o'clock in the evening.

Motion agreed to.

The Senate adjourned until Tuesday, August 11, at 8 p.m.

THE SENATE

Tuesday, August 11, 1964

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

Prayers.

DOCUMENTS TABLED

Hon. John J. Connolly tabled:

Report of the Unemployment Insurance Advisory Committee for the fiscal year ended March 31, 1964, pursuant to section 90(2) of the Unemployment Insurance Act, chapter 50, Statutes of Canada, 1955. (English text).

Report of the Minister of Finance on the state of the Unemployment Insurance Fund as of March 31, 1964, and of the transactions under section 86 of the Unemployment Insurance Act for the fiscal year ended March 31, 1964, pursuant to section 87 of the said act, chapter 50, Statutes of Canada, 1955. (English and French texts).

Report of a Special Committee on Tranylcypromine and Other Amine-Oxidase Inhibitors, dated July 24, 1964. (English and French texts).

Report of the National Film Board of Canada, including its Accounts and Financial Statements certified by the Auditor General, for the fiscal year ended March 31, 1964, pursuant to section 20(2) of the National Film Act, chapter 185, R.S.C., 1952. (English and French texts).

Report, dated July 13, 1964, of the Restrictive Trade Practices Commission, under the Combines Investigation Act, concerning the Supply and Application of Road Surfacing Materials in Ontario. (English and French texts).

Statement of the Ministers and Governors of the Group of Ten countries participating in the General Arrangements to Borrow, together with an Annex prepared by Deputies of the Group of Ten, dated August 10, 1964. (English and French texts).

Press Summary, dated August 10, 1964 —Nineteenth Annual Report of the International Monetary Fund, together with a copy of chapters 3 and 4 of the said report. (English text).

Copy of a booklet entitled "The Canada Pension Plan." (English and French texts).

Report of the National Capital Commission, Part II, being its Accounts and Financial Statements certified by the Auditor General for the fiscal year ended March 31, 1964, pursuant to section 87(3) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French texts).

PRIVATE BILL

MOUNTAIN PACIFIC PIPELINE LTD.—FIRST READING

Hon. T. D'Arcy Leonard presented Bill S-41, to incorporate Mountain Pacific Pipeline Ltd.

Bill read first time.

Hon. Mr. Leonard moved that the bill be placed on the Orders of the Day for second reading on Thursday next.

Motion agreed to.

BUSINESS OF THE SENATE

Hon. John J. Connolly: As honourable senators are aware, when we adjourned on Friday last it was felt that by this time tonight the bill respecting federal-provincial fiscal arrangements would be available for the consideration of this house. At that time I consulted with the honourable Leader of the Opposition (Hon. Mr. Brooks) about the length of the adjournment, and, all things considered, I think the guess we made was a fairly good one. However, the explosive situation in Cyprus over the weekend caused a lengthy debate yesterday in the other place. That, more than anything else, is responsible for the fact that the bill we are expecting has not as yet received complete consideration by the House of Commons.

I am informed that there is some prospect that the House of Commons will complete its consideration of the bill later this evening. It is my suggestion, therefore, that the Senate take recess, to reassemble at the call of the bell at 9.30, or shortly thereafter.

Hon. M. Wallace McCutcheon: Honourable senators, I have deep feeling for the position in which the Leader of the Government finds himself in these circumstances. I hear these things only in the corridors, but the bill would have been through if it had not been for a most explosive speech made this afternoon in the other place by one of the followers of the Leader of the Government in the Senate.

As far as I am concerned, I object strongly to the Senate being put in the position where we are going to sit around here and wait until the call of the bell at 9.30. I propose to speak on this bill. I will not speak tonight, and I think that we should now adjourn.

Hon. Mr. Hayden: Who is running the Senate?

Hon. Mr. McCutcheon: I do not know. I am just expressing my view.

Hon. A. J. Brooks: Honourable senators, The honourable Leader of the Government in the Senate explained the situation to me before we came into the house. As he has already told us, the probable reason why the bill is not before us now is the situation in Cyprus and the debate which had to take place in the other house yesterday, a debate which I am sure we all felt was necessary.

This is an important bill and will receive, I am sure, careful consideration here. That was my opinion when the honourable Leader of the Government spoke to me, and it still is; and I personally see no objection at all to our meeting again at 9.30 this evening if it is possible and probable that this bill will be here.

If we receive the bill then, I would like to ask the honourable Leader of the Government if it is the intention to have the explanation tonight and the debate continued tomorrow from this side of the house or by any other members who may care to speak.

Hon. Mr. Connolly (Ottawa West): Honourable senators, in reply to the honourable Leader of the Opposition, I wish to assure all honourable senators that there is no suggestion whatever that this bill be debated to a vote or to a decision on second reading this evening.

Hon. Mr. Brooks: No.

Hon. Mr. Connolly (Ottawa West): If at 9.30 or thereabouts the bill is available, Senator Hayden has kindly consented to give the explanation, if honourable senators would like to have that done this evening. I am in the hands of the Senate, and if it is desired to continue this debate tonight for a while, certainly that would meet with my concurrence. I would have no objection whatever to the debate being adjourned until tomorrow and further discussion taking place at that time. I want to make that abundantly clear.

The Senate adjourned during pleasure.

At 9.45 p.m. the sitting was resumed, Hon. David A. Croll, Acting Speaker, in the Chair.

Hon. Mr. Connolly (Ottawa West): Honourable senators, I am informed that the House of Commons has not completed its consideration of the bill on federal-provincial fiscal arrangements. I am also informed that there is a general agreement between the two principal parties, and that this bill can be expected to pass tonight. Whether that can be done depends, of course, on the co-operation of other parties.

In the circumstances, I would move that the Senate do now adjourn.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, August 12, 1964

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

Prayers.

FEDERAL-PROVINCIAL FISCAL REVISION BILL, 1964

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-111, to provide for the revision of certain fiscal arrangements with the provinces and to provide adjustments of fiscal arrangements and taxation provisions consequential upon the provision of youth allowances to parents resident in certain provinces.

Bill read first time.

SECOND READING—DEBATE ADJOURNED

Hon. Salter A. Hayden, with leave of the Senate, moved the second reading of the bill.

He said: Honourable senators, the title of this bill may in some aspects be said to be a little ominous, and on reading the bill you may find a little difficulty in mastering the language of it. I shall try to reduce it to what I would call a basic simplicity.

First, the subject of federal-provincial fiscal arrangements has been growing in importance since the end of the war. There have been many factors which have contributed to that and which it is unnecessary for me to do more than mention at this time. They include the substantial increase in population, and the demands for services of the sort that are required to be provided under our Constitution by the provincial authorities. Those demands have been piling up and increasing, particularly in the field of education, as the school population has been expanding very rapidly.

Then, there are services that at one time in the past might have had a local or provincial aspect but which, with the developments in Canada, have assumed a broader scope and have taken on some of the national aspects that are so recognized. The Government of Canada over the years since the war has tried by various means to see to it that the provinces secured additional revenues so that they might be able to carry on effectively their obligations and responsibilities under the Constitution in relation to those things in which they have their own sovereignty or exclusive jurisdiction; and also to take a larger share or, in some cases, a share of some of the responsibilities that heretofore the provinces had been looking after, but which have become larger and more and more national in character, and therefore justify the intervention of the federal authority and the provision of financial assistance.

This subject of fiscal arrangements with the provinces is one that I think will be with us for a long, long time. If you follow the course of these arrangements over the years since World War II, you will see that during the war, and immediately following, they took the course of tax rental agreements. Then the situation changed, and they took the course of provision by statute for the arrangements and the formulae, etc., under which the federal authority would either contribute to the cost of the particular services or to provincial revenues, or abate federal taxes so that the province might in an increasing amount levy taxes for its own revenues without increasing the overall burden of tax upon the taxpayer.

I should add that in 1956 we passed a statute dealing with tax-sharing arrangements, and in 1961 a further statute was passed. The statute of 1961 carries on for five years, and for our purposes it should be looked at as the basic statute. Bill C-111 in some aspects amends that basic statute.

You may find a reference to the original act of 1956, but that is an isolated reference and is for a particular purpose, as I will explain later. However, we start off with the basic statute of 1961; and now we have the bill today. I propose to explain as briefly as I can the manner in which the bill now before us changes the provisions of the act of 1961.

I should say that the three important changes to be brought about by the provisions in the bill are these: First, there is a change in the basis of equalization to take effect for the fiscal year 1964-65; secondly, there is provision for an increase in the share of estate tax for the provinces; and thirdly, there is an abatement provided by which federal individual income tax is decreased by an additional two percentage points in the taxation year 1965 as against the present provision in our law, and by four percentage points by the year 1966. To that extent the abatement would be above the present level of abatement.

Let me deal first with this question of abatement. This additional abatement has already been provided—you will recall it was Bill C-91, passed by this house and given royal assent in June of this year—by an amendment to section 33 of the Income Tax Act. The former rates of abatement for 1965 and 1966,

under the Income Tax Act as it stood before the amendments in June of this year, were 19 per cent abatement in individual income tax for the year 1965, and 20 per cent for 1966. Under the amendments to the Income Tax Act we increased the 1965 abatement rate by 2 per cent to 21 per cent, and the 1966 rate from 20 to 24 per cent. This represents a deduction which an individual resident in a province on the last day of the taxation year may make from tax otherwise payable by him on the basis that his income was earned in the province in which he was residing on that date.

You might ask, why is this abatement provision repeated in this bill, because we have already enacted it into law under the provisions of the Income Tax Act? The reason is, if you will recall, in the income tax amendments which were before us there was a provision in the original draft and, I think, as it was first introduced in the Commons, dealing with the additional abatement which was being provided for the Province of Quebec in lieu of the payments under the Youth Allowances Act for the years 1965 and 1966. Because of the complications and because of suggestions of doubtful constitutionality at that time those provisions were eliminated from the income tax bill, and when the bill came to us they were not in it.

Under section 7 of the bill before us, headed "Income tax Act", you will see that the abatement provisions contained in the income tax amendments of this year are repeated. However, there is the additional provision which provides in paragraph (iv) a 21 per cent basic rate,

> ...or in the case of an individual who resided on the last day of the 1965 taxation year in a province that was in that taxation year a province providing schooling allowances within the meaning—

Hon. Mr. McCutcheon: Surely not schooling allowances?

Hon. Mr. Hayden: Yes.

> ...within the meaning of the Youth Allowances Act, 24 per cent of the basic tax, in respect of the 1965 taxation year...

So there is the provision for 21 per cent of the basic tax, and in the case of an individual residing in a province that was providing these schooling allowances at that time, the basic rate is 24 per cent for 1965. Then the same language is repeated in paragraph (v), with the basic rate for the year 1966, in those circumstances, of 27 per cent.

The only thing I want to add is that in the bill the principle applicable to this extra allowance of abatement for a province which has its own youth allowances plan in operation for children in the age group 16 and 17 is that a 3 per cent abatement of individual tax otherwise payable is allowed to the individuals residing in that province—

Hon. Mr. McCutcheon: Three percentage points.

Hon. Mr. Hayden: Yes, three percentage points—increasing in 1965 the rate of abatement from 21 to 24 per cent, and in 1966 from 24 to 27 per cent. The method to be applied in the administration of this is that the 3 per cent will be allowed to each individual filing, that is, an extra 3 per cent in each case. If the amount of abatement that is so provided is in excess of what is expended in the particular province that has its own youth allowances plan, then there is provision for rebate. If the plan as operating in that province exceeds in cost this extra 3 per cent, then the federal authority will provide up to the maximum of the plan, that is, $10 per month for every child in that age group attending school. If that $10 per month per child in that age group exceeds the 3 per cent, there will be an additional contribution up to the amount that $10 multiplied by the school population in that age group in that particular province will produce. That is applying strictly the principle to be applied in every other province. That is the basis on which the federal authority pays $10 per month per child in that school age group of 16 and 17.

Hon. Mr. Brooks: But they must be attending school?

Hon. Mr. Hayden: Yes. Now I should like to deal with the increase in the share of estate tax. This bill proposes an increase of 25 per cent in the rate of abatement. You know that for some years now the rate of abatement by the federal authority in relation to estate tax leviable upon estates has been 50 per cent. That will be increased under this bill by another 25 per cent, to a total of 75 per cent abatement. But as an abatement it is not uniform in that it differs in its application in different provinces. There are three provinces which have succession duty acts. When the 50 per cent abatement came into force the provinces of Ontario and Quebec did not increase their rates so as to take the extra 50 per cent. So that what the federal authority does when a return is filed for estate tax purposes is to calculate the full estate tax at 100 per cent of the tax and then there is a 50 per cent reduction as a credit.

British Columbia has increased its own rates by the amount of the 75 per cent abatement, so that the 25 per cent increase in the abatement of estate tax requires no "pay-out" by the federal authority. In other words, only

25 per cent of the tax is collected on estates in British Columbia by the federal authority, and that province collects its own 75 per cent. In Ontario and Quebec, so far as this extra 25 per cent is concerned, these provinces have asked that the matter be let stand for the time being, and that the federal authority retain for the provinces the extra 25 per cent. Both of these provinces have tax commissions studying the question, and until these commissions have reported and consideration has been given to what kind of legislation the provinces wish to introduce, they want the matter to stand as it is. In the meantime the 25 per cent represents an actual cost to the federal authority which it pays to Ontario and Quebec, but the 50 per cent is an abatement which involves the payment of no money.

The other provinces which do not have succession duty acts have the federal authority collect the 100 per cent of the estate tax in relation to estates in those provinces. It then remits 75 per cent—it was originally 50 per cent—to the province.

I have been trying to make a distinction which will become important later. The difference between abatement of tax and the payment of money as a cost or as a contribution to the provinces is important, because the proposition I want to put to you is that where the federal authority abates there is no money paid to the province. It simply abates an amount of the tax otherwise payable by the individual, and then it is open to the province to impose a tax up to or in excess of the amount of that abatement. In two of the provinces of Canada at the present time you have rates of individual income tax greater than the federal rate of abatement.

Hon. Mr. Hugessen: Succession duties?

Hon. Mr. Hayden: I am talking about income tax now. In two of the provinces of Canada—Manitoba and Saskatchewan—you have a rate of abatement for individual income tax, on a percentage basis, in excess of the abatement that is provided under the Income Tax Act.

My purpose in pointing this out at this time is to draw attention to the fact that you cannot look upon the abatement of tax as involving the federal authority in having to find or raise money to pay to the provinces the amount of the abatement. Therefore, it becomes necessary for the provincial authority to impose tax if it wishes to get such income tax revenue from individuals. This is going along the line I have counselled and advocated many times in this chamber, that the spending authority should be the taxing authority.

There is one additional proposition that I wish to make, and I know of no better time for doing it than now. It is that I think this matter of abatement should be done away with, and the federal rates of tax should be reduced accordingly so that you would have a realistic federal rate. It would then be up to the provinces to impose, in the case of individual income tax or, as a matter of fact, in the case of corporate income tax, its rate to meet its needs. The taxing authorities in the provinces would not then have the federal authority running interference so as to disguise the full impact of the taxation its residents are paying and the identity of its authors.

When you file a federal income tax return your tax is calculated at the higher rate, and on the form there is provision for, say in 1965, a 21 per cent abatement; so you get a lower figure of tax payable. Then you go down to the next line and you see that you have to add back at least that amount for provincial income tax. What I say is that the proper, realistic and most effective way, so that the taxpaying public in the provinces know exactly what they are being assessed and who is assessing them, is to have the federal rate a realistic effective rate representing the amount of money that the federal authority levies and keeps, and the provincial authorities should do their own taxing. I think that would have a very salutary effect, and would be somewhat of a check rein on every expenditure, or on expenditures beyond what the particular province can really afford at the time.

Hon. Mr. Crerar: When the federal Government gives an abatement on a tax it relinquishes the right to collect that amount in favour of the province. Am I correct in that?

Hon. Mr. Hayden: The rate of abatement is provided for in the taxing statute. Suppose you have an income of $1,000, and under the statute the rate is 14 per cent. The rate of abatement is a calculation which reduces the amount you owe the federal Government by 21 per cent and, therefore, if you stop there all you would have to pay the federal Government would be its rate of tax on your taxable income, with the percentage of abatement reflected, and you would pay the net amount resulting from that calculation.

Hon. Mr. McCutcheon: In fact, you pay it to the federal collector.

Hon. Mr. Hayden: In fact, that is such common knowledge I thought I would not take up the time to tell you about it. However, as my honourable friend has interjected, I will say that of course the federal agency is the collecting agency for the provinces, but that is a matter of convenience for the provinces, and I think the economics might be very sound too.

Hon. Mr. McCutcheon: I am not quarrelling with it, but I think what has confused the general public is that they make out their cheques to the Receiver General of Canada.

Hon. Mr. Hayden: I am not sure that that in itself confuses the public inasmuch as they pay their taxes calculated on the going federal rate, and then the arithmetic is done further down. If that is a source of confusion, then you have to weigh the two evils. You have to weigh the possible confusion that results, with the significant saving in administrative costs. The saving in administrative costs by having one collection agency is very substantial.

May I then tell you about the change in equalization? Let me illustrate it in this way: In 1956 when the tax-sharing arrangements act came into force a formula was worked out for equalization. The per capita income from standard taxes in a province was equalized to the average of the per capita income from standard taxes of the two top earning provinces in Canada. In 1961 when the revisions in the act took place, we were coming into another five-year period—these arrangements seem to run for five years—and several changes were made in the formula for this equalization. One change was that instead of having the per capita income from standard taxes of a province equal to such per capita from the two top earning provinces, the per capita income from standard taxes of a province was to equal the national average of income from standard taxes of all provinces instead of the average of the two top earning provinces.

There were actually three changes made in 1961. The second was that for the first time there was brought into this calculation what is called the natural resources revenue. In the 1961 formula it was provided that, when attempting to arrive at the difference between the per capita standard tax income of a province in relation to the national average, you must add to these standard taxes of the province the amount of one-half of the average of the natural resources revenue of that province over the three preceding fiscal years. You then got your per capita on that basis by dividing by the population. Then, to get your national average you took the income from standard taxes of all provinces in Canada and you added to that an amount equal to one-half of the three preceding fiscal years of the natural resources income of all Canada, and divided by the population.

One thing I have to add there is that instead of taking the total natural resources revenue of the province and the total natural resources revenue of all Canada, you take one-half the total, but you add it to both sides of the calculation—to the figure of income from standard taxes for the province and to such figure for all Canada. The problem then in determining the equalization payment was that it had to be such an amount as would cover the difference between the per capita on a national average basis and the per capita of the particular province. That amount of excess was the equalization payment which was made to the different provinces.

Now, there are three provinces in Canada which have not benefited from equalization. They are British Columbia, Alberta and Ontario. There has been some question raised as to why the gross figure of natural resources revenue is used in the calculation, because there are costs. In answer to that I point out that the figure you use is one-half the natural resources revenue, and by taking only one-half it was felt that there is compensation for all these other factors of offsets.

That was the picture in 1961. Under this bill there is a change in that aspect. The change is, that in attempting to arrive at the per capita of the standard taxes income in a province you take that amount—that is, the whole amount of income from standard taxes for a province—and subtract from such income one-half of the natural resources revenue of that province on an average basis calculated over the three previous fiscal years. That is the only place where natural resources income comes into the formula under this bill.

In other words, in 1961 the natural resources income of all the provinces—as an average—calculated over the three fiscal years preceding the fiscal year you are dealing with came into the calculation on both sides. It was a plus. But, under this bill it comes in on one side only as a deduction from what would otherwise be the income from the standard taxes attributable to that province.

Maybe I should say what standard taxes are. Standard taxes are defined as including individual income tax, corporation income tax and estate tax. When I am talking about standard taxes I mean those three items of tax, and the abatement that goes to the province on those.

Hon. Mr. Paterson: What is a natural resources tax?

Hon. Mr. Hayden: It is not a natural resources tax; it is natural resources revenue, and it is so described. That is the revenue which a province has from the operation or sale, or whatever it does with its natural resources. I have not examined it myself to check it, but I am told that the provinces, in their balance sheets or statements, describe whatever they receive from their dealing,

in whatever fashion it may be, with the natural resources of the province; they describe it as natural resources revenue. We are talking about the revenue; we are not talking about a natural resources tax.

I should point out now that the effect in this bill of changing the basis of equalization and comparing the per capita revenue of a province from standard taxes with the per capita income from standard taxes of the two top provinces, instead of with the national average, is to increase the equalization payments on a per capita basis to those provinces very substantially. For instance, in 1964-65 at the present rates of standard taxes, the estimated national average is $42.61 per capita. That is the figure which is used under the 1961 arrangement and is still being used until this bill becomes law; and what the province gets is the difference between that and its own per capita in its own province. But by the change in this bill, where you go to the average of the two top provinces instead of the national average—the two top provinces being Ontario and British Columbia—the estimate there for 1964-65, at the present rates of standard taxes, should yield $54.92 per capita. On that basis, by changing this method of calculation and reverting to the 1956 method, we are providing, for those provinces which earn equalization and become entitled to it, an additional amount which represents the difference between $42.61 and $54.92 per capita, and the dollars are calculated by multiplying the population by this amount of difference.

Hon. Mr. McCutcheon: Would my friend put a dollar figure on that?

Hon. Mr. Hayden: Yes, I think I could. The changes in the equalization—and this is exactly what I have been talking about—for 1964-65 will produce and will require the pay-out of, or will cost the federal treasury, $55,300,000.

Hon. Mr. McCutcheon: That is for the current fiscal year?

Hon. Mr. Hayden: That is for the current fiscal year 1964-65. While I am at it, I might as well give the other item. The additional 25 per cent abatement on estate tax will cost $32,170,000, less $3,920,000, which would be $28 million-odd. Therefore, the pay-out by the federal authority in the current year 1964-65, by reason of this change in the equalization formula and by reason of the 25 per cent increase in the abatement on estate tax, will be of the order of $84 million to $85 million.

Hon. Mr. McCutcheon: Would my honourable friend give me the third figure, which I think completes the picture?

Hon. Mr. Hayden: Which is that?

Hon. Mr. McCutcheon: What is the abatement on income tax, disregarding for the moment the special abatement for youth allowances which under the bill are supposed to be equalized?

Hon. Mr. Hayden: If my friend had noted, I was talking about the year 1964-65.

Hon. Mr. McCutcheon: I know, but I am thinking of those hidden things which are ahead of us.

Hon. Mr. Hayden: I can give my friend the same figures for 1965-66, which would reflect this additional abatement. That is where this full abatement goes on, and that is why I did not give it for this year—it had no application.

Hon. Mr. McCutcheon: It has some application in the future.

Hon. Mr. Hayden: That is for my friend to talk about. When he develops his argument, I will see what it means. In 1965-66 the same two changes that I discussed in relation to 1964-65—that is, the changes by reason of the change in the equalization and by reason of the additional 25 per cent abatement of estate tax—will require a pay-out by the federal authority, or an additional cost, of about $102 million.

Now, the rate of abatement—the increase in that for 1965—will lessen the amount of income tax collected by the federal authority to the extent of about $64,500,000. You will notice my distinction between what is a pay-out or a cost, and what is a lessening of the income to be received by the federal authority.

Hon. Mr. McCutcheon: At the bottom of the page, though, it all works out the same way.

Hon. Mr. Hayden: My friend can develop that. I do not know which page he is looking at, or which page he is talking about.

Hon. Mr. McCutcheon: Could you give me the figures for 1966-67?

Hon. Mr. Hayden: Yes. The changes in the first two brackets—that is, on equalization and on the 25 per cent estates tax—will result in a pay-out or cost of about $121 million. The abatement—that is, the additional four points for 1966-67—will result in a lower income tax collection by the federal authority in that year of approximately $139 million.

It might be advisable if this table to which I am referring were either appended to *Hansard* or attached to the remarks which I have made on it. If there is leave from the Senate, I would ask that this be done.

Some Hon. Senators: Agreed.

(*The table follows*)

ESTIMATED COST TO FEDERAL GOVERNMENT OF PROPOSED CHANGE IN EQUALIZATION FORMULA AND INCREASED TAX ABATEMENTS FOR THE THREE FISCAL YEARS 1964-65 TO 1966-67

(thousands of dollars)

	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Total
I *1964-65*											
1. November 1963 proposals											
(a) Changes in equalization (18-9-50 formula)	2,928	517	4,297	4,800	34,130	—	5,914	2,723	—	—	55,309
(b) Additional 25% of estate tax	136	36	1,348	506	8,382	14,417	1,278	546	1,601	3,920	32,170
Total, 1964-65	3,064	553	5,645	5,306	42,512	14,417	7,192	3,269	1,601	3,920	87,479
II *1965-66*											
1. November 1963 proposals											
(a) Changes in equalization (19-9-50 formula)	3,499	641	5,186	5,513	45,650	—	7,685	4,669	—	—	72,843
(b) Additional 25% of estate tax	143	37	1,416	531	8,802	15,137	1,342	574	1,681	4,116	33,779
Sub-total	3,642	678	6,602	6,044	54,452	15,137	9,027	5,243	1,681	4,116	106,622
2. April 1964 proposals											
(a) Additional abatement of 2 points in individual income tax equalized to the top 2 provinces*	1,694	372	2,638	2,136	19,170	23,018	3,322	3,220	3,488	5,496	64,554
3. Total, 1965-66	5,336	1,050	9,240	8,180	73,622	38,155	12,349	8,463	5,169	9,612	171,176
III *1966-67*											
1. November 1963 proposals											
(a) Changes in equalization (20-9-50 formula)	4,137	778	6,185	6,324	56,675	—	8,936	7,034	—	—	90,069
(b) Additional 25% of estate tax	151	39	1,486	557	9,242	15,894	1,409	603	1,765	4,322	35,468
Sub-total	4,288	817	7,671	6,881	65,917	15,894	10,345	7,637	1,765	4,322	125,537
2. April 1964 proposals											
(a) Additional abatement of 4 points in individual income tax equalized to the top 2 provinces*	3,656	804	5,696	4,616	41,408	49,720	7,176	6,956	7,536	11,868	139,436
3. Total	7,944	1,621	13,367	11,497	107,325	65,614	17,521	14,593	9,301	16,190	264,973

* Calculated for Alberta and B.C. on assumption that there would be no equalization as a result of the natural resource revenue adjustment.

Hon. Mr. Grosart: Is this the same table which was placed on the record in the other house by the Minister of Finance?

Hon. Mr. Hayden: Yes; but the interpretations are edited by me, applying whatever little intelligence I have to it and drawing attention to those distinctions.

Hon. Mr. Grosart: Would you change the heading, "Estimated cost to Federal Government" and so on?

Hon. Mr. Hayden: Part of the interpretation which I have made here shows the estimated cost to fall into two divisions—I have been calling it estimated cost or pay-out, and then I have been talking about the abatement element, which is a lessening of the receipts on the Government side, which they do not pay out. While "estimated cost to Federal Government" may, in a large general sense, be a reasonable heading, it is not the heading I would have put on it if I were drafting it originally.

Hon. Mr. McCutcheon: In this case I would take the view of the Minister of Finance.

Hon. Mr. Hayden: I have never asked you to take my view on anything yet, and I am not going to start now. I believe my view is an accurate view, a sound view. You have a distinction in cost between what you have to pay out, because you have to find the money for it, and what may not come in, because you do not collect it.

Hon. Mr. O'Leary (Carleton): What does it mean to the average taxpayer? Does he pay more or less?

Hon. Mr. McCutcheon: Who is the average taxpayer?

Hon. Mr. Hayden: I do not want to take any substance from my friend's remarks, because no doubt he intends to speak on these matters when I have finished and I wish to leave them for him. It may be that he will define for Senator O'Leary what is an average taxpayer.

Hon. Mr. O'Leary (Carleton): Do I pay more or less?

Hon. Mr. Hayden: That is a question only the senator can answer, or his auditor. I am talking generally as to what will happen. To the extent that the federal authority has to pay out additional money by reason of the change in the equalization formula and by reason of the additional 25 per cent deduction for estate tax, the Government of Canada will have to find that money. It usually finds it by borrowing, and it usually levies taxes for that purpose. If the rates of tax are increased, then one can more specifically say that this is the reason. If the Government gets along with the present rates and continues with deficits, that simply means postponing the payment of this. Therefore, in answer to the honourable senator's question as to whether he will pay more or less, I cannot answer, because I do not know what the policy is going to be, whether the Government intends to levy taxes specifically to take care of this pay-out. I do not know whether the senator will still be in the same or a lower income tax bracket. I hope it will be a higher one by that time, so that the Government will get more money from him.

My friend preferred the view of the Minister of Finance, and therefore I want to make an additional statement which I would not otherwise have made.

The total pay-out in 1964-65, by reason of the increases provided in this bill, and by reason of the carry-through from previous years of the same 50 per cent deduction and estate tax, is represented by three items. As to equalization in this period of 1964-65, the total pay-out will be $213,237,000. The total pay-out on estate tax at the 25 per cent rate will be $28,250,000. The total pay-out, a continuing one in relation to the 50 per cent which carried over for a considerable period of years, will be $10,901,000. This makes a grand total of $252,388,000 in total pay-out in relation to these items for 1964-65.

If Bill C-111 did not become law, the total amount of pay-out would be, for equalization $157,928,000, and for estate tax at 50 per cent, $10,901,000, or a total of $168,829,000. The difference is about $84 million, which proves the answer I gave to my friend a short time ago from another source of information. So it is a sort of double check.

I have spent some time on estate tax and equalization. I do not know whether I have succeeded in confusing the situation or not. I have talked about the abatement. Before I leave abatement to deal briefly with several other points, I want to stress very clearly the difference between rates of abatement and equalization payments.

Rates of abatement simply make available to the province the opportunity to occupy an area of income taxation with relation to individuals for any rate it likes without increasing the overall tax of the individual, unless the provincial rate exceeds the rate of abatement. The provinces are not bound to impose a provincial tax at the rate of abatement allowed federally. They can impose less or more, but the fixed rate of allowance is what is specified in the Income Tax Act and in this bill. Therefore, there is no limitation on the province in the rate of income tax that it may apply. However, there is a limitation on the allowance that the individual taxpayer will get in

the year on his individual income tax otherwise payable.

The only comment I wish to make on these changes which lead to the provision of more money is that I think there is an increasing interdependence between provincial operations and federal operations, and that the condition of the people, the state of the finances in a province, and the development of the provinces, are factors that may adversely or beneficially affect the national image of Canada and its prosperity; therefore, in an increasing way, the Canadian authority is going to have either to make available to the provinces opportunities in taxation fields or make payments. I favour the method which would require the provinces, within the limits of their capacity to tax, to impose their own taxes. However, I also say that we have provinces in Canada, even if they impose taxation, that could not hope to realize from the taxation sources that are available in the province an amount that would put them on the same basis that the equalization payments would do; therefore, for those provinces there will have to be some sort of supplementary contributions to establish what I believe should be a proper level of income for them.

Canada is a Confederation, and surely to have a Confederation does not mean that the rich provinces are to become richer and the poor ones become poorer. In the long run, that would affect the national image. It is of no use to fool ourselves about that. At some stage or other, the federal authority or other provinces will have to combine to help those that are not so well off. Otherwise, it would mean migration to the provinces with more wealth or means. We cannot dodge the question. Eventually the situation must be faced, that while Confederation subsists there must be found some method by which the various units representing the provinces in Canada are treated on at least a per capita basis of equality in the availability of income to provide the services needed, because failure to do so and to enable them to meet their requirements under the Constitution would provoke worse problems than finding money.

Do not take that to mean, honourable senators, that I am subscribing to the method which so far has been followed from 1956 to 1961, with variations now proposed, with the object of finding more money, as being the solution of these problems or that now we have finally found the answer. Frankly, I do not agree that what we have now is the best answer. In fact, I do not know at the moment what the best answer is. I have suggested one change, but we are going to have to keep on experimenting, working with various methods, to see where the answer lies. If the duty of a province is simply to levy such taxes as it needs to provide services which it must furnish to its people under the Constitution, and to pay such taxes as the federal authority imposes in the national interest, and its duty stops there, and it has no duty to make contributions greater than an interest in maintaining a reasonable equality in the conditions under which the people in the various provinces live, then I am sorry that I cannot subscribe to that philosophy, because I believe too much in the entity called Canada. I recognize the diversities that exist, but I would rather have them than uniformity in the various provinces and their people. I welcome the individuality of the provinces, and would rather have that than isolation and uniformity.

If we are going to have and to maintain this kind of philosophy of Canada—and notwithstanding all the criticism, we have done pretty well over the years—there will have to be something more than for the wealthier provinces to say, "We are going to pay our own way provincially and federally, and the other provinces can look after themselves." The provinces are too much interdependent for any province to take that kind of stand. The national image of Canada is more important and far greater than the sum total of the ten provinces, and that is something essential we must preserve.

Having said that, that does not mean that when the provinces say they need more money, we must simply find some way of getting it and giving it to them. There must be a regulator somewhere. Where to find it, I do not know. However, I have a suggestion to offer. I think within limits, the regulator must be a strong federal authority, and that regulator would exercise some discernment in relation to the proposed provincial expenditures to be put forward as a basis for getting more money or having more income available to the provinces.

There must be a regulator, and it would seem that a strong, central federal authority must be that regulator; because somewhere we must find a method of limitation, so that if provincial governments propose greater expenditures, it should not mean that the federal authority must accept that and provide the money.

There must be some correlation. Where that is at the moment I do not know, other than to say that somewhere within the federal authority correlation should exist so that you know that demands upon the provinces which they say are beyond their capacity to meet concern services that are essential and that

are needed in order to give the standard of living to the people in those provinces that they should have in Canada, so that there may not be vast distinctions among the different provinces.

Hon. Mr. Brooks: You are recommending the same policy for every province, from a strong central government?

Hon. Mr. Hayden: Yes. Well, let me say this: I am saying that a strong central government must examine the demands which are made by the provinces. In a bracket I am saying to you that I am not discussing now the question of contracting out. That is not in this bill. I expect that in due course we might have a bill of that kind to deal with. So, in what I am talking about I am dealing exactly with what the tax-sharing agreements are intended to provide. They are intended to recognize provincial needs, to make available within the limits of the federal capacity to do so, income to meet those needs. But I say there should be some exercise of authority on the analysis and determination of the needs. Do those needs go beyond what it is fair and reasonable that a central government should provide, having regard to the needs and demands of all the provinces? If my friend is asking me, do I say you should—

Hon. Mr. Brooks: You are advancing a general principle.

Hon. Mr. Hayden: —you should operate like a sausage machine and keep turning out payments and say, "This much is for you, on the basis of population; and this much is for you," I am not advocating such a sausage-machine technique.

Hon. Mr. O'Leary (Carleton): Do you say you are supporting co-operative federalism?

Hon. Mr. Hayden: When I was thinking about this bill and what I would say I felt that some time or other the phrase "co-operative federalism" would be thrown at me. Well, here it is.

Hon. Mr. Flynn: What is the prepared answer?

Hon. Mr. Hayden: The prepared answer is: "What is co-operative federalism?"

Hon. Mr. Lambert: Hear, hear.

Hon. Mr. Hayden: I do not think it is any part of my function today in explaining this bill to give you any definition of "co-operative federalism." To the extent I have suggested that you are not going to accomplish the success you want in maintaining, developing and increasing the relationship of Canada as an entity, and the national image of Confederation as we picture it with the preservation of the individuality and diversity of the provinces, unless you have co-operation among all the parts—if "co-operative federalism" means that, then there it is, and there is my opinion on it. If it has some other significant political or subtle meaning to which I have not been exposed so far, then I reserve the right, when I hear what the extensions of that phrase are, to express an opinion on it.

There are several other things in this bill with which I think I can deal very briefly. For instance, there are sections 5 and 6—and I have already dealt with section 7. In section 5 you will notice reference is made to the Crown Corporations (Provincial Taxes and Fees) Act. We passed the bill here some time ago setting up that act for the purpose of exposing the crown corporations to certain provincial taxes—gasoline tax and such things as that. The reason for including this in section 5 of the bill is that there had been discussions and agreements in principle on doing this very thing more than two years ago, but it had not been done. The provinces were asking and pressing that when this finally became law it should be made retroactive; but it could not be made rectroactive. So an agreement was reached under which some lump sum payments would be made in relation to the two previous years before this bill passed into law, in lieu of revenues that would have been available to the provinces if this kind of legislation had been passed when the agreement had been reached that it would be enacted. Therefore, it became necessary to include this provision in section 5.

Section 6 deals with youth allowances. I have already dealt with that and explained that the reason you have these provisions is because they are needed to supplement the provisions we have by way of rate of abatement in the Income Tax Act.

The other section of the bill I should direct your attention to is section 2. That section deals with three provinces. You will note it refers to the 1956 act, the Federal-Provincial Tax Sharing Arrangements Act. That act is still in existence, and the reason it is still in existence is that they have not as yet adjusted and settled the payments to which the provinces are entitled by reason of succession duties and succession duty income on estates in the various provinces. They have now agreed in principle that the different years will be settled on whatever the state of the account is four years after the date on which the person becomes an estate. Accordingly, for estates taxes and the deduction of 50 per cent thereof, and also to determine averages that are required, you will find that while the 1956 statute applies for five years, it will be

1967 before the accounts in relation to the estates provisions in the 1956 act will be fully closed out.

There is one question resolved. That is that the three provinces—Saskatchewan, British Columbia and Manitoba—are being given what is called a one-year option. The use of this one-year option for the determination of succession duty rental applicable in these provinces of Saskatchewan, British Columbia and Manitoba is in respect of the years 1957-58 to 1961-62.

The provision which is now incorporated in section 2 implements an undertaking by two previous administrations, but never formalized by statute, it being argued that a province that did not rent received 50 per cent abatement of the estate tax on the one-year basis, therefore those provinces that rented should have such an option. The ordinary basis of calculation of abatement for such provinces as did rent was 50 per cent of a three-year average. This one-year option was extended to British Columbia by a letter from the then Minister of Finance of February 14, 1957, to Saskatchewan by a letter from the Minister of Finance of May 17, 1957 and to Manitoba by a letter from the Minister of Finance dated October 30, 1957. This legislation will mean a faster basis of finalizing the accounts for those years. No other province expressed any interest in the one-year option.

The benefit of the one-year option is this. The standard succession duty applicable to a province under this legislation for a given year was equal to 50 per cent of the three-year average, including the year of calculation and the two preceding years. Depending on various factors, one approach in a particular year might produce more revenue to the province than the other method with the three-year average—I suppose, depending on the number of persons that became estates and depending on the size of the estates. So these three provinces, at their request and by agreement now finalized in this section of the bill, are given this option, if they wish to exercise it when they study the figures for the particular years.

The other item is in section 3 of the bill, entitled, "Newfoundland Grant." This proposed legislation adopts the recommendation of the Royal Commission on Newfoundland Finances, appointed under term 29 of the Terms of Union. At the present time there is a payment of $8 million per annum recommended by the Royal Commission on Newfoundland Finances, authorized to be paid under section 3(3) of the Federal-Provincial Fiscal Arrangements Act until March 31, 1967. What this section proposes is that the terminal date be removed.

Hon. Mr. Brooks: Was that the additional grants section under which Newfoundland was paid $8 million?

Hon. Mr. Hayden: There were additional grants at the time and there is this specific one under Term 29. The amount has not been changed or added to in any way, but the terminal date is being removed.

Hon. Mr. Hollett: Does that mean that the payment goes on indefinitely?

Hon. Mr. McCutcheon: Until a Government puts in a new terminal date.

Hon. Mr. Hayden: Until such legislation is enacted. A Government that does this can do something else. I should say that a Parliament that does this can do something else. But I would think that before Parliament would make any changes there might be further study, and there might be many factors that you can summarize as well as I can.

Hon. Mr. Baird: This is the amendment Newfoundland has been looking for, for a long time.

Hon. Mr. Hayden: Yes. This is tantamount to an assurance of $8 million for an indefinite period.

Hon. Mr. Hollett: It could be increased or decreased under Term 29.

Hon. Mr. Hayden: Once the terminal date is removed, any Parliament in future could make different provisions.

Hon. Mr. Baird: But surely it is not intended for that purpose.

Hon. Mr. Hayden: I did not gather from my friend's question that he was suggesting there was an ulterior motive in removing the terminal date. I gathered it was being done because Newfoundland was pressing for it, and because it was felt that the greater assurance with no terminal date was better than the limited assurance given by a terminal date.

Hon. Mr. Hollett: Whom were you quoting when you said that somebody had an ulterior motive?

Hon. Mr. Hayden: What I was saying was that you did not have an ulterior motive. I took your question at its face value.

Hon. Mr. Hollett: I did not have an ulterior motive. Thank you.

Hon. Mr. Roebuck: Was there ever a terminal date? Did not the agreement provide that it should be reconsidered in 1967?

Hon. Mr. Hayden: There is a terminal date for the payments. The authority to make payments is only to March 31, 1967.

Hon. Mr. Roebuck: The authority may only extend to that date, but the agreement says it should be reconsidered at that time.

Hon. Mr. Hayden: I do not know that there is any difference between my friend and myself. What I am saying is that there is authority to pay $8 million a year which will terminate on March 31, 1967. Now that terminal date is removed by this legislation. That is all I am saying. I am not saying what the effect is or what the effect of other provisions may be, but I assume the parties could come together and reach agreement.

Hon. Mr. Hollett: The royal commission stated there should be $8 million per year paid until March 1967, and thereafter—I think they really meant "hereafter"—they were going to continue paying $8 million.

Hon. Mr. Hayden: "Hereafter" has many connotations, and some of those connotations, I would say, are most indefinite. I would favour the idea of striking out the terminal date if we want to have some assurance of continuity. But then of course somebody would have to take action to establish a different basis if there is to be a different basis. In the meantime it goes on without the limitation of time.

Hon. Mr. Lambert: May I ask my friend if he would care to envisage the possibility of its continuation from 1967 on, or what modification might occur upwards or downwards?

Hon. Mr. Hayden: In the presence of excellent representatives from the Province of Newfoundland who would have a much closer knowledge of conditions in that province than I have, because theirs is a close-range view while mine is a long-range view, and accepting the recommendations of the royal commission on the $8 million, and knowing how uncertain some things are that must find their authority in Parliament, and how sometimes you should not count on them until they happen, I would not venture any guess at all—not even a guess as to what might happen in 1967.

Hon. Mr. Brooks: You laid a good foundation for that speech.

Hon. Mr. Hayden: I think I have covered in more detail than I had intended the pertinent provisions of the bill. I have tried to deal with the subject of the bill, that is the fiscal arrangements, very briefly, but because I did not take much time in dealing with the subject matter I hope you will accept my statement, my feelings, my views and philosophy in this matter, that I doubt if there is any subject in the make-up of Canadian Confederation and the relationship of the provinces to the federal authority, which could be higher on the list than this one, because everything in Canada and even the very future of Canada itself depends on the success of combined provincial and federal operations.

In my view one essential for that is that there must be a strong central authority which will recognize the limitations on its purse, and the necessity of serving national purposes which are over and above and beyond the scope of the provinces. It takes money to do that. I include this additional factor that we should not, in making the payments, permit such a continual drain upon federal income and finances and on taxation to produce that income that the deficits, in this era of deficits in which we are operating, will be increased by reason of the contribution we find it necessary to make. Sooner or later the era of deficits must be terminated and we must enter an era where we are able to finance much more substantially than we are doing now the requirements of Canada. We must be able to do it out of the revenues we collect without imposing any heavier burden on the people, and I would hope perhaps we would be able to do it with a lighter burden. That depends upon so many factors that I would not wish to be taken as being dogmatic. We cannot go on as we have been. We have been piling up deficits, a substantial part of them being made up of our pay-outs to the provinces and an abatement of our sources of income so that the provinces may supplement theirs.

At some stage the federal authority has to stop being a happy hunting ground for revenues, and there must be some reasonable relationship between needs, available revenues, and the capacity of the federal authority, having regard to the national demands upon its treasury.

Hon. Jacques Flynn: Honourable senators, I recall that at one time somebody used the expression "fiscal jungle" to describe the situation that prevailed before the last war in the domain of taxation in Canada. I wonder what expression we should use to describe the present situation.

I think the sponsor of the bill is the only one who could conduct us through the inextricable labyrinth that constitutes the field of fiscal relations between the federal authority and the provinces today. Also, I think he deserves a word of commendation for the excellent job he has done. However, if he has shone some rays of light through this jungle, there are still many corners that are completely obscure.

I can understand that in an hour or so no professor could give a complete lecture on this subject, and I am quite sure that no pupil could learn everything in the same time. The

only point that is abundantly clear is that this is a very complex subject. I remember when I was studying the Bankruptcy Act during my law course my professor said, "The more often you read some sections of this act the less you are apt to understand their meaning." This, I think, is applicable to the sections of the bill before us, and probably to the sections of many of our other taxing laws. Because it is so complex I trust I may be allowed, in the hope of making my remarks a little clearer on the record, to continue them in French.

(Translation):

The field of fiscal relations between Ottawa and the provinces rests on the British North America Act which, under section 91, gives the federal Government, the federal Parliament, the right to collect money through any method or system of taxation, and the provincial legislatures, the right to direct taxation within the limits of the province in order to raise revenues for provincial purposes.

Those provisions with which we have been experimenting for nearly 100 years have gone through four periods. The first, which was free of conflict and lasted until the First World War, shows that the federal Government abstained from levying direct taxes; it was satisfied with getting its revenue from indirect taxes, and during that same period, the provinces balanced their budgets almost exclusively with revenue from their natural resources. Indeed, it was only at the end of the 19th century, that is around 1898 or so, that the provinces started levying one of the major taxes which Senator Hayden called standard taxes, namely estate taxes. But until the war, that was the only major tax levied by the provinces. Income tax was still unknown.

I will set the other period in 1914, instead of 1917, when the federal Government levied a personal income tax while apologizing for doing so. It must be remembered that at that time if it was not an interpretation of sections 91 (3) and 92 (2) which I mentioned a little earlier; it was at least a kind of tacit agreement that the federal Government would not enter the field of direct taxation. In any case, that personal income tax, which was called wartime tax, became a permanent tax. Of course it is today one of the main sources of revenue for the federal Government as well as the provinces.

The third period is that which we knew during the last war. The tremendous effort the country had to make at that time justified the step taken by the central government in taking over the whole field of direct taxation, of the main taxes; the personal income tax, the corporate income tax and the succession duties. At that time, the federal Government, because of the war, wanted the provinces to withdraw definitely from this field of the three major taxes and it is then that the tax rental agreements took place. Those agreements were continued after the war, and that is why I am right in suggesting that after 1945 the Government wanted to force the provinces to fully withdraw from the field of the three major taxes.

It so happened, and it was the beginning of the fourth period which is still with us today, that the Province of Quebec, in particular, followed by Ontario and subsequently by other provinces, opposed that firm policy of the federal Government to get the provinces to withdraw from these three major fields in return for compensatory payments. We have witnessed during this fourth period a partial retreat of the federal government and the establishment of a coexistence system between federal and provincial taxations in the field of personal income tax, corporate income tax and estate duties. However, at the same time while the federal Government was granting subsidies to provinces and was taking away from the provincial governments the responsibility of assessing and collecting taxes, it happened, as Senator Hayden mentioned a while ago, that each time the provinces needed additional income they appealed to Ottawa.

I have already mentioned on a previous occasion that the 1961 act was nevertheless a landmark by handing over their responsibilities to legislatures in fiscal matters with regard to the three main taxes, because that act put an end to rental agreements. It allowed the abatement of the federal tax in favour of the provincial tax. But it also enabled the provinces to set the rate of the provincial tax.

Therefore, we are in the midst of that period. Yet, for reasons that are not always very consistent, the provinces still tried to make both ends meet by means of adjustments or grants obtained from the central government. As I said earlier, these last few years federal-provincial conferences have been typical in that threats and ultimatums were made along these lines: "If you do not settle our fiscal problems, if you compel us to

levy an additional tax and to increase the rate of the existing tax, well, the war is on." That was the attitude taken in particular by the Quebec government. That province precisely tried to get out of solving its own budgetary problems.

At any rate, that is what led to the confusion we have at this time. Under the present system, a series of minor adjustments have to be made to the fiscal legislation to solve a number of individual cases. That is what created this fiscal jungle and this intricate labyrinth I mentioned a while ago. If a solution is to be found eventually, certain terms will first have to be redefined. In the public mind and even here and at the other place, there is an extraordinary confusion concerning the meaning of certain words and expressions used currently in the field of taxation. On a previous occasion, I spoke of the obscure meaning of the words "double taxation."

I feel it is inevitable that the federal Government and the provinces should both derive some revenue from personal and corporation income taxes. I believe that both should have a share in those sources of revenue, which are the major sources, those that reflect most clearly the general prosperity. Of course, one may use the expression "double taxation" to indicate that two governments are taxing the same thing. But those words ought not to be used to indicate that, in a certain province, such a tax is higher than in another. That already exists in the Province of Quebec where, in some cases, the provincial personal income tax exceeds the abatement allowed on the federal tax. That is why that province already had "double taxation." It is the case in other fields, such as, for example, the estate taxes. The inequity of some taxes is obvious between certain provinces in Canada. Some of them even refuse to impose some taxes, while others levy them. For instance, the rate of taxes on retail sales varies between Quebec and Ontario, and other places, and in some provinces this tax is totally nonexistent.

These words "double taxation" must be qualified and determined more precisely, and should not, in my opinion, be used only as veiled threats when negotiations are being carried out between the central government and the provinces.

Another expression which suggests much vagueness is the one concerning the sharing of taxation fields. It seems clear to me that the B.N.A. Act gave the central Parliament a right to levy direct taxation and also indirect taxation, and to the provinces only a right to levy direct taxation for the purposes of balancing their budgets. It was suggested that the provinces had a priority in the field of direct taxation. I do not think so. The personal income tax and the corporation tax, in particular, were unknown at the time of Confederation and those major taxation fields cannot, as I said, belong exclusively to one level of government. The presence of both governments in this field must be accepted. But that does not mean that it is not advisable to take into consideration that problem of the sharing of taxation sources, and to allocate definitely and exclusively to the provinces certain very definite sources of income and to the federal Government other incomes also very definite. That sharing formula contained in the B.N.A. Act dates from a time when our present taxation could hardly be foreseen. An extraordinary development has taken place since then. But the sharing of sources must not be confused with the sharing of the proceeds of all sources. Now this also happens frequently in the discussions that are taking place here or in the other place or in provincial legislatures. The tax dollar is not something static; indeed any tax can have its ups and downs. We seem to think that the major problem consists in dividing this tax dollar by giving a percentage to the central government and another percentage to the provincial governments. This is, I think, another cause of confusion which should be dispelled.

Another point on which I feel some light should be thrown has to do with the responsibility for determining the rate of a given tax. At the present time, for all practical purposes, the personal and corporation income tax rates seem to be set only by the federal Parliament. The provinces, though free to decide upon a rate of their own choosing, seem to take for granted that such a rate can only be determined by the federal Government.

Now, I submit that Senator Hayden's suggestion in that connection would be a fine first step towards clarifying the situation. When those agreements expire in 1966, the rate of the federal tax should be adjusted to its true level. Then, each government could solve its problems by itself and deter-

mine on its own the rate of its taxes. Under the present arrangement, if the federal Government had to increase its personal income tax rates, it would have to do so for the benefit of the provinces even if the latter did not need to raise theirs. It is the same thing in the case of a tax cut. The reductions the federal Government has been able to grant in its tax rates were for the benefit of the provinces. In other words, the federal Government has never been able to take credit for tax reductions. Therefore, I agree completely with Senator Hayden. I intended to express such views and that is why I was so happy when I heard him do so a few minutes ago.

Now, there remains another area about which I want to say a word and that is equalization. I have already indicated that I do not see how, in the immediate future, it would be possible to abolish this system tending to equalize the income to enable provinces with lesser means to provide minimum services to their people. I believe in the interdependence of provinces. The richest provinces should help those who are less prosperous; this is essential to the survival of Canada. I should like, however, that this question of equalization would not include only the matter of services. It happens too often that the federal Government competes with the provinces. I shall simply mention the student loans legislation passed ten days ago, which is a typical case where the federal Government competes with the provinces in a field where they had already taken the lead. Instead of taking such an initiative, the federal Government should have convened the provinces and considered with them an equalization formula or an adjustment of the existing formula, so that the provinces might provide approximately the same service in this field to their own people. That method should have been followed earlier instead of setting up an assistance scheme for students which once again comes into conflict with one that exists in nine provinces out of ten, because it has been established, I think, that Newfoundland is the only province which has no students' loan plan.

That is why I say that the intricacies of fiscal relations between the central government and the provincial governments are linked to the problem of the apportionment of responsibilities between the two levels of government; therefore, it becomes more and more necessary to define and redefine the division of powers and responsibilities. If we are unable to decide what comes under the jurisdiction of the provinces, on the one hand, and of the federal Government, on the other, fiscal relations between the federal Government and the provinces will never improve and we will remain lost in the jungle which Senator Hayden described earlier.

Senator Hayden told us that he believes in a strong central government. I am not sure that this is the right answer. After the war, we had, under the tax agreements system a strong government which was able to take action alone. The provinces could not face their obligations in their own field, and that is why the central government gave grants to the universities, for instance, thus entering a field which was under exclusive provincial jurisdiction.

I, therefore, think that clear definitions of the responsibilities of governments must be looked for. In any case, the federal Government should recognize that its first responsibility is to mind its own business. Of course, it must come to the aid of provinces when they have responsibilities without having the income to meet them. That is the principle of equalization, but let the federal Government refrain from entering directly into fields which do not concern it.

As far as the letter of the British North America Act is concerned, if certain provincial responsibilities are to be transferred to the federal Government, negotiations should be undertaken previous to such a transfer. But amendments to the Constitution should not be made indirectly as, I think, has been done in recent years.

In any event, honourable senators, such are the few remarks that I felt I had to make as regards this bill. I recognize that the subject is a vast and complex one, that it would perhaps have called for a better prepared speech on my part, but I hope, nevertheless, that I have succeeded in expressing my main ideas on this matter.

(Text):

Hon. G. Percival Burchill: Honourable senators, I expected some further contributions to the debate today. In the event that this measure might be passed this afternoon, I wish to make a few remarks now.

I congratulate Senator Hayden on his wonderful presentation. I liked his speech today much better than on previous occasions, for I detected at least a softness of heart towards the have-not provinces which require additional revenues.

I also wish to congratulate Senator Flynn. I think he brought out some excellent points from the standpoint of the provinces which need additional revenue, and which evidently have the natural resources from which to realize those revenues.

My brief remarks will be from the standpoint of the have-not provinces, just to remind honourable senators and to emphasize some of the reasons why it is necessary to have these equalization grants.

We realize, of course, that the equalization grants or payments represent an attempt to equalize the level and quality of provincial government services throughout the nation. It is a recognition of the principle that all Canadians, regardless of geography, should have access to similar levels of educational, social, health and other services. To achieve this objective, the income of the people who reside in the various provinces must be taken into consideration.

The average income per capita of the people of the Atlantic provinces is less than two-thirds of that of the nation, and in recent years has been growing at about one-half of the national rate. Consequently, if a provincial government is to maintain these services on the national level, the incidence of taxation in any field must be heavier than in a province where the average per capita income is at, or above, the national level.

In addition to that, an equitable distribution of national revenue is justified. The fact is that many of our national commercial enterprises—our large corporations, such as banks—pay income tax in the province where the head office happens to be, which in the majority of cases is in the large centres of Toronto and Montreal, while their income is earned from every province of Canada.

I would remind honourable senators that the people of the Atlantic provinces provide a most important market for the goods produced in industrial Quebec and Ontario. Much of the family budget is spent on goods which come from those provinces, and while we do not share in their industrial prosperity and the employment opportunities which these industries offer, we make a very sizable contribution to the cost of keeping these industries profitable, through tariff protection.

May I mention just one class of many items of which the Atlantic provinces are large purchasers, namely, automobiles, tractors and motors. Only recently I happened to admire a beautiful car of standard make, parked along with some others at one of the golf clubs in our province. I discovered that the car was American built, and learned from the owner, who happened to come along, that he had purchased it in Boston. Another car of the same make was standing nearby. A comparison of the prices paid for the two cars, one American and the other Canadian, revealed the fact that the American car had cost $3,400, while the Canadian purchaser informed me that his car cost him $4,700.

There may be some reasons for such a wide difference in price; but the fact is that on the 46,000 automobiles which are purchased each year by citizens of the Atlantic provinces, the duty and tax amounts to a large sum of money on that one item alone. Of course I could mention many other similar items.

This is just one reason why we of the Maritime provinces, Senator O'Leary, are magnificent examples of "co-operative federalism," for we do co-operate, and we have learned the cost of being good Canadians. In other words, we are paying a good price for the privilege of being Canadian citizens. We do not object to that at all, but we want to remind you that it is a costly business. We have also discovered since Confederation that water will not run up hill.

Hon. Mr. Connolly (Ottawa West): Even in New Brunswick?

Hon. Mr. Leonard: What about the Reversing Falls?

Hon. Mr. Burchill: Since Confederation trade with industrial Canada has been a one-way street. Everything comes from the industrial provinces down to the Maritime provinces; very little goes the other way.

I think these things should be emphasized when we are discussing the value and importance of equalization payments. I agree with the previous speakers who said that perhaps this legislation is among the most important that has come before Parliament. I think it has a far-reaching effect on the future history of this country, and the Senate

might very well employ its best brains in working out a solution of the "fiscal jungle," as it was described this afternoon, to establish some formula to make a firm foundation for a united Canada in the future.

One hears much these days about separatism —I hope we will hear less about it in the future—not only in the east but also in the west. The chairman of the National Centennial Commission, speaking last year before a meeting in Montreal, with reference to the question of separatism in Quebec asked, "What about our problem in British Columbia?" Dr. N. A. M. MacKenzie, the retired President of the University of British Columbia said, "What about our problem of separatism in British Columbia?" There the trade goes both north and south.

I think this is a very important subject for legislation, and that the Senate would do well in the future to give it very serious consideration; I believe we could make a great contribution towards the solution of this problem.

As each new generation of Canadians appears, the ties which bound their forefathers to the rocks from which they sprang are not as strong, and new Canadians who have come from other European races have still further diluted those ancient ties. The great wars held us together, but since the last war there have been signs that we are drifting apart, and dangerous signs of building up a Maritime or Atlantic provinces culture, a Quebec culture, an Ontario culture, a prairie culture and a west coast or British Columbia culture. Honourable senators, we are today badly in need of a Canadian culture, and I think this bill represents one very important way in which we can acquire what I consider is a necessary atmosphere of Canadianism first, and provincialism second.

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

BUSINESS OF THE SENATE

On the motion to adjourn:

Hon. Mr. Farris: May I ask my honourable friend, Senator Hayden, if the Banking and Commerce Committee is meeting tomorrow?

Hon. Mr. Hayden: No, it is not.

Hon. John J. Connolly: Honourable senators, I move, with leave, that when the Senate adjourns this afternoon it do stand adjourned until tomorrow morning at 11 o'clock.

Motion agreed to.

The Senate adjourned until tomorrow at 11 a.m.

THE SENATE

Thursday, August 13, 1964

The Senate met at 11 a.m., the Speaker in the Chair.

Prayers.

FEDERAL-PROVINCIAL FISCAL REVISION BILL, 1964

SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Hayden for the second reading of Bill C-111, to provide for the revision of certain fiscal arrangements with the provinces and to provide adjustments of fiscal arrangements and taxation provisions consequential upon the provision of youth allowances to parents resident in certain provinces.

Hon. M. Wallace McCutcheon: Honourable senators, first I would like to join those who have spoken in this debate in congratulating honourable Senator Hayden for the painstaking and lucid way in which he has gone through what is not an uncomplicated matter. Without wishing to draw any invidious distinctions between my honourable friends opposite, when Senator Hayden or Senator Leonard deal with a financial bill, particularly with one as complicated as this, they remind me of the wise professor who is attempting, and successfully so, to explain and simplify a complicated problem to his class.

Senator Hayden did this to perfection. With what he has said as to the purpose of this bill and with his factual statements, there is little if anything with which I would take issue; nor can I take issue with much of the philosophical statements with which he larded his remarks. He believes in a strong Canada. So do I. He believes Canada is greater than the sum of its parts. So do I. If it were not, then Confederation has failed—and Confederation has not failed, and it will not fail. He believes in the principle of equalization payments. So do I. One may quarrel about the formula, but I think we are all in agreement on the principle.

However, my honourable friend did recognize some dangers which were inherent in what we are doing in this bill. He said, as reported at page 957 of the *Debates of the Senate*:

> Having said that—

He was referring to the principle and the philosophy lying behind equalization payments.

> —that does not mean that when the provinces say they need more money, we must simply find some way of getting it and giving it to them. There must be a regulator somewhere.

I hope I shall not be accused of going out of context; I do not intend to read the whole passage.

> There must be a regulator, and it would seem that a strong, central federal authority must be that regulator; because somewhere we must find a method of limitation, so that if provincial governments propose greater expenditures, it should not mean that the federal authority must accept that and provide the money.

In answer to a question by the Leader of the Opposition, Senator Hayden said, as reported at page 958:

> ...a strong central government must examine the demands which are made by the provinces.

Whether that would be acceptable to some of the provinces remains to be seen, but it does indicate to me that Senator Hayden—and I am sure there are many other honourable senators who would agree—considers that under certain circumstances our "needs," to use that much misused word, may sometimes outrun our resources, and that a time comes when it is necessary to equate our needs to our resources and possibly determine priorities. I shall have something more to say about that later, and I shall have more to say about it on other occasions in this chamber.

I want to turn for a moment or two to the specific provisions of the bill. First, let me deal with the abatement of succession duties or estate taxes. I spoke about this when the bill to amend the Estate Tax Act was before this house, and briefly I am going to recapitulate what I said at that time.

It seems to me that the time has now come—and this would be the first step in what Senator Hayden advocates, namely, that the provinces collect their own revenues, accept their own responsibilities and face their own taxpayers, and not have the federal Government running interference for them, I think he said—it seems to me the time has now come, and long since possibly, when the federal Government should step out of the field of succession duties and estate taxes. I refer again to the statement of the Minister of Finance in his budget speech, when he spoke sympathetically of certain representations that had been made to him for relieving amendments to the Estate Tax Act, and he said that he did not feel it proper to act on

those recommendations because he would be depriving the provinces of more revenue than he was the federal Government. Having reached that ridiculous position for a Minister of Finance I suggest, honourable senators, that, in accordance with the views Senator Hayden expressed at some length yesterday afternoon, the federal Government now withdraw from this field.

Then we come to the change in the basis of equalization. I am not going to attempt to discuss the details of that this morning. Any equalization formula will be open to criticism by some persons or some provinces. I have already said I am in accord with the principle of equalization. Otherwise, I agree with Senator Hayden that Confederation ceases to mean very much. Possibly when the bill is in committee we can obtain some more information as to the reason behind the changes in the formula, and what the effect will be on the various provinces.

Dealing with the income tax changes, Senator Hayden drew a distinction between payment and abatement.

Hon. Mr. Hayden: I called it a pay-out.

Hon. Mr. McCutcheon: Pay-out and abatement. He said as reported on page 952 of *Hansard*:

> The difference between abatement of tax and the payment of money as a cost or as a contribution to the provinces is important, because the proposition I want to put to you is that where the federal authority abates there is no money paid to the province. It simply abates an amount of the tax otherwise payable by the individual, and then it is open to the province to impose a tax up to or in excess of the amount of that abatement.

Now I suggest that while the distinction is a perfectly valid one, it is a distinction without a difference when we are viewing this matter from the point of view of the federal Government. The table which Senator Hayden placed on record and which is incorporated in yesterday's debates is the same, with the elimination of a few words which would be inappropriate if included in our debates, as that tabled by the Minister of Finance in the House of Commons. It is headed "Estimated Cost to Federal Government of Proposed Change in Equalization Formula and Increased Tax Abatements for the Three Fiscal Years 1964-65 to 1966-67". Senator Hayden said he would have put a different title on the table, but I suggest this is in fact what the bill is going to cost the federal Government. That is the reason I asked the questions and made the interjections I did yesterday; we see there are some hidden factors in here which I think should be very clearly brought out into the open.

The cost for 1964-65—and I shall refer to that in more detail later—is only $87 million, and that is the cost which is incurred as a result of the federal-provincial conference in November 1963. It is only in 1965-66, the next fiscal year, that we find the first of the additional costs which the federal Government incurred at the meeting in April 1964, to which I shall later refer at greater length. By that time the total cost of the provisions of this bill to the federal Government has reached $171 million; and in 1966-67, the last fiscal year to which this arrangement applies, the total comes to $264,973,000.

It is all very well to say an abatement is just an abatement and the federal Government does not pay out any money, but the fact is that the federal Government collects less money; and following the agreement reached in Quebec City in April of this year the Minister of Finance said—and he did not sound very happy in the quotation I read—that he was losing this amount of federal revenue, an additional amount as a result of the Quebec conference, which was estimated at $64 million for the fiscal year 1965-66 and $139 million for the fiscal year 1966-67. These are the figures of the Minister of Finance.

He said that there were only three ways by which this can be compensated. One would be to increase taxes, at the very time when our friends to the south are having lower taxes. The second would be to cut expenditures. One need merely read the estimates for the current fiscal year to realize that that is somewhat unlikely, particularly—and I shall come to this again—as so many of the items in the estimates are completely beyond the hand of the Minister of Finance to control. He has recently referred to the position he is in in that regard. The third, of course, is to increase deficits.

Those are the three alternatives that the Minister of Finance said he had when faced with the adjustments made in Quebec in April of this year. Certainly, the first and the last are rather unpalatable, and the second is unlikely of realization. So whether Senator O'Leary (Carleton) will pay more or less, as he asked yesterday afternoon, I cannot say, any more than Senator Hayden can say, until we see what Government policy will be. I am also, as Senator Hayden said he was, in favour of moving towards a balanced budget.

Hon. Mr. Lambert: Hear, hear.

Hon. Mr. McCutcheon: I do not think I would be as strong in my statements as he was. We had some discussion the other night

about the kind of budgetary accounts that the federal Government keeps, and how on the basis of those accounts it charges most capital to current expenses, and so on. There would be very few solvent businesses in this country if they adopted that practice. The most successful businesses in this country that I know of find their capital expenditures going up each year, and in many cases their debt going up each year, and yet the shareholders remain perfectly happy.

I am looking at Senator Crerar when I say that this is not a plea for indiscriminate spending, but I did look at the public accounts to see what Canada's record is. At pages 238 and 239 of Volume I of the Public Accounts for 1963 I found that in the fiscal years from July 1, 1867 to March 31, 1963 there were only 24 years in which the Canadian Government had a surplus.

But, I must return to this bill and to this question of abatement. Now, "abatement" means something. It has some meaning, if when the federal Government steps out of certain areas of the tax field, as it is stepping out of certain areas in the income tax field, then it receives some *quid pro quo*. There is a *quid pro quo* in this bill in those references in section 7 to the additional abatement granted an individual who resided on the last day of the taxation year in a province that was, in that taxation year, a province providing schooling allowances within the meaning of the Youth Allowances Act.

There is a provision for complete equalization. If the abatement is greater than the payment out, then the province makes it up, and, on the other hand, if the province pays out more than the abatement then the federal Government makes it up. So there is a complete equalization there, but the abatements that we saw last fall and this spring, and those we have seen previous to those times, by and large have not been abatements for which there was any *quid pro quo* at all.

The extent of federal contributions to provincial revenues either by way of statutory subsidies, tax abatements, tax rentals, equalization and conditional grants is set out at page 113 of The Report of the Federal-Provincial Conference of 1963, a copy of which I think all honourable senators have. That gives the figures from 1956-57, when the total was only $689 million, up to and including 1963-64. The figures for 1962-63 and 1963-64 are merely estimates. The total for 1963-64 is estimated at $1.946 billion. The total over the eight-year period is over $10.5 billion, a figure which is far in excess of the accumulated deficits during that period, and a figure which bears some significant relationship to the total debt of the federal Government. Perhaps we did get a *quid pro quo,* and perhaps I should go back and correct myself. Perhaps we did get a *quid pro quo;* perhaps we did get an abatement for that extra 2 per cent in 1965-66 and the extra 4 per cent in 1966-67. I think I should go back in history for a moment.

A federal-provincial conference was held in November 1963. There were certain agreements then, which were reflected in the budget speech of the Minister of Finance in March 1964. There was another federal-provincial conference from March 31 to April 2, 1964, and all that one can judge from the communiqué is that little was accomplished at it. Then there was a running down to Quebec City by representatives of the federal Government, unaccompanied, as far as I know, and without any prior consultation with representatives of the other provinces. Then we were told that "Confederation had been saved" because of these further abatements, which we are putting into effect now. The *quid pro quo*—and I suggest a very unsatisfactory *quid pro quo*—was that the province of Quebec would modify its pension plan so that the federal Government, having made some further modifications to its pension plan, could say that we will have, in effect, a uniform pension plan across Canada.

Let me make it clear that I have no objection to the Honourable Mr. Lesage, or the Quebec Government, using their bargaining power to the utmost under those circumstances. That is the proper thing for them to do in the interests of the people of the Province of Quebec.

I had no objection, when the Province of Quebec announced that it was not going to participate in the original Canada Pension Plan or even in the second and third versions of it, that it was going to have its own funded plan—because it was made very clear that it wanted to build up a very substantial fund of money which would be available for the economic development of the province. If the people of Quebec desire a funded pension plan, as I say, I had no objection when they announced it, and I have no objection today. Having regard to their own particular economic position and their aspirations at the present time, if the people of the Province of Quebec are prepared to remove the sanction of the market place from their government, that is for their decision, since that really is what building up these huge funds in the hands of the provinces means.

What I object to is the federal Government being deprived in the year 1966-67 of $139 million of revenue in order to foist a funded pension plan on all the other provinces of Canada, some of which have indicated that they are perfectly satisfied to deal with the matter within their own borders and in their own way. That of course is a subject to

which we shall return, but I say that that is the *quid pro quo* for reducing our federal revenues by this very substantial extent and I say conservatively that it is a most unsatisfactory *quid pro quo*.

At page 950 of Senate *Hansard*, Senator Hayden, referring to the development of the federal-provincial fiscal arrangements since the end of the war, said:

> The Government of Canada over the years since the war has tried by various means to see to it that the provinces secured additional revenues so that they might be able to carry on effectively their obligations and responsibilities under the Constitution in relation to those things in which they have their own sovereignty or exclusive jurisdiction; and also to take a larger share—

This is the federal Government—

> or, in some cases a share, of some of the responsibilities that heretofore the provinces had been looking after, but which have become larger and more and more national in character, and therefore justify the intervention of the federal authority and the provision of financial assistance.

There are two schools of thought in this country as to whether the federal authority is justified in intervening in fields that are the exclusive jurisdiction of the provinces, at least without prior consultation and agreement. I suggest that it is time for us to realize that these methods, which have been adopted by three governments of Canada since the war, are methods which cannot continue.

Senator Hayden, I may interject, said that we were not concerned with opting out in this bill, that there might be a bill before us one of these days dealing with that. I did not understand that at all. It is implicit in clause 7 that there is provision for opting out, and by that clause we compensate any province which opts out from the Youth Allowances Act, under the terms and provisions of that act, which has already received royal assent. That raises the whole question of intervention in matters which are strictly within the field of the provinces and raises the whole question of the ability of the Minister of Finance to prepare a realistic budget; and it shows the extent to which these things have been taken out of his hands. The Youth Allowances Act is not a good example of that: it is merely an example of the better kind of opting out, because there is an equalizing regulator, in that the federal Government is going to pay X dollars in any event and the opting out provision is such that it completely balances.

I am referring again to the table, appendix B of the federal-provincial conference in 1963, and I look at one of the joint programs under the heading, "Conditional Grants." The amount to be paid out in 1963-64, the preliminary estimate for one item, was $383,900,000. That is the federal Government's share of the hospital insurance scheme. It is a substantial item in the budget and an item over which the Minister of Finance has lost a great deal of control.

The report of the Hall Commission, recommendation 200(1)(d), is that the provision of outpatient services under the hospital insurance scheme be a condition of any further payment in respect to inpatient benefits. In other words, what is recommended is that the Hospital Services Diagnostic and Insurance Act be amended to force the provinces to add to the minimum services in respect to which they are to share the cost, if they are to receive any contributions from the federal Government, the cost of outpatient services.

Whatever we may think of that recommendation, we shall have plenty of opportunity to discuss it in the future. The reason I mention it now is that it is in the hands of any province today, or tomorrow morning, to do exactly what the Hall Commission is recommending and to add scores of millions of dollars to the federal budget without the Minister of Finance having anything to say to it. That is true also of many of these other programs.

I know the Minister of Finance may quarrel with what I am going to say next, but I suggest that a case can be made out. The federal authority used to be the dominant factor in both the field of fiscal policy and the field of monetary policy. The road along which we are going is such that the federal authority will have less and less influence in the field of fiscal policy. I have no figures, but I suggest that when grants and abatements are running at over $2 billion a year, out of a budget of some $7 billion, it is a fair indication of the extent to which, in fiscal policy, the authority of the minister has been eroded.

When you add to that the fact that the provincial-municipal debt, direct and indirect, is not far off the total federal debt, and that provincial-municipal revenues are running approximately equal to federal revenues—provincial-municipal deficits are running respectably near or probably a little higher than federal revenues—you see the extent to which we are losing control.

Now, it may be that that is necessary and inevitable; but I think it should be at least realized. I think that the time has come to reassess this whole problem. To quote Bruce Hutchison's remark from his article in one of yesterday's newspapers: I do not think we should continue indefinitely this system

of "raiding daddy's pocket." Those were his words.

The time has come, in my opinion, for a review of the Constitution. Not a federal-provincial conference at which you sit down for three or four days, and go away with as many plums in your pocket as you can, but rather a conference representative of men of all parties in all provinces—a conference which might last for weeks or months, as similar conferences have done. It would be a conference that would adjourn from time to time, and reassemble in an earnest effort to achieve a realignment of duties, responsibilities and authorities, in the light of conditions in 1964.

The Province of Quebec has legitimate aspirations. So have other provinces. They are entitled to the opportunity to realize them in the light of their varying cultural background.

Here I would like to interject that I object to this term "Canadian culture," just as I would object to the term "United Kingdom culture." There is no United Kingdom culture. There are many cultures; there are many cultures in Canada, and will continue to be.

In spite of greater sums of money from the federal treasury, no matter how happily they will be accepted by the provincial premiers, and notwithstanding, as I understand it, that there was no full consultation at all with the other premiers when the deal was made in Quebec City by one of the federal ministers and a high-placed official of the party, none of the premiers has come out and said, "No, we don't want that abatement. We don't want the opportunity to collect this extra money." They have always accepted it. However, that is just a palliative for the real problem that faces us. There must be more fundamental action taken, if we are to build up the kind of Canada that I want, and which I think all honourable senators are in agreement they want; and I suggest that involves a fundamental consideration and appropriate revision of our whole constitutional position.

Hon. T. A. Crerar: Honourable senators, my first word this morning is to join in the compliment paid to Senator Hayden for the lucidity with which he explained a highly complex and involved matter.

I feel bound to say that I rather agree with Senator Flynn's remarks made in English yesterday, that he had found it difficult to wade through this jungle of words—

Hon. Mr. Hayden: My jungle of words?

Hon. Mr. Crerar: Oh, no. I have not quite finished.

Hon. Mr. McCutcheon: There was a pass through your jungle; you could see the way.

Hon. Mr. Crerar: If Senator Hayden had not interrupted me, I was going to go on to say, "this jungle of words as reflected in the language of the bill now before us." Senator Hayden has already been paid a compliment.

The second thing I want to say is that I wholly agree with the devotion expressed to a strong Canada, both by Senator Hayden and Senator McCutcheon. However, candor compels me to say that I doubt very much if the discussion over the matters reflected in this bill is going to contribute much to a greater and more united Canada.

I do not propose to discuss in detail the terms of this bill. I have searched diligently, and I can scarcely find any principle upon which it is based. I hope therefore to present to you this morning some aspects of this problem that are not dealt with in the present bill at all.

I have very grave doubt in my mind that we can ever find a solution to the relationships between the provinces and the federal authority by means of this kind.

It is interesting to look back 100 years and think about what brought Confederation in this country. It was mainly the product of tensions and frictions that had developed between the old province of Canada, composed of Lower and Upper Canada, or, as we call them now, Quebec and Ontario.

The significant thing was that at that time there were found men of great capacity, ability and vision, who recognized that the conflict of those days was a fatal course to follow; and so we find opponents as strong as Macdonald and Brown, who were bitterly opposed to each other, who came to the conclusion that they must sit down around a table to see if they could not solve their difficult problems. There were men from the Province of Quebec with the vision and courage to say, "We join you in this—it must be done." As a result of that, we obtained what we call our Constitution, and the course was set for a united Canada.

That Constitution was based on definite principles. The outstanding principle was that only matters of very general concern, like trade and commerce, banking, defence, to mention only a few, were to be the responsibility of the federal Government, and that all matters of local concern, like the administration of justice, the administration of education and schools, roads, and things of that nature, were to be of provincial concern.

On the matter of how these different authorities would secure their revenue, the provinces were limited to direct taxation. The federal authority had the power of both direct and indirect taxation.

We got along very well under that Constitution from 1867 until the end of World War I. True, difficulties arose between some of the provinces and the federal Government, but those difficulties were resolved in the courts and everyone accepted that. Outbreaks or difficulties of any serious nature rarely developed during that period.

I think the main reason we are involved in these difficulties with the provinces today is that we have raised our sights very high in the matter of expenditures, and at the outbreak of World War II the provinces surrendered for the period of the war their right to revenue from income taxes. They left that to the federal authorities for the prosecution of the war. It was always recognized that the income tax was a direct tax and, consequently, some argued that the provinces should have priority in access to that tax. But, at any rate, I think the trouble really started after the end of the last war.

In my view—and I have some knowledge of the matter—a trend of thinking developed following the last war that it was important, if Canada was to become a great nation, that there be more centralization in Ottawa. Consequently, the federal Government maintained its authority to collect these standard taxes which Senator Hayden explained yesterday. Coupled with that they recognized that new social concepts had arisen that had to receive consideration—things like pensions, family allowances, and now hospital insurance in a pretty broad field.

Let us bear in mind clearly that those functions which were the responsibility of the provinces under the Constitution were, one by one, taken over by Ottawa. The first was unemployment insurance, and the provinces agreed to an amendment to the Constitution placing that in the federal jurisdiction. The next was family allowances, and then followed pensions and hospital insurance. I wish to emphasize that practically all the responsibilities of the provinces in this field of the broad spectrum of social welfare were taken over by Ottawa. There is no doubt in my mind there was a good deal of thinking in Ottawa at that time that this would provide the argument why Ottawa should have the collection of and full access to these standard taxes. There was another argument, and it was a rather powerful one. It would be foolish if Ottawa had a system of income and corporation income tax and if each province had its own system, and the citizens had to file one or two or maybe three returns. An effort was made to consolidate that. Ottawa agreed to give in the beginning, I think it was, 10 per cent of the income it derived from these taxes back to the provinces on an equal basis; but since then the provinces have been pressing Ottawa for more and more money, and we find the culmination of that pressure today in the bill before us. The effect of this bill is—if I understand it aright, and I think I do—that about 25 per cent of the revenues derived from these standard taxes—corporation, estate and personal income taxes—will be divided among the provinces under its provisions. How long will it be before the provinces are back again saying, "We must have more money"? In my judgment, this bill does not settle anything.

This method of dealing with this matter is open to another very grave criticism, and that is the principle, well known and accepted generally, that the authority that spends the money should have the responsibility for raising it.

Some Hon. Senators: Hear, hear.

Hon. Mr. Hugessen: That does not apply to the abatements, but only to the direct allowances to the provinces?

Hon. Mr. Crerar: Yes. In effect, what we are doing here is making the federal Government bear the criticism, for instance, if income taxes are levied at an excessive rate on the individual citizen; but if the federal Government, in turn, pays those taxes over to the provincial authority to spend on schools, on roads or in any other way it likes under the arrangement, the provincial authority has no responsibility for taxing the people of its own province and, consequently, that tends, I think, to extravagance and, maybe, to wastefulness. If you have a "sugar daddy", as Senator McCutcheon said towards the close of his remarks, where you can go and get funds, that is very fine; but I think the principle is absolutely sound that the authority that spends the money should have the responsibility for taxing its own people to get it.

The conclusion of all this in my mind, is that a new arrangement must be worked out. The principle on which that arrangement should be based is this: Let the provinces and Ottawa arrive at a clear understanding of their respective responsibilities, and then discuss how the total revenues of the country can be divided to enable each authority to carry out its responsibility.

I obtained some figures from the Bureau of Statistics the other day which gave me concern. The question I asked was: What is the total public debt, federally, provincially and municipally in Canada? The report I received indicated that the total federal obligations—not the bonded debt, that is only part of it—are about $25 billion. That is explained by the fact that the federal Government has responsibilities, for instance,

for pensions to its servants, and for its annuities it has been selling for years—and I think probably every annuity has been sold at a loss. It has other responsibilities. For instance, it has the obligation of the crown corporations, some of which are very doubtful in their foundations. However, putting these all together the total federal obligations are about $25 billion. The total of the provinces is over $9 billion, and the total of all municipalities in Canada is over $6 billion. If we lump these individual figures together we find the total public debt in Canada today, federal, provincial and municipal—is around $40 billion.

It does not make much difference to me whether I am taxed by the federal, provincial or municipal authority. The thing that concerns me is the total burden of taxes I have to pay, and an examination of those figures indicates the seriousness of that situation. I am not here to assess blame for how this has arisen—that is water over the dam and is gone. However, I do suggest that there is no matter of greater concern for Ottawa and the provinces to consider than to get together and discuss this question and see if they can reach agreement on their respective responsibilities. There is no doubt in my mind that there is a tremendous amount of overlapping in provincial and federal administration. Take agriculture as one instance. The federal Government is concerned today in a large way with all aspects of agriculture, and you can go to pretty nearly every province in Canada and find they are duplicating that service. Surely something could be done about that.

The point I wish to make is that in the interests of Canada—let me repeat—Ottawa and the provinces should get together and, if possible, arrive at an arrangement whereby federal responsibilities are definitely fixed, whereby provincial responsibilities are definitely fixed, and then some agreement as to how the total revenues could be divided to enable each authority to carry out its responsibility. I am bound to say that as far as I am concerned, if necessary, in the end, I would be prepared to fight an election in this country on that issue.

Then we might get away from this carnival of making promises to the electorate in order to get votes. That was not done by the Fathers of Confederation. They dropped all those considerations and thought only of how they could lay the foundations for this nation. Are we, after 100 years, to throw that ideal into the discard? Surely it is possible to find men in Canada, men of vision and ability and with sufficient confidence in each other that they can sit down today and solve these problems that are almost as great, but not quite as great, as those faced by the Fathers of Confederation. That is the proposal I want to submit to this house.

There is one other thing that concerns me very much, and that is the erosion of the value of our money. If history teaches us one lesson it is this, that the supreme responsibility of government is to try to maintain a stable value for its currency. What has happened? During wartime a measure of inflation is inevitable, but it is nevertheless interesting to note that what $67 would buy in 1939 costs $100 in 1949, and what $100 would buy in 1949 would now cost $136. I think this is a matter of very great importance. It is a matter which does not hit the members of this house very much because we received an increase in indemnity which matched the increase in the cost of living. The salaries of civil servants have been increased, and we have had the repeated threats of strikes unless labour received more money, which was granted, and which also matches the increase in the cost of living and compensates for the erosion of the value of the dollar.

But what about the hundreds of thousands of people in Canada, the best citizens of this country, who are living on fixed incomes? These people saved during their working years and invested their savings and thought they had sufficient to maintain themselves. But what has happened? Let me give you a direct illustration. A citizen bought a 4 per cent $1,000 bond in 1949. That gave him an income of $40 a year. There has been a decline of more than one-third in the value of his $40 in the short space of 15 years and today his purchasing power from the income from that bond is only about $26, whereas he expected it would be $40. That is an indication of what happens when creeping inflation, or any other kind of inflation, overtakes us.

I have often marvelled at the wisdom shown by the Fathers of Confederation. They had to deal with practical difficulties that had existed for almost 20 years in the administration of the old province of Canada. They knew where the pitfalls were and they laid down a constitution which we have largely departed from. I for one do not believe for a moment that this country can be successfully governed or can be held together by concentrating more and more power in Ottawa. I think the division laid down by the Fathers of Confederation was a wise division. We had better let the administration of justice, education and roads revert to the provinces, and let each play in its own back yard.

Above all, let us try to get this thing settled because, honourable senators, if it is not settled within the next 10 or 15 years,

or less, I fear for what may happen to the unity of this nation because this, I think, is at the bottom of disunity more than anything else.

Hon. Malcolm Hollett: Honourable senators, it was not my intention to say anything on this particular bill, but since 11 o'clock we have been flying so high in the thin air of high finance I thought if I said a few words it might bring us back down to the more mundane things of earth.

I congratulate Senator Crerar and also the other honourable senators who have spoken so well. I am quite sure they have given enlightenment on this serious problem of high finance, and the facts just given to us by Senator Crerar must cause us all to pause and to consider just where we are heading.

I wish to refer briefly to clause 3 of the bill. Yesterday, apparently I had the audacity to ask certain questions relative to that clause and somebody in the house implied that I had some ulterior motive.

Hon. Mr. Choquette: No, no.

Hon. Mr. Hollett: I want to correct that implication. I have no ulterior motive at all. But as I said a moment ago, I want to bring us back to the mundane things of this world, and particularly to the provisions of clause 3. It says:

> In addition to all other payments, grants, subsidies and allowances payable to the Province of Newfoundland, the Minister of Finance may, out of the Consolidated Revenue Fund, pay an annual grant of eight million dollars to that Province in the fiscal year commencing on the 1st day of April, 1967 and in each subsequent fiscal year.

The wording is that "the Minister of Finance may"—not shall—"pay an annual grant . . ."

Now, we have seen some ministers of finance who were rather whimsical at times, and the payment of this $8 million to the province from which I come depends upon the whim of the Minister of Finance for the fiscal year concerned. What I want to bring to the attention of the Senate is that it is not in keeping with the promise made by the honourable the Prime Minister in 1963, sometime prior to April 8, which I believe was the date of the election. That promise is contained in a beautiful advertisement—and I have kept a copy of the newspaper of April 8, 1963 for reference. All the promises made are outlined here by the Liberal party. Excuse my mentioning the party, but everything today is done on a partisan basis, so I do not find myself able to depart from it completely.

The reference is to term 29—some of you may and some of you may not remember what that term means. It is one of the Terms of Union which brought us into Confederation in 1949. I shall not read the term in full, although I have copied it out. The term stated that in view of the difficulties of predicting with sufficient accuracy the financial consequences to Newfoundland of becoming a province of Canada, and so on, the Government would set up a royal commission to determine how much financial aid would be necessary for Newfoundland so that it might carry on public services in the province without having to resort to taxation more burdensome, having regard to the capacity to pay, than that obtaining generally in the Maritime provinces.

That commission was set up, and, as honourable senators know, it recommended the payment of $8 million a year. Then in 1959 the Prime Minister of Canada made a statement which aroused everybody in Newfoundland—some one way, some the other—and particularly did it arouse our premier. He went to the country on it, and got everybody into a terrific state. During that election campaign, and during the federal election campaign of last year, the promise was made that Term 29 would be restored. That is to say, there would be no question whatever about it; we would get the $8 million a year indefinitely.

This is the promise that was made at that time:

> Mr. Pearson will restore Term 29 to Canada's constitution, pass legislation—

And this is the legislation.

> —providing that the $8,000,000 a year to Newfoundland shall never be changed except by the free, willing and mutual consent of both Governments, the Government of Canada and the Government of Newfoundland. Thus will Newfoundland's solemn rights be restored . . .

I just want to bring to the attention of honourable senators that if section 3 of this bill is meant to carry out the promise that was made at that time—and there is no question that it was preached all over Newfoundland by our premier and all the other Liberal men and women who were advocating the election of a Liberal Government federally—and if this is the section in this bill that is to take care of that payment of $8 million a year, then I say something has gone wrong. Something has gone very wrong. Either the Minister of Finance or the Prime Minister of Canada has had a terrific change of heart. They were going to restore it, and we were going to get the $8 million in perpetuity.

A short time ago in the House of Commons the Minister of Finance was asked, "What about this? How far will it go? How long will the payments of $8 million a year be made?" And Mr. Gordon replied, "Indefinitely." What does "indefinitely" mean? It means exactly what this bill says, namely:

> In addition to all other payments, grants, subsidies and allowances payable to the Province of Newfoundland, the Minister of Finance may, out of the Consolidated Revenue Fund, pay an annual grant of eight million dollars to that Province in the fiscal year commencing on the 1st day of April, 1967 and in each subsequent fiscal year.

I emphasize the word "may".

So all the fuss and fury that was raised in Newfoundland during the 1959 election campaign and the federal election campaign last year has been brought to naught. In fact, the Diefenbaker Government, in spite of what was said in 1959, did pay that amount of $8 million while in office, and it more or less promised—this is only more or less—that it would be renewed from year to year unless changed by the two governments. That is all that is here.

I want to point out, now that I have brought you down from the high plane on which we have been flying ever since 11 o'clock, that even prime ministers do not always live up to their promises, and neither do ministers of finance. As I said before, they have their whims. If you do not agree with them, they can say, "No, you are not going to get it this year." That is politics. If the wrong premier gets elected in Newfoundland—or, shall I say, the right one—and the wrong fellow becomes minister of finance at the federal level, then we are going to have trouble getting our $8 million.

If it were in order—and I know it is not, this being a sort of money bill—I should like to change the word "may" in section 3 to "shall". I cannot move that in amendment, but I want to bring it to the attention of the opposite side of this house that the Government is not living up to the promise that was made by the Prime Minister.

I am not bringing politics into this matter at all. Certainly not. I would not think of it —not in this *sanctum sanctorum*. I would not think of raising politics here, but I want honourable senators to understand that not all prime ministers live up to all their promises. If you do not believe me, then I will mention another promise:

> Join O.A.S. Mr. Pearson will carry Canada into the Organization of American States for mutual trade and defense.

That has not happened yet.

Hon. Mr. McCutcheon: Do not criticize him for doing right, though.

Hon. Mr. Hollett: I am criticizing the opposite side for not carrying out its promises. I agree with what the honourable senator has just said. They may be right or wrong. I am not as well versed in high finance as is the honourable Senator McCutcheon, nor am I so well versed in international affairs that I would dare say whether it is right or wrong to join the O.A.S. I do not want to get into the O.A.S. argument. I just want to point out that when I asked the question yesterday —and I only intended to ask the question— the answer that honourable Senator Hayden very kindly gave me was a suggestion that I had an ulterior motive. If to raise that point shows an ulterior motive then, all right, I did have an ulterior motive.

Hon. Allister Grosart: Honourable senators, like the honourable senator who has just spoken, I am neither a constitutional lawyer, a financial expert nor an ex-cabinet minister, and certainly some of the qualifications that come from such backgrounds would appear, on the surface at least, to be necessary for anyone attempting to put forward an opinion on this bill. However, I have been interested in the general subject for a good many years, and I must say that as a layman I do not find myself lost in admiration of the end result of the many years of expertise that have gone into the discussion of the subject matter of this bill.

I would like merely to suggest to this chamber, and perhaps to others who may be dealing with this problem in the future, the questions that, to me, seem naturally to occur to a layman looking at this problem, the first of which would be: Is it necessary that this problem be as complex as it has been made to be?

The bill deals with one area of federal-provincial fiscal relations. Outside that area there are other conditional grants, unconditional grants and other payments. In my estimation I think it is true to say that the essential problem of dividing revenue in accordance with the constitutional powers and responsibilties of the federal Government and the provinces has been fragmented into something like 25 or 30 separate areas of action between the two levels of government concerned.

To take a quick look at that fragmentation we have, first of all, these three areas sometimes known as standard taxes and which are the subject of this bill, namely, personal income tax, corporation tax and succession duties. We also have as unconditional grants: statutory subsidies, certain tax abatements, tax rentals, stabilization payments, 50 per cent share of income tax on power utilities,

the Atlantic provinces adjustment grants, transitional grants to Newfoundland and an additional grant to Newfoundland. Under the conditional grants there are items of agriculture, health, hospital insurance, welfare, fitness and amateur sport, vocational training, highways and transportation, resource development, civil defence, municipal winter works, and other grants.

Additionally, we have payments for the benefit of provincial institutions which include two categories—university grants and grants to municipalities in lieu of taxes on federal property.

Further—and this, it seems to me, is another unnecessary complexity—this bill deals with three of those 25 or so subjects, and when we examine the bill we find it fragments those three into another seven. It deals with, (1) certain increases in the federal share of the estate tax, (2) the 2 per cent per year abatement of the personal income tax, (3) the one-year option in respect of equalization granted to Saskatchewan, Manitoba and British Columbia, (4) the extension of Term 29 referred to by Senator Hollett, (5) the Crown corporations legislation, (6) the 3 per cent abatement of personal income tax in respect to youth allowances, and (7) the equalization payments.

It has been suggested by a number of speakers that the time has come for the federal Government and the provinces to sit down and work out some less complex and more sensible arrangement for the disposition of these revenues in relation to constitutional responsibilities. I would suggest that the time is long overdue, because instead of moving towards that goal of simplicity we are moving in the other direction. At the present time we have an example of a type of new complexity that is being added in the new grant made on a completely new principle, and announced quite recently in the other place, for the building of a highway in the Province of Quebec.

I make it clear that it is merely incidental that this is a reference to the Province of Quebec. The Minister of Transport made this extraordinary statement in justifying fragmentation of this problem. This was his justification for moving into a provincial field, certainly without consultation with all the provinces. He said:

> Of course we realize that road building comes under the provinces, but we are told that there is such a backlog of Quebec's road building and rebuilding program that the Gaspé highway will not be completed before several years, unless special financial assistance is provided in that connection.

That seems to me to indicate a completely new principle in the fragmentation of this problem. Certainly one would wonder if the present situation is that, on any occasion when it can be proved to the federal Government that a necessary highway in some province will not be built for several years unless the federal Government gives financial assistance, that will be a justification for a further extension of federal assistance. I mention this not in criticism of this particular grant but to exemplify the increasing density of what has been called the jungle of federal-provincial fiscal relations, the hodge-podge which is being continually added to. A layman would ask the question: "Is it necessary that elected governments, after 95 years of dealing with this problem, with the assistance of all the experts, come up with nothing better than this hodge-podge with which we are faced and to which we are today adding substantially if we pass this bill?"

The next question which a layman would ask is: "How can it be that after these 95 years we are now coming up with another temporary expedient?" That is all this is. The Minister of Finance has said so. He has said he hopes that this will hold the line for the balance of this five-year period, that is, until 1967.

Some supporters of the Government in the other place have said, "This is far enough; the federal Government shall go no further." Another supporter said that the federal Government has already gone too far. Perhaps the sponsor of the bill, in closing the debate, would answer this question: Is it the hope of the federal Government that the proposals contained in this bill will, barring unforeseen contingencies, prove a satisfactory solution of this problem for at least the next three years, or is this a start on a further fragmentation?

The next question that a layman may ask is: Why does it seem that in certain quarters this is now being put forward as a new principle in federal-provincial relations? It has even been given a name, "co-operative federalism," and the suggestion is that this is a new policy, recently introduced by the present administration. Whatever co-operative federalism may mean—some have said that in their judgment it is neither federal nor co-operative, but I do not hold that view—whatever it may mean, certainly the principle of further increases in the amounts that the federal Government will in one way or another make available to the provinces, so that they can meet their constitutional responsibilities, did not begin within the last few years. As a matter of fact, it has been going on from the beginning. The original equalization formula had scarcely been set

down when it was altered, and this process has gone on over the years.

There have been long arguments amongst those who considered this problem as to whether there should be more centralization or more decentralization. This matter was raised yesterday and again today in the debate here. I myself am not quite clear as to whether some speakers are urging more centralization of fiscal power or more decentralization. Everyone seems to speak both ways—and perhaps it is a problem which can be answered in that way. We had a trend over the years towards centralism. The word "centralism" was used as part of an attack on the Liberal administration when it was in office for something like 22 years. My recollection is that at that time the federal share of the total tax dollar reached about 80 cents. What it is now I have not been able to find out, but I imagine it is considerably less. Perhaps centralization went too far in those years.

Today the trend seems to be to decentralize, and there is evidence that perhaps we are already going too far in that direction. The layman's question that I want to put is: Why is it that, after 95 or 96 years, the Minister of Finance still says this is a purely temporary thing? He says there has been set up a committee called the Tax Structural Committee. I am not sure whether it has been set up or is to be set up, but he says that committee will look at this thing and try to work out a more satisfactory solution.

The fact that at this late date, a few years from the centennial of Confederation, we still accept of necessity another temporary expedient, does not enhance the work the experts have done in this field.

Another question which would occur to a layman almost immediately is: What about the consent of the provinces? Somebody has spoken of this whole recent trend as "infringement by consent," meaning thereby that the strict letter of the Constitution is being infringed particularly in respect to provincial jurisdiction but that there has been a degree of consent on the part of the provinces.

The main argument in favour of the arrangements now before us seems to be this: We have agreed on this; it is not the best thing; it will be improved on; but at least the provinces and the federal Government have agreed. Yet when one examines the comments which have been made, the fact of the matter is that there is no consent of the provinces to many of the provisions of this bill.

Honourable Senator McCutcheon mentioned this fact. I would go further than he did. The evidence before us is that in the matter of the arrangements regarding the inclusion of gross natural resources, some of the provinces are diametrically opposed. The only conclusion one can reach is that there was a meeting of the provinces and the federal Government; the federal Government put certain suggestions forward, certain principles, and these were accepted. The experts of the federal Government wrote this bill; the Minister of Finance has made quite clear that he did not write it, that it was written for him. They wrote this bill, but subsequent to the drafting of the bill the evidence is that it has not had the consent of the provinces. Indeed in some of the comments, in some of the discussion that has taken place, it is obvious that some of the bitterest criticism of the new equalization formula is being made on behalf of those governments which regard it as grossly unfair to their own interests. There is much evidence not only in respect to the gross natural resources provision but in respect to the equalization tax itself. It has been pointed out, for example, that Prince Edward Island, one of the provinces which might be regarded as in most need of equalization, will get less per capita under the equalization clauses of this bill than it has been receiving previously.

On another matter of consent, may I say that as a layman I am always amazed that no one ever seems to pay any attention to the fact that the jurisdictional rights that are involved—even here in this area of shared jurisdiction—are essential rights and are completely ignored. These are rights granted to the legislatures of the provinces, and I for one cannot understand how any government or groups of government can come back and say, "We are changing some of the essentials of the Constitution because we have an agreement with the executive of some provinces." Even if they have an agreement with the executive in the provinces, I ask you, would the Parliament of Canada tolerate for one moment a situation where the executive would compromise the rights given to the federal Parliament under the British North America Act, without requiring consultation with and the endorsation of Parliament? Yet do we ever hear of a provincial executive going back to its legislature and saying, "We have compromised some of the rights that were given to the legislature, and we want you to ratify what we have done"? I emphasize that point, honourable senators.

Someone may say that this would be too clumsy, that you cannot have all of these rights taken before every legislature. Of course that argument has been used to justify practically every abuse of executive power since the beginning of time.

Honourable senators, a great part of the trouble that has arisen in this field may well

be due to the fact that the legislatures have not been consulted. I am quite sure that this bill as it stands would not be approved without substantial amendments, if it were put before the legislatures of Alberta, British Columbia, Saskatchewan and others.

Perhaps someone will say that this is just a phrase coined a long time ago—a legal fiction originating in the days of the original British North America Act, that these powers are assigned "exclusively to the legislatures." I suggest that it is not a legal fiction, because its history is part of the history of the struggle of the legislatures of the provinces and of the Parliament of Canada to control the executive, and that struggle is not over yet.

I suggest that when consideration is being given to the method by which something less temporary than this present arrangement is to be worked out, consideration also be given at that time to consultation with the legislatures, and that some method be arrived at by which, even if there is some delay, it will be laid down that there shall be consent of the legislatures—the owners of these powers—before any deal is made in connection with them.

Finally, I wish to make a suggestion, for what it is worth. Many are thinking now in terms of some spectacular things that can be done as we approach the celebration of the anniversary of Confederation. I suggest that when the appropriate discussions have taken place, and when this Tax Structure Committee—which I understand is to have representatives of the federal Government and the provinces—has come forward with perhaps a more permanent solution of this problem than we now have, there be called as part of the Confederation celebration, a joint meeting of the federal Parliament and all provincial legislatures to discuss this matter in a formal way to give the sanction of the provincial legislatures to the next expedient that we work out for the period which begins with the 100th year of Confederation. I can see some objections to that, but I am sure that some hall large enough to accommodate all who would attend could be found and that, if the preliminary work was done, ratification by the legislatures of our next expedient could be obtained within a reasonable length of time, and that we could then, in a way that everybody would understand, make it quite clear that this original division of powers, with modifications, if necessary, can still be worked out.

I took from Senator Crerar's remarks that he felt it might work without much change. I am of the view that it is not quite that simple, because problems which were purely local or provincial 95 years ago certainly have the colour of national problems now.

However, such a constituent assembly discussing these and other problems of the Constitution would make it clear that we really believe that the answer to the future of a great and greater Canada is an understanding and adherence to real co-operative federalism, in the best sense of the phrase.

Hon. Mr. Pouliot: Honourable senators, I move the adjournment of the debate.

The Hon. the Acting Speaker (Hon. Mr. Leonard): Honourable senators, it has been moved by the honourable Senator Pouliot, seconded by the honourable Senator Grant, that this debate be now adjourned.

Hon. Mr. Connolly (Ottawa West): Honourable senators, this motion is a surprise to me. I understood that it was the desire of all honourable senators, if possible, to deal with this bill to its conclusion today. I know that Senator Hayden has some appointments later.

I do not want to impose this view in any way, particularly upon Senator Pouliot. I wondered whether he might give an indication of when he proposes to speak. Do you propose to adjourn the debate until tomorrow, Senator?

Hon. Mr. Pouliot: I propose to adjourn the debate until 2 o'clock or 3 o'clock this afternoon; however, I can proceed now, if it is the pleasure of the Senate.

Some Hon. Senators: Go ahead.

Hon. Jean-François Pouliot: Honourable senators, I had left for my hometown, but I came back to Ottawa because I considered that this debate is the most important that we have had for a long time.

I have listened with careful attention to the speeches that were made by my distinguished colleagues, and I still hope that there will be some understanding between the Parliament of Canada, or the Government of Canada, and the legislatures of the provinces in order that on both sides they will mind their own business in dealing with taxation and expenditures.

This is not new. Fifteen years ago I had the privilege of addressing a social club at Charlottetown, which I did not call the cradle of Confederation, because it was not true; but I called it a shrine. I saw the so-called Confederation table there, around which the Fathers of Confederation sat for a few minutes, and then rose and shook hands and decided to meet again the same month in the City of Quebec. That was all that was done in Charlottetown.

I have visited and admired the Island. It is one of the loveliest parts of Canada, but I find that the publicity that has been given to Charlottetown as the cradle of Confederation is most unbelievable. Nothing happened

there, except the shaking of hands; yet one of the premiers suggested that each province and the Government of Canada subscribe $500,000 to erect a monument, to cost $5,500,000, to commemorate Confederation in the smallest of all the provincial capitals of Canada. It was built and jointly paid for. It was an advertising feat that had no parallel, even in the United States where they know how to boost everything.

That being said, I had the satisfaction of telling the club what I thought about the relations between the provinces and the federal Government. What the Fathers of Confederation had in mind was that everyone should mind his own business, that on one hand the Parliament of Canada should have exclusive powers and on the other hand the provincial legislatures were also to have differently exclusive powers.

We are under a delusion when we speak of Confederation as we do now, because it is not from the time of the B.N.A. Act that a united Canada existed. It was from the time that Lafontaine and Baldwin met together, joined together and succeeded in having a responsible government for this country. Then we had a united Canada, and other provinces joined us successively later on. But taking the B.N.A. Act as it is, and considering Confederation as it has been described by all those who have spoken about it, we have an act of the Imperial Parliament which defines the rights of the Parliament of Canada and the rights of the provinces, and on both sides they are exclusive, which means that Ottawa cannot infringe upon the rights of the provinces, and the provinces in turn cannot infringe upon the rights and the powers of Ottawa on matters which are respectively exclusive. It is just as clear as crystal water.

But what happens? At the present time there are complaints from the provinces that Ottawa is invading their jurisdiction, and they come to Ottawa not like the burghers of Calais, not with a rope around the neck and with a humble manner, but they come here with a big stick and make threats to the Canadian Government that if they do not get more money they will take steps to prove their discontent in a practical manner. I do not honestly think the Canadian Government should be impressed by the threats, the ultimatums that come from the west coast, from the Province of Quebec or anywhere else. I have great respect for my leader, the Prime Minister of Canada, and for the Leader of the Government in this chamber, but I submit that there should be no appeasement with regard to the provinces. All the dealings with the provinces should be in a business-like manner, and this cannot be as long as the provinces get from the federal treasury vast amounts for expenditures over which Ottawa has no control.

What I found very hard to digest was the warning of some provincial authorities with regard to the funds coming from Ottawa for purposes of education, that Ottawa had not the right to ask for an accounting. Who would think of that? They ask for more money, and what use is made of the money voted by Ottawa for education?

At first, honourable colleagues, the government in the Province of Quebec years ago decided to pay a subsidy of $10,000 to each classical college, and there was only one which refused that grant. It was the Seminary of Quebec, which had been founded by the priests at the time of Monsieur de Laval three hundred years ago. They said, "We cannot accept any imposition on our system of education." Now what has happened? More money was given to the colleges and universities, and then they started to spend more and more. Then, when the Government of Canada decided to pay grants to the universities, their expenditure had no limit.

It is very easy to see what is happening. We can go around and see the vast amounts of money which are being spent by the universities—for what? Was it for the education of youth? What is the kind of education they get? Is it worth the money that is spent so lavishly? Very often the answer shall be in the negative. In one of the vital matters, the history of Canada, the teaching is very poor, and similarly in other matters I will not enumerate now because I do not want to keep the house too long.

What do you think of them coming here for further grants without rendering accounts for the grants already made? As Sir Wilfrid Laurier said, it is unsound to collect taxes and give them away to another legislative body for expenditure. But the provinces are very happy. The amount of taxation they impose is less, and then they come to Ottawa and insist on receiving more subsidies for their own ends. Ottawa is not consulted on the expenditures; the provinces decide for themselves, but they always come to Ottawa to ask for more money. What do they do in return? They complain about Ottawa, that Ottawa is a big bad wolf which threatens the autonomy of the provinces—which is untrue. And what do they say? They complain about poverty; they say they are underprivileged. That may be true of some sections of the country, which I will not name, but they are very few.

I know very well that Canada is a rich country, a country with great possibilities but, as our Lord said, we should have compassion for the poor, the poor shall always be with

us. That is true, but they are exceptions; it does not mean that Canada at large is not a prosperous country. I remember years ago, in 1908, when Sir Lomer Gouin succeeded in having the vast territories of Ungava in the Northwest Territories annexed to the Province of Quebec he said, "I want my province to be the largest, the most beautiful and the most prosperous." This is the language that he used, and it is the language of a real statesman.

Honourable senators, how is it possible to come to an understanding with regard to federal-provincial taxation? In the first place, there should be a meeting, with very few technicians but with men of good will, with exact figures, to inform the Government of Canada of the various sources of revenue of each province. They should put it on the table, to inform the federal authorities from where they are getting the money to meet their needs. Ottawa should do likewise. Then the provinces should come with their plan for expenditures, so that the whole thing could be settled once and for all.

How about the progressively increasing expenditures out of the federal exchequer? We have only to look at the tabulation that has been tabled in the House of Commons and in this chamber to see that the money that will be given by Ottawa to the provinces will be always more considerable. Each year the payment by Ottawa will be higher, and what happens? With that system Ottawa has the odium for collecting the surplus in taxes given away to the provinces. Ottawa is taxing the people, and then there are complaints that the taxes imposed by the Parliament of Canada on the people of this country are too high. But the provinces get all the benefit of that taxation.

I sincerely believe it is in the interests of Canada and of the provinces themselves that, as Senator Crerar said so well, each province should expend only the money it receives from its own taxation. If in special cases they are unable to make ends meet, there should be a definite and final understanding for a period of at least five years for a breathing spell. At the present time there is a great uncertainty; nothing is ever finished. The more money they get the more they ask for, and there is no end to it. What is the result?

Let us consider education. What is the money given by Ottawa being used for in certain provinces? It is used to preach separatism. Who is responsible for the separatist propaganda? Who is responsible for the talks we hear so much about and all the violent deeds which have occurred? If it is not some university professors, it is some provincial ministers who arouse the people. It is to be noted too that those who have been arrested for the crimes committed in Montreal were university students; and not only that, but I have been told from a very good source that there are teachers, male and female, who teach separatism to children in schools not too far from this house. It has happened in schools in Hull. You may ask people who have children attending schools in Hull what the situation is there. You will get the information.

Every one of you is against separatism, but who takes the means to stop it? One of the means to stop it is to control education and see that the money given away by Ottawa to the provinces is not used to encourage separatism in the schools and universities of this country. This is what I wanted to tell you and this is why I came back. If you want to stop an evil you must stop it at the root. In this case the root is the money that is so much craved for and sought after.

What about the rights of the provinces? What about their right to legislate? They pay no attention to that as long as they have money. They pay no attention to the formal text of the Constitution which obliges them to follow certain patterns in their dealings with legislation. My conclusion is obvious: it is that the Government of Canada should be extremely careful when dealing with the provinces and should tell them to wait before giving them more than they have now. There should be a sensible agreement between Ottawa and the provinces so that each one gets money from its own field of taxation and spends no more than that.

Was Ottawa consulted for all the foolish expenditure made by some provinces? I shall not name them, but you know them. The sky was the limit. It makes no sense at all. In my view Ottawa has been too lenient. What would you think if somebody incurs a bill and calls upon you to pay it when you have not authorized it? At the present time the provinces have a blank cheque to spend so much money and to use it to their own liking. It makes no sense at all.

How could we come to a satisfactory agreement? In the first place if it is true that the Province of Quebec is different from the others, then the Province of Quebec should tell the whole country what her needs are and what her understanding of Confederation is. She should say in black and white what she considers her dealings with the Government of Canada should be.

During the last general election campaign, on March 17 last year, at Blue River in Temiscouata County, I said in the first place that a constituent assembly would be of no purpose because the more people we had to

decide matters as important as the real issues between the federal Government and the provinces, the greater would be the difficulty and it would be of no use at all. It would be a tower of Babel and would be utterly useless. It would remind us of the *sans culottes* of the French revolution. There should be a meeting of an equal number of government and opposition members of the Quebec Legislature who would meet in camera to discuss the needs of the province, to hear witnesses, if necessary, and to make a draft of the Constitution to submit to the provincial house for debate, and afterwards to the legislative council, and then we would have something to discuss. We would know all the ambitions, all the needs and all the expectations of the Province of Quebec and what it considers essential to stay in Confederation. At the present time there is no definite basis for discussion. There are only threats and ultimatums to Ottawa, and I do not see why the Government of this country should capitulate to them. But, honourable colleagues, that being done, a draft of the Constitution made by a committee, a non-partisan committee, and, as I have said, a committee that would sit in camera so as to avoid being impressed by the newspapers, and then approved by the provincial house and by the legislative council, could be submitted to the federal Government in Ottawa and to the other provinces as a basis for discussion. Where do we go if we have no such basis for discussion?

Everybody speaks against the B.N.A. Act; nobody pays any attention to it. And this present bill apparently is doubtful legislation. How can we go on like that? There is a feeling of fear in this country. We wonder how long it will continue. But the time is coming when the system of progressive grants must stop. There must be some final agreement if there are enough men of good will in this country to meet together and to make up to date the work done a number of years ago by the Fathers of Confederation. But to consider the situation as it is now, one may ask: "Well, how can we live peaceably together, prosper, and be happy together?" It will be done inasmuch as the legislative power here in Ottawa, and in each of the provinces, minds its own business and remains within its own sphere of action.

I could say much more, but I appreciate the fact that everybody has discussed this matter with sincerity and in the hope that there will be a day that should not be too far in the future when the dealings between Ottawa and the provinces will be different from what they are now, I do not speak about the equalization payments. I am not against certain help to those parts of the country that are in need, but I must tell you in concluding that Mr. St. Laurent, the former prime minister, was abused because he had said the Province of Quebec was no different from any other.

I sincerely believe that the farmers from the east are the same as the farmers from the west, that the professional men from the east are the same as the professional men from the west, and that the tradesmen of the east are the same as those from the west. The only difference is that some are more fortunate and better off than others, but their purpose is the same. Their purpose and ours shall be a united Canada, and there is no reason for any preferential treatment to any part of it.

Hon. Salter A. Hayden: Honourable senators—

The Hon. the Acting Speaker: I must inform honourable senators that if the honourable Senator Hayden speaks now it will have the effect of closing the debate.

Hon. Mr. Hayden: Honourable senators, my reply will be very brief. I want, first of all, to thank Senator Flynn for the remarks he made yesterday afternoon. I thought his presentation of what I would call the philosophy of taxation, federal and provincial, and of the inter-relationship in that respect, was a job very well done. A great deal of it, of course, lies in the long range, but it is very useful to have thinking of this kind published so that the public generally might get some real understanding of what should be the philosophy of taxation in these areas.

Then, I want to put at rest the worries and concern of Senator Hollett over the use of the word "may" in relation to the continuance of this Newfoundland grant, and his worry that the Minister of Finance may become temperamental and stop payment. His worry should be more extensive if "may" means what he thinks it means, because the word "may" is also used in connection with equalization payments, in connection with stabilization payments, and in connection with conditional and unconditional grants.

The best information and advice that the Minister of Finance could get as to the language that should be used in drafting—and I am sure the same advice was given in 1961 because the word "may" in this connotation occurs in the enactment of the previous Government at that time, and as I recall it no concern was ever expressed over it at that time—

Hon. Mr. Brooks: Except some political concern.

Hon. Mr. Hayden: Well, that is always with us, is it not?

The Department of Justice advised that the word "may" as used in this association,

as in many other statutes, imposes a duty on the minister to make payment. In other words, it is the strange situation that at times "may" means "shall," but you do not say "shall" because there are other complications if you do.

Apart from that, I want to say several things in connection with the speech made by Senator McCutcheon. I enjoyed it very much. I thought it was one of the best of the great speeches I have heard him make in this chamber. If he were here I might congratulate him on his acknowledging and accepting so many of the tenets of political economy in this field of provincial and federal relationships that I had put forward. I express the hope, since he has gone far along that road, that sooner or later we might find him accepting them to the full extent of 100 per cent.

I must disagree with him in one further thing. I cannot deprive the honourable senator of his dreams, but I think he was dreaming when he was attempting to find a *quid pro quo* in relation to the increase in the rate of abatement in 1965 and 1966. That may come from reading too many detective stories, or it may be that dreaming produces a nicer result than looking at reality. But, while he was doing this I wonder why he did not apply the same method of reasoning and come up with a *quid pro quo* for the increase of three points in the rate of abatement in 1958, when the Government of that time increased the rate of abatement in relation to individual income tax from 10 per cent to 13 per cent, and then scaled up the rates in succeeding years until 1962 at the rate of one point extra per year.

I would not dare to suggest there was any ulterior motive other than the needs of the provinces and the recognition of the federal Government of that day of its responsibility in this area. That is why the rate of abatement was increased. But, not being a dreamer, possibly I am missing something. If I were a dreamer then perhaps I could find, like my honourable friend Senator McCutcheon, a *quid pro quo*.

I say that there is no *quid pro quo* in relation to these increases, and there was no bargain made in return for the provincial attitude to the Canada Pension Plan. I am ready to recognize the integrity of the Minister of Finance, and to assume that in this conection, whether the increases should have been made or not, having regard to the financial position of the federal treasury, they were made honestly and in recognition of the increasing needs of the provincial authorities.

Having said that I just want to add this one thing further. My friend Senator McCutcheon also felt, because the increase in the rate of abatement in 1965 and 1966 will require the federal authority in 1965 to pay out an additional $64 million and in 1966 to pay out an additional $139 million, that such payments are excessive. But this infection, if I may call it that, of dealing with large sums of money and making these substantial contributions to the provinces is something that has infected political parties and governments for some time. I suggest that those who have not read it should read the speech made by the Leader of the official Opposition in the other place, and the particular part of it that I suggest should be read is found at page 5250 of *Hansard* of the other place. It will there be seen that there seems to be a virtue in increasing provincial payments substantially.

I found, for instance, that unconditional grants which in 1956-57 were of the order of $552 million were increased so that by 1962-63 they amounted to $991 million. The conditional grants, which included agriculture, health, hospital insurance, welfare, sickness and amateur sport, in 1957-58 were of the order of about $145 million and in 1962-63 they were of the order of $842 million. I am not criticizing those amounts as such. All I am saying is, let us be relative in all things, and let us not lose our sense of proportion.

If these substantial increases between 1958 and 1963 were necessary—and I assume in the circumstances that they were—and the provinces made a useful application of the funds, then for a further increase of $64 million in 1965 and $139 million in 1966, why one could swallow a very substantial increase of hundreds of millions of dollars and then strain at what is in relation to those payments a relatively small amount, I find it difficult to accept. I am calling attention to it because I do not think that is the measure for resolving the relationships that we are dealing with between the provincial authority and the federal authority.

If we had all the money in the world federally, I take it we could and would be more generous; but, within limits, the first place where our federal generosity should apply should be in relation to the poor taxpayer. Anything that is exacted beyond the needs of the federal Government and the needs of those provincial governments, which require the assistance of the federal Government, should be abated to the poor taxpayer, although I do not hold any hope that that will happen for a long time.

Honourable senators, there were other things which, if we had time, I might deal with; but I think that if you read the whole debate you will see the pro and con of it.

In closing, I would like to leave this thought in connection with this bill and with the

basic legislation of 1961. It is that I hope those charged with implementing the legislation, those actually dealing with the administration and those who will be studying the results, between now and the time these present arrangements run out in 1967, whether they be provincial or federal authorities, will study the problem with wisdom and without emotion. I hope they will study it with judgment, without prejudice and without arrogance, and that this wisdom and this judgment in that connotation, between now and the time when these agreements or this legislation will have to be reconsidered, will be such that having reached conclusions on this basis, we may be ready in 1967 for a solid approach to a reassessment of methods and possibly a basis that may rest on some stability and will permit a formula for dealing with the needs of the provinces without having to resort to a program of expediency. I regard the methods which we have, other than the principle of equalization, as being methods of expediency.

It may be that we will not find any other method in the interval, but I hope that a real effort will be made and that some way will be found, whether in the reallocation of certain powers and authority as between federal and provincial authority, whether in a reassessment of responsibility, or whether to a larger extent the provinces are to be left to tax in their own way and raise the moneys they need, and that the federal authority will tax for its own needs and for those items which in the interests of federation, should be the burden of the Canadian central authority.

Motion agreed to and bill read second time.

THIRD READING

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

Hon. Mr. Hayden: With leave of the Senate, now.

Motion agreed to and bill read third time and passed.

ROYAL ASSENT

NOTICE

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

GOVERNMENT HOUSE

Ottawa
13th August 1964

Sir,

I have the honour to inform you that the Hon. Wilfred Judson, Puisne Judge of the Supreme Court of Canada, acting as Deputy to His Excellency the Governor General, will proceed to the Senate Chamber today, the 13th August, at 5.45 p.m., for the purpose of giving royal assent to certain Bills.

I have the honour to be,
Sir,
Your obedient servant,
A. G. Cherrier
Assistant Secretary
to the Governor General.

The Honourable
The Speaker of the Senate

Hon. John J. Connolly: Honourable senators, I move that the Senate do now take recess and reassemble at the call of the bell at approximately 5.35 p.m.

The Senate adjourned during pleasure.

At 5.45 p.m. the sitting was resumed.

The Senate adjourned during pleasure.

ROYAL ASSENT

The Honourable Wilfred Judson, Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned and being come with their Speaker, the Honourable the Deputy of His Excellency the Governor General was pleased to give the royal assent to the following bill:

An Act to provide for the revision of certain fiscal arrangements with the provinces and to provide adjustments of fiscal arrangements and taxation provisions consequential upon the provision of youth allowances to parents resident in certain provinces.

The House of Commons withdrew.

The Honourable the Deputy of His Excellency the Governor General was pleased to retire.

The sitting of the Senate was resumed.

BUSINESS OF THE SENATE

On the motion for adjournment:

Hon. John J. Connolly: Honourable senators, I move, seconded by Senator Lambert, that when the Senate adjourns today it do stand adjourned until Tuesday, September 15 at 8 o'clock in the evening.

Hon. A. J. Brooks: Honourable senators, I would just like to ask the Leader of the Government whether there is any significance in the choice of September 15. I know that we can stand adjourned for some time, interim supply having been granted, but I was wondering about the flag debate in the other place. Of course we shall be back as soon as

that debate finishes, if the resolution carries, and we shall debate it here at that time. Is that the intention, Mr. Leader?

Hon. Mr. Connolly (Ottawa West): Yes. As honourable senators are aware, the Senate Order Paper has nothing on it at the moment. We have now completed all the business before us which requires our attention at this time. As honourable senators are also aware, under the rules we must adjourn to a specified date and be called back if business is available to us sooner than the date to which we have adjourned. This has happened a number of times this session. There is a debate now proceeding in the other place concerning the flag resolution. I would propose, when the debate is concluded in the other place, to speak to His Honour the Speaker with a view to having the Senate assemble at the earliest possible moment to consider that measure at that time.

Hon. Mr. Brooks: I do not know whether this sounds like a sensible question or not, but in the possible event of the other place recessing before September 15—that is, if they have a recess—what position would we be in as to being summoned back on September 15 if the other house was recessed?

Hon. Mr. Choquette: Supposing there is a compromise and they say, "We will let the resolution go until the fall?"

Hon. Mr. Connolly (Ottawa West): I think the crystal ball of the Leader of the Opposition is as good as mine.

Hon. Mr. Brooks: It is a pretty dull one.

Hon. Mr. Connolly (Ottawa West): Mine is rather dull too. I would say, if no business comes to us specifically from the other place before September 15, then we would assemble in any event on that date.

Hon. Mr. McCutcheon: To do what?

Hon. Mr. Connolly (Ottawa West): There may be business at that time, but in any event we are now proposing an adjournment to September 15.

Hon. Mr. McCutcheon: Honourable senators, as I understand the situation we can always adjourn until a fixed date, and having adjourned until that fixed date we are bound to be recalled on that date. I know of no authority that can say "Well, we were to be called back on this date but we will now postpone it." I would much prefer, and I would suggest, while recognizing the prerogative of the Leader of the Government in the Senate to decide the matter, that we should adjourn until September 30, subject to recall.

I have no idea what is going to happen in the other place. But I judge by reading the press that there will be a debate for some time; I also judge that when that debate is over there may be a recess and it seems to me that we should not be recalled here in the middle of that recess. I merely suggest to the Leader of the Senate that we adjourn to an appropriate date near the end of September, subject to recall. What has happened in the past is that we have adjourned to a definite date, and upon being recalled on that date have found no business to be done. For that reason I think we should extend the nominal period of recess, subject to recall, and immediately we are recalled we will all return.

Hon. Mr. Connolly (Ottawa West): Honourable senators, I have made a recommendation. I suppose if one were to carry the argument of Senator McCutcheon to its logical conclusion we could adjourn to a much later date. I have discussed this matter with a number of persons on both sides of the house, and I think the consensus is that the date that has been chosen is a reasonable one. I want to emphasize, as Senator McCutcheon has emphasized, that under our rules we are subject to recall earlier than the date suggested, if there is need for our presence here.

Hon. Mr. Roebuck: Honourable senators, if we adjourn to September 15 and on that date there is no business to be done, we would merely be coming back as a matter of pure form. Would it not be possible to arrange that a quorum only be called? I would suggest that a common-sense arrangement be made, because in my view there is no sense in bringing senators from a distance, even from Toronto, when a number of senators are resident in or close to Ottawa, merely to adjourn again. For such an adjournment a quorum would be sufficient.

Hon. Mr. Denis: Honourable senators, I suggest that if we adjourn now for a recess we are going to be called back to discuss the flag. When we are called back to discuss that matter, then it will be time to adjourn again. There is no danger that the House of Commons will be in recess by September 15 because we will be called back by the Speaker of the Senate to discuss the last item passed by the House of Commons.

Hon. Mr. Hollett: I realize the problem facing the Leader of the Government in this house. If we are to be called back before September 15, could we at least have a couple of days' notice, particularly those of us who

live at a distance? It is not always easy to get reservations.

Hon. Mr. Connolly (Ottawa West): On the last occasion on which the Senate was summoned during a recess, the notice was very short. But honourable senators understood the reason for that. It was the urgency of dealing with interim supply. I am sure we are all very pleased at the response to that request, especially having regard to the short notice. But that was an unusual situation. I think the notice will be a great deal longer on this occasion.

As to Senator Roebuck's suggestion, I will say that many times I have felt I would like to be able to relieve senators from far distant places of the worry of trying to get here when perhaps they know it is going to be a very short sitting. However, the rule requires that all senators be notified, and I think we can do no less. I know that when senators who live in distant parts of the country find it difficult to attend, they inquire what the prospects for a quorum are, and it has usually worked out reasonably well.

Hon. Mr. Choquette: The telegram could be worded in such a way that they could read between the lines.

The Hon. the Speaker: Honourable senators, is it your pleasure to adopt the motion?

Some Hon. Senators: Agreed.

Hon. Mr. McCutcheon: On division.

Motion agreed to, on division.

The Senate adjourned until Tuesday, September 15, at 8 p.m.

THE SENATE

Tuesday, September 15, 1964

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

Prayers.

FARM IMPROVEMENT LOANS ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-119, to amend the Farm Improvement Loans Act.

Bill read first time.

SECOND READING

Hon. John J. Connolly, with leave of the Senate, moved the second reading of the bill.

He said: Honourable senators, Bill C-119, to amend the Farm Improvement Loans Act, is a short bill and requires very little explanation. However, I think it would be appropriate at this time to explain it in relation to the background and history of the legislation known as the Farm Improvement Loans Act. This measure was first passed by Parliament in 1945 and was given a life term of three years subject to renewal. It has been renewed at three-year intervals since that time and the present three-year term will expire on June 30, 1965.

The main purposes of the Farm Improvement Loans Act are set out in the 19th annual report made under the act and are as follows:

1. The purchase of agricultural implements.
2. The construction, repair or alteration of farm buildings.
3. The purchase of livestock.
4. The general works for the improvement or development of a farm, including clearing and breaking of land, irrigation systems, farm electric systems, fencing and drainage works.

At the present time the maximum individual loan under the act is $7,500. The terms of loans vary. For implements such as machinery the term is four years, but for the other purposes for which these loans are designed the maximum term of an individual loan is ten years. The rate of interest charged by the banks on these loans is 5 per cent, and all loans require the giving of security.

As honourable senators are aware, persons who are entitled to apply for these loans do so through the branch banks in their communities, and generally the loans made by the banks under this act are guaranteed by the Minister of Finance against loss up to 10 per cent of the amount advanced by a bank.

Honourable senators will be interested, I think, in having a brief sketch of the history of the lending operations conducted under the act. In 1945, the year in which the legislation was originally passed, 4,311 loans were made, totalling some $3.5 million. In 1963, the last year for which final figures are available, the annual amount loaned increased from that original amount of $3.5 million to over $135 million, and the number of loans contracted in that year was 77,373. This increase in number of loans from 4,311 in 1945 to 77,373 in 1963 indicates the extent to which use has been made of this legislation through the years.

The losses too should be mentioned. They are relatively small. According to the annual report, the total amount paid to the banks under the guarantee provided by the Minister of Finance has been less than one-tenth of one per cent of all loans made to date.

Lending operations conducted under the aegis of this legislation fall under four headings, and it might be appropriate at this time to refer to them with reference to the lending that was conducted in the year 1963. In respect of loans for the purchase of farm implements, some $99 million was put out by the banks in more than 56,000 loans. Perhaps honourable senators would like to know something about the type of equipment which was purchased with this money.

I am informed that loans for tractors were the largest of this group and totalled over $38 million for the purchase of over 17,000 tractors in 1963. Furthermore, over $24 million was advanced to help finance the purchase of 8,879 combines. Loans totalling over $13 million were made during that year for the purchase of over 9,000 trucks for use on farms. Loans totalling almost $4,700,000 were made during the year for the purchase of over 4,100 hay balers. Loans were also made for the purchase of other implements, including milk coolers and station wagons, amounting to over $17 million in the year.

Hon. Mr. Brooks: Could you give a breakdown by provinces?

Hon. Mr. Connolly (Ottawa West): Yes. Is the honourable leader interested both in the number of loans and the amount per province?

Hon. Mr. Brooks: I am interested in the proportion in which the farmers in the different parts of Canada are taking advantage of the loans.

Hon. Mr. Connolly (Ottawa West): I shall read the figures now and they will appear in *Hansard*. These are loans made in 1963 for the purchase of agricultural implements:

Province	Number of Loans	Total Amount
British Columbia	1,258	$ 2,209,439
Alberta	15,246	26,835,245
Saskatchewan	18,913	34,991,183
Manitoba	7,397	12,784,073
Ontario	9,369	16,016,360
Quebec	2,223	3,934,604
New Brunswick	392	617,718
Nova Scotia	445	687,855
Prince Edward Island	764	1,063,354
Newfoundland	21	38,679

Hon. Mr. Brooks: The loans become fewer as one goes east.

Hon. Mr. Connolly (Ottawa West): The largest number of loans and the largest amount lent was in the Province of Saskatchewan. The other provinces follow in this order: Alberta, Ontario, Manitoba, Quebec, British Columbia, Prince Edward Island, Nova Scotia, New Brunswick and Newfoundland.

That is the history of the lending operations in 1963 in respect of implement loans. There were 8,130 building loans, totalling more than $18 million. Some 1,456 new farmhouses were covered in this operation.

There were loans for the construction of utility buildings and for the repair and alteration of existing buildings. Those for repair and alteration covered 2,833 units, and totalled over $4 million.

There were 8,835 loans for the purchase of livestock, amounting to over $13 million. There were 4,380 loans for other improvements, totalling more than $4 million. These other items covered such undertakings as the clearing and breaking of land, irrigation work, fencing and drainage, fixed equipment and farm electric systems, sewage disposal systems, wells and water supply systems.

Hon. Mr. Molson: Would the honourable Leader give once more the total amount for the year?

Hon. Mr. Connolly (Ottawa West): Yes. The total number of loans for the year 1963 was 77,373 and the total amount loaned in that year was $135,954,564.

It is obvious to honourable senators that the technological advances characteristic of the development of the agricultural industry in this country have featured largely in the work which has been done under the provisions of this legislation. The increased mechanization of farms and the requirements for more complex and more expensive farm machinery have been the main areas in which this legislation has been invoked. Between 70 and 75 per cent of all the lending of this past year has been for the purpose of facilitating the buying of equipment.

I should add that the Porter Commission considered the provisions and the history and operation of the legislation before us and recommended that an increase should be made in the amount of individual loans. They found that the credit facilities available under this act to individual farmers should have a revision upwards, and it is precisely this step that is now proposed in this legislation.

I should add, too, to make the story complete, that the Porter Commission recommended that the maximum for an individual loan be $10,000. The bill goes farther than that, and proposes that the maximum should be $15,000.

Now, honourable senators, with that as general background to the legislation before us, may I outline briefly the amendments that are proposed to the existing legislation by this bill. First, the bill proposes that the maximum individual loan amount should be increased from $7,500 to $15,000; in other words, it should be double. It is also proposed that the aggregate amount available for lending under this legislation for the period ending June 30, 1965, should be increased from $400 million to $500 million.

The bill also proposes that the lending period be extended from June 30, 1965 to June 30, 1968. It is also proposed that in the new three-year period the maximum aggregate amount available for lending under this legislation shall be increased from $500 million to $700 million.

Honourable senators, this, I think, is a complete explanation of the bill before us. It was my intention that if the bill received second reading tonight—and when I say tonight I hope no honourable senator will think I am suggesting any pressure—and if it is the desire of any honourable senator that it should go to committee, I will certainly be happy to move that it be referred to the Standing Committee on Banking and Commerce. It is a bill from the Department of Finance.

If honourable senators have any questions in mind that I might be able to answer tonight, I will certainly attempt to do so.

Hon. Mr. Walker: Would the honourable leader be good enough to tell us whether the rate is still 5 per cent?

Hon. Mr. Connolly (Ottawa West): I am sorry, I thought I had mentioned that. It is still 5 per cent.

Hon. Mr. Walker: What rate is the Government paying now to borrow for this fund? It is more than 5 per cent, is it not?

Hon. Mr. Connolly (Ottawa West): I cannot answer that question categorically. I will get the information for the honourable senator.

Hon. Mr. Walker: I would like to know if the loans are being made at a loss to the Government.

Hon. Mr. Smith (Kamloops): These loans are guaranteed to the bank, are they not? The Government does not advance the money?

Hon. Mr. Connolly (Ottawa West): That is correct. There is no fund set up by the Government, out of which these loans are made. The aggregate amount is that to which banks can lend under this legislation. It is the banks that lend the money. The rate they can charge under this legislation is 5 per cent; and 10 per cent of the money that they put out, pursuant to the terms of this legislation, is guaranteed against loss by the Government.

Hon. Mr. Willis: May I ask the Leader of the Government a question? As I read section 1(d) of the bill, if a borrower holds $5,000 from the bank, that amount is deducted from the $15,000 he might now borrow. In other words, he cannot borrow more than $10,000 under this act if he owes the bank $5,000.

Hon. Mr. Connolly (Ottawa West): I am not too sure about that, because the terms under which he may borrow $5,000 from the bank on some other account and under some other arrangement may be completely different from the terms under which he borrows under this legislation. However, I think the banker himself would probably assess the general credit position of the borrower. The honourable senator may very well be right. I would hope that question would be asked in committee, for I too would like a better answer.

Hon. Mr. Willis: I read section 1(d) to the effect that if a banker knows that the borrower owes money to his bank, he cannot borrow an additional amount increasing his total obligation to more than $15,000.

Hon. Mr. Connolly (Ottawa West): As to obligations under this legislation, that is true.

Hon. Mr. Willis: As a farmer myself, I want the answer.

Hon. Mr. Connolly (Ottawa West): I do not think the honourable senator would have much trouble borrowing without this legislation.

Hon. Mr. Molson: May I ask the honourable leader if he does not think that a farmer who already had a loan from the bank and was in the normal sense of the term loanworthy under this legislation, could apply for this loan and pay off his previous borrowing and in that way qualify for the maximum, provided he met the conditions under this legislation?

Hon. Mr. Connolly (Ottawa West): I would certainly think so.

Hon. Mr. O'Leary (Carleton): May I ask the honourable leader who directs the administration of this act? I understand that most of these loans have been made to farmers in Saskatchewan, Ontario and Alberta. These are farmers of a relatively wealthy class. What effort is made under this act to help the small farmer? What about the man who has 100 or 200 acres, who may need a loan for seeding, or to erect a new barn or other buildings?

It seems to me that the farmers who can borrow money for combines and tractors, and items of that sort, are relatively prosperous farmers. But it so happens that at the present time in the Province of Quebec a number of farmers are depressed, and I know some of these areas in which they live. Could those farmers go to the bank and get a loan under this act, or would they be told by some hard-eyed banker that they did not have adequate security? I fear that this loaning legislation is mainly for the benefit of people who are relatively prosperous and who, if they did not get a loan, would not suffer.

Hon. R. B. Horner: Honourable senators, coming as I do from the largest farming province, I would like to say a few words on this legislation. For the benefit of the honourable senator who is worried, may I say that this has been a rich harvest for the bankers. That is one of the reasons Parliament has been flooded with applications by people wanting to get into the banking business where they can make guaranteed loans.

I noticed that the Leader of the Opposition (Hon. Mr. Brooks) was quite anxious to have information on the proportion in which the farmers in the various provinces were taking advantage of these loans. Conditions in his province look pretty good, and probably the farmers there don't need much money.

Hon. Mr. Brooks: They do not borrow money.

Hon. Mr. Horner: The Province of Saskatchewan has a larger agricultural area and grows more grain than any other province, and loans are needed for expansion. One of the reasons for borrowing is the constant changing of equipment, the need for more efficient equipment. It is quite natural that a farmer, if he sees the opportunity of making a few thousand dollars, will change to different equipment.

Let us take, for example, seeders for seeding wheat. At one time we had the shoe drill, which made a small crease in the soil and dropped in the seed in a similar manner but not quite as compressed as with a double disk drill. Then the double disk drill became

very popular, although it was expensive. But it did not last long and was succeeded by the single disk, which distributed the grain in a wider area. It became popular and was widely used.

Not long ago I was chatting with a farmer who did his seeding by means of a horse-drawn drill. He told me that with the double disk, for the first few months after seeding, a crop looked very good, but that in dry weather the seeds became compressed in very sharp little grooves in the soil, and much of the grain would dry out, whereas the single disk drill would produce a better crop, although in the beginning stages it did not look as good.

Now farmers have gone back to the hoe drill they used 70 years ago—a series of pipes with holes, now motivated by power. The farmers feel that they now have the answer, because by this means the drill makes a nice, moist groove in which to scatter the seed.

Conditions are constantly changing on the farm, and farmers have to keep up with changing conditions. The same applies with regard to the plough. We used to think that the farmer simply had to use an ordinary plough to turn the land over. Now they use diskers. I know of a piece of land that has not been ploughed for 15 years, where the ploughs are gathering rust—and they cost a lot of money. Farmers now use the heavy diskers.

The same thing could be said of many pieces of equipment in the farming industry. We see the old threshing machine going out and giving way to the combine. It has always seemed to me that the farmer wishing to expand can do so whether he gets the benefit of a loan or not. It depends upon the ability of the farmer himself and whether he likes to have men around him and run a big business or whether he likes to run a small business. There is also the danger that if he loses money that he has borrowed he will be very uncomfortable instead of being happy. The farmer who wants to get ahead will find some way to get more land and more machinery.

However, this is the modern way of doing things; it means more profitable business for the banks, and I do not wish to oppose the bill. Furthermore, having heard the excellent explanation given by the Leader of the Government (Hon. Mr. Connolly, Ottawa West), I do not consider there is any necessity to send it to committee.

Hon. J. Wesley Stambaugh: Honourable senators, I think perhaps I can answer one of the questions raised by Senator O'Leary (Carleton). The district I come from consists generally of small farms, the average being less than half a section. These loans have been a godsend to the farmers of that area in helping them to buy stock and equipment, and in helping them to modernize their houses and put in electrical machinery. Within the last few years electricity has reached that area and the farmer can now buy a refrigerator for his house or equipment such as a milker for his barn. Furthermore, we have just ordinary country banks making loans to the small farmers in my district, and in my view such loans have been of great benefit to the small farmers.

Hon. Arthur M. Pearson: Honourable senators, at the outset I wish to congratulate the sponsor of the bill on the very fine explanation he gave. Although it is a simple bill, he has given a concise history of the act since it was introduced in 1945. The act has been renewed every three years and a further amount added to the total available for borrowing by the farmers.

I have one criticism of the total amount available to be borrowed. I notice that in 1960 the loans totalled over $101 million. In 1962 they reached $118 million and in 1963, $135 million. To me this indicates that $100 million is not sufficient, because it appears that at the current rate of growth the amount required in 1964 will be something like $150 million.

As the honourable senator from Blaine Lake (Hon. Mr. Horner) has said, there are so many changes going on in farming, and so many improvements in machinery, that the people in the west, where the big farming is carried on, are constantly changing their machinery to keep up with the times. That is the reason for the tremendous increase in the number and size of loans in those areas. I think the Government would be well advised to increase the amount not to $700 million but possibly to $850 million or $900 million.

We are getting into big money in this matter, but we must remember that farming is a tremendous industry and it needs all the encouragement we can give it. These loans have been a tremendous boon to the farmers.

The other point I want to criticize is that of the total loans for the purchase of farm machinery. I have drawn up some figures, taking the years 1958, 1960, 1962 and 1963. For those years I have set out the loans for new implements by provinces, and they are as follows:

Province	Loans for New Implements 1958	1960	1962	1963
	$	$	$	$
British Columbia	1,525,000	1,600,000	2,148,000	2,200,000
Alberta	17,538,000	19,388,000	26,190,000	26,800,000
Saskatchewan	17,583,000	24,936,000	26,670,000	34,900,000
Manitoba	7,175,000	9,101,000	11,935,000	12,700,000
Ontario	11,281,000	11,613,000	14,159,000	16,000,000
Quebec	13,925,000	10,495,000	3,770,000	3,900,000
New Brunswick	736,000	802,000	606,000	900,000
Nova Scotia	826,000	682,000	769,000	600,000
Prince Edward Island	1,142,000	1,269,000	934,000	1,000,000
Newfoundland	52,000	51,000	28,000	38,000

When you look at those figures it would appear that there is quite a decisive line to be drawn between Ontario and Quebec. From Ontario west apparently the farmers are able and willing, for some reason or other, to buy new machinery and are doing so, but from Quebec east the conditions are not getting better. To my mind this is the area where these loans should be functioning rather than in the west because, as Senator Horner said, the farmers who have the money there and who have credit do not need them. I remember the case of one farmer who, because he was living in the city, was not regarded as a bona fide farmer. He went to the bank to borrow under this scheme and was told: "No, we cannot lend you money under this legislation, but we will make you a personal loan." At that time he wanted $5,000 for machinery, and he got that amount without any question although, of course, he had to pay the regular rate of interest of 6 per cent.

There may be a nigger in the woodpile in the down payment that these borrowers have to make. When the amount that a farmer is entitled to get is boosted from $7,500 to $15,000 he would have to make a down payment equivalent to at least 25 per cent of the amount borrowed. In some cases 33 per cent of the amount has to be put up in the form of either security or cash, and the borrower has to hand over the agreement for purchase of the new machinery to the bank that makes the loan. It may be that people in Quebec and the east cannot raise enough money. If the total amount of the loan is raised to $15,000 then one-third is $5,000. How many of the small farmers in the east are going to be able to raise $5,000 to get themselves going? It is my opinion that something has to be done by way of working out arrangements whereby these farmers would be enabled to borrow money and thus get on their feet.

I know that the bank managers check the credit rating of each applicant for a loan. They make sure that he is a good risk. Even under this act a farmer cannot get a loan unless he is a good risk. Any Tom, Dick or Harry cannot walk into a bank and get money under this legislation. An applicant must be a member of the community in good standing, and a man who honours his debts and has sufficient money and quantity of land in order to be able to carry on and pay back the money borrowed.

Those are the two criticisms I have, but apart from them I am absolutely in favour of this measure. I know that the cost of machinery has gone up, and loans up to $15,000 are necessary. The price of a combine has gone up to $8,000, $10,000 and $12,000, and the farmer in the west has to have such machines. The price of tractors is up to $7,500 and more. A maximum of $15,000 is not out of line at all so far as present-day purchasing is concerned.

I have nothing further to say except that I am in favour of this bill; I hope it receives second reading and, if necessary, goes to committee.

Hon. Donald Cameron: Honourable senators, I am taking part in this debate because of the remarks made by my friend, Senator O'Leary (Carleton), with respect to those prosperous western farmers. It is true that many of them are quite prosperous, but I would point out that there are some interesting figures which demonstrate that that prosperity is not excessive.

I am looking at the bulletin issued by the Canadian Federation of Agriculture for September 1964. On page 7 are shown the results of a number of representative farm surveys in Canada. The number of farms is given, and also the size of the farms in acres, the capital investment and the net farm income. I will pick out just a few of these at random, and I think they will throw a little light on this particular piece of legislation and the position with respect to the farming industry, particularly in the west.

In the brown soil zone of Saskatchewan the average size of 20 medium-size grain farms is 688 acres. The capital investment is $31,600—I would say that that is a low figure—and the net income is $2,750. Of 20 large-size farms the average size is 1,054 acres, the capital investment $52,400, and the net income $4,680.

The average size of 20 medium-size grain-cattle farms is 270 acres—that is a small farm—the capitalization is $43,250, and the net income $2,280.

Then we go to dairy farms in British Columbia. Of 92 farms in the Fraser Valley the average size is 84 acres, the capital investment is $52,980 and the net income $4,675. The smallest farms have the highest capitalization.

The average size of 84 beef farms in Ontario is 228 acres, the capitalization is $33,940, and the net income is $3,020.

I must say that I am very much in favour of this bill. I think it is long overdue. The Leader of the Government rightly commented that the main reason for extending additional credit is a recognition of the increase in the technical side of farming, but there are, of course, other reasons. Farm people are moving off the farms in large numbers; the only way they can stay today is by mechanizing because they cannot afford to pay the present-day wage rates. Taking farm wage rates in 1935-1939 to equal 100, by 1961 they had risen to 588.5, and by 1964 they have increased to 688.6. That is the picture so far as wages on the western farms are concerned, and the same holds true for the whole of Canada. However, it seems that you cannot hold the quality of help you need on the farm at any wages. The only way a farmer can stay in business is to mechanize.

Taking the consumer price index as 100 in 1949—and this embraces all items consumed by farmers as well as other people—by 1961 it was 129.2, and it went up to 136.2 in July of 1964.

The price index is given of numbers of commodities used by farmers, and taking all items in 1935-1939 to equal 100, then in 1961 it was 259.0 and in 1964 it is 282.4. Here again is a reason why, on the one hand, farmers need more credit in order to be able to stay on the farm and, on the other, why they need cheap credit to handle the cost of operations for which they receive this rather modest return.

This legislation is based on another sound principle in that it uses existing financial machinery, the chartered banks, instead of providing that the Government set up special means of distributing the money. I think it is timely and important legislation, and it provides the only means by which efficient farmers are going to be able to survive. This legislation will give them the kind of credit they need and in the necessary amounts to meet today's technological changes.

Hon. A. J. Brooks: Honourable senators, I wish to say just a few words because of the comparison that has been made of the different farming sections of Canada. The fundamental reason why there is not as much borrowing in Quebec, New Brunswick and parts of Nova Scotia as there is in the western provinces is the great difference in farming in the east and in the west. In western Canada there are the large wheat farms which need huge combines and heavy machinery costing such tremendous amounts of money, while in my own section of my province the farmers are, in the main, dairy farmers who do not need such expensive machinery. We have mixed farming as well which does not require heavy machinery.

I would like to point out also that on many of the farms in New Brunswick and Nova Scotia much pulpwood is grown on the back lots. This is a large source of income for those farmers, and it does not require heavy machinery. If a farmer has a saw and a truck he has the means of making a good income out of this product.

Prince Edward Island was mentioned along with New Brunswick and Nova Scotia, but the Island produces, in the main, one crop, namely, potatoes, the production of which requires more machinery than does a mixed farm.

I am not saying that we do not require more loans in New Brunswick. I am quite sure that some of the farmers there could do very well with more and larger loans, but the farms are not large. In the Maritime provinces we have not arrived at the point of combining smaller farms into very large farms, as is happening in other parts of Canada and the United States. However, that is coming. Farmers are moving off their farms, and the day is approaching when no matter where they farm they are going to need large acreages with more machinery. I thought I should mention these facts in order to explain possibly why there is such a difference in farming operations in the Maritime provinces as compared with other parts of Canada.

It is very pleasing to all of us to learn that on these loans there is practically no loss—it is only one-tenth of 1 per cent. It is no news to me, as when I was connected with the Department of Veterans Affairs I had a lot to do with the Veterans' Land Act, in which case, as in this, there has never been any loss—except a small fraction of 1 per cent. It is amazing, when one thinks of the millions of dollars borrowed, that the loss is only a fraction of 1 per cent.

A few years ago, when the Farm Credit Act was passed and men were needed to look after the inspection and appraisal of farms, we were very proud that men from the Department of Veterans Affairs were chosen. The Department of Veterans Affairs, in the administration of the Veterans' Land Act, had built up a group of trained appraisers who were very efficient. I wish to give credit to Brigadier Thomas Rutherford, who was responsible for looking after these matters under the Veterans' Land Act and who was loaned from that department to the Department of Agriculture and the Department of Finance when the Farm Credit Act was put on a par, more or less, with the Veterans' Land Act. I should say that one reason why the percentage for loans was 5 per cent was that the veterans were given that rate on account of being veterans, and when the Farm Credit Act became operative the 5 per cent rate was allowed to farmers borrowing under the Farm Improvement Act and the Farm Credit Act.

Honourable senators, this is a good act. The Farm Improvement Loans Act, like the Farm Credit Act, became operative under the 5 per cent provision. It has been of great assistance to the farmers in Canada.

Hon. David J. Walker: I wish to congratulate the honourable Leader of the Government in the Senate on the manner in which he outlined this bill.

Looking at the original act, chapter 110 of the Revised Statutes of Canada, it is pleasant to note that the Government of Canada is not putting up a cent, unlike the case of housing. As the honourable Leader said in reply to a question, all of the money is put up by the bank at 5 per cent, which is most unusual. I am sure the banks would like to have 6 per cent or more. The fact that all this money has been loaned at 5 per cent by the bank and is costing the Government of Canada less than one-tenth of 1 per cent of the total of the loans, is a remarkable feat.

It is quite obvious, for the reasons given by the farmer senators here and by those from farming constituencies, that there can be no question about the need to increase the loans to meet the needs of large-scale farming production. The increase is recommended also by the Porter Commission Report. In view of the excellent manner in which the Farm Improvement Loans Act has worked out and the fact that the farmers are getting loans at 5 per cent, at a cost to the bank, and at no cost to Canada other than the minute amount of the loss, as a layman I cannot but feel that we should be very pleased indeed to take part in supporting this bill.

Hon. Hartland de M. Molson: Honourable senators, I do not intend to say a few words on this bill because of my farming experience—which I must admit is limited—but there are some comments which I feel might be made.

In the first place, this is one of those bills with which we have had to deal in Parliament over the years, designed to improve or continue some reasonable standard of living for that proportion of our population who live on farms. That proportion has been dropping steadily for many years, and it is a matter of regret that this must be so. It is bound to occur in a change from an agricultural to an industrial economy. We all know that the real backbone of this country has always been provided by those who live on the land, who have held the land dear to themselves and their families. That this is a measure designed to help them is a point in its favour.

Many measures have come up here dealing with farm problems, problems connected with the storage of grain, the moving of feed grains, rehabilitation, and now farm improvements. All these measures are thoroughly justified and are good, although in spite of them that proportion of the population must decline.

The comments already made about the results of these loans have scarcely been adequate to point out the really astonishing results which have been achieved over the years in which those loans have been in force. We have been given the figures for some years. I have seen the cumulative figures since the program began. I have not got them here, but they are much more impressive than the figures for any one year. If the results to date show a loss of one-tenth of 1 per cent, I do not think there is any area of the economy which can show any performance as favourable. It is astounding, and that in itself is justification for increasing the provisions in the legislation.

Regarding the comment made by my honourable friend Senator O'Leary (Carleton) about the small farmer, he has been partly answered already. As a matter of fact, if he takes the figures for 1963, he will see that there were 77,000-odd loans, and that the total amount was $135 million, making the average loan less than $2,000.

Hon. Mr. Connolly (Ottawa West): $1,757.

Hon. Mr. Molson: Therefore, this is scarcely catering only to that section of the farm population which has large income and large capital.

There is one other point which I think should be made in regard to Quebec. I am not very well informed on this agricultural subject—any better than some of the others

—but I know that in Quebec we have a provincial farm loan system which has been taking an increasing proportion of the loans required by the farmers. They carry a very low rate of interest, something like 3 per cent. It seems to me that the probable reason for the decline in the figures in the Province of Quebec will be found in the fact that that province has substituted its services for those of the federal Government.

Honourable senators, in this chamber in 1960, when discussing Government expenditures I suggested that if the Government was paying the shot, it would not seem unreasonable to suggest that the purchases made with the money so provided should be of goods made in Canada. This money is not being provided by the Government but by the banks. However, $99 million for farm equipment is an impressive figure. If that machinery were made in Canada it would provide a large number of jobs. Unemployment is a problem we have with us daily. It is not a problem that the western farmers or farmers in general should be asked to solve. It is not their problem. I would not for a moment suggest that any restriction be imposed on the farmer in order to solve that problem. However, one of our great national problems is that of providing employment and it seems to me that, in much of the legislation we have here, provided it does not work to the disadvantage of the person for whom the legislation is designed, some provision should be made to favour the purchase of goods made in Canada. I know that this is done in other countries. If such a provision were made also in regard to other fields of activity, not just in regard to this legislation, it would make a considerable difference in the employment opportunities in Canada.

I do not suggest that anything be done in this bill at the moment, but I suggest that in future legislation of this type, where the Government is providing facilities for the individual, we should try to ensure that at least some other individual in Canada will be provided with a job as a result of the legislation. That is really the main point I wanted to make with regard to this bill. I feel that this is one of the number of bills where, if some thought were given to this problem, considerable advantage could be given to employment opportunities in Canada without in any way detracting from the advantage of the individual in the legislation, and I would like to think that the Government would give some consideration to that in some of the measures we have to deal with.

Hon. Mr. Connolly (Ottawa West): Honourable senators—

The Hon. the Speaker: I must inform honourable senators that if Hon. Mr. Connolly (Ottawa West) speaks now it will have the effect of closing the debate.

Hon. John J. Connolly: Honourable senators, I must, of course, thank all honourable senators who have taken part in this discussion tonight. I should add that on such short notice it is all the more remarkable that we should have had such an interesting and far-ranging discussion.

May I first refer to the remarks of honourable Senator Horner, who is the senior senator and who always, I am happy to say, takes a very active interest in the measures that come before us respecting the agricultural community of this country. We welcome his contributions and are always very glad indeed to have him express this interest. We are happy that his health continues to be as good as it is.

We have heard, of course, from expert western farmers like Senator Stambaugh and Senator Pearson, and from gentlemen farmers like Senator Willis from the east, and Senator Molson from a little bit farther east, and Senator Cameron, who lives in a province that is a great agricultural area of this country, indeed of the world. We have heard too from the Leader of the Opposition, Senator Brooks, who also comes from an agricultural province. I do not know which of our provinces are not agricultural in a very large measure.

I do not know just how to categorize Senator Walker. I know that he has an interest in the country; I do not know that he is precisely a farmer, but certainly he has an interest in farm problems and has shown this on several occasions in this chamber.

Now may I speak to the point raised by Senator O'Leary (Carleton). It might help if I said that the average loans made under this act since it was initiated in 1945 ranged from a low of $738 in 1946 to a high of $1,757 in 1963. For example, in 1950 the average loan was $1,075; in 1955 it was $1,137; in 1960 it was $1,497. That may answer in part the question that Senator O'Leary raised.

I think, too, the experience to which Senator Stambaugh referred, and the explanations given by Senator Brooks will help a good deal to satisfy the concern that all honourable senators would feel, that perhaps the farmers who need this kind of help most do not get it. I think, perhaps, on analysis of cases it will be found that they do.

Senator O'Leary spoke particularly about the small farmer in the Province of Quebec. Senator Molson has already informed the house that in the year 1961 there was passed by the Province of Quebec the Quebec Farm Improvement Act. Senator Pearson's question about the great drop in the figures shortly

after that period for the Province of Quebec may be in part answered by this fact. I am informed that these loans are made for farm improvement purposes, up to a maximum of $4,000 in the case of individual loans, but, for the purposes of what is described as farm organization, the loan cannot exceed $3,000.

Having this information on the record may go at least part way to answer the questions raised by Senator Pearson in respect of the Province of Quebec about the drop, and perhaps answer the question of Senator O'Leary, at least in part, about the availability of loans for the small operator.

I should say too that under the federal program loans are intended to be intermediate term credit facilities, and are designed to provide facilities for the making of capital improvements on a farm in the way indicated in the areas we have been discussing here tonight.

I do not think that this type of loan is designed to cure the problems of the submarginal farm. This is not the purpose of the legislation. Those who are familiar with the ARDA program—and certainly those who served on the Special Senate Committee on Land Use are—will know that the ARDA program is designed to help in that particular area.

Now, I do apologize to the house. Senator Molson has brought very forcibly to my attention the fact that I did not give the total amount of loans that have been made under this legislation. Throughout the history of the act from 1945 to 1963, 1,083,468 loans have been made, and the total amount loaned was $1,375,973,302. So, when we talk about the losses being at the rate of one-tenth of 1 per cent on such a tremendous amount of money over such a long period of time, I think it is at least evidence of a credit worthiness of the agricultural community of this country. It is a great tribute to the capacity and the determination of farmers to pay their debts.

I do not want to introduce new material, but Senator Molson has referred to the regrettable decline in the farm population in this country. This is indeed a regrettable trend. I suppose, as he has pointed out, in the industrialization of a country some of this decline is inevitable, but the plain fact is that food production in the world today cannot keep up with demand, and there are millions of people in the world tonight who will go to bed hungry, with no means to get the wherewithal to satisfy that hunger.

And, in the midst of plenty in this country, I think it behooves all of us to give some thought to that problem. It seems to me that if the law of supply and demand does work in the world at large, it is difficult to see why, since we have such a great capacity in this country for production of quality foods, there should be so much need in the world at large for foods. Surely the means that are available now in the way of transportation, communication and capital facilities can bring these two closer together to the benefit, not only of the starving and undernourished but, as well, to the advantage of the food producers themselves.

I think we have kept up in our agricultural areas in Canada with the march of progress; what honourable senators who have come from farming communities in this country have said here tonight is evidence of that. Senator Horner referred to the fact that new machinery is constantly coming onto the market, and farmers are requiring it. Both Senator Pearson and Senator Stambaugh referred to it.

I think the figures we have before us tonight indicate that farmers in this country are aware of the need to keep up with modern developments and modern requirements.

Honourable senators, again I thank all those who have participated in this debate. In all the circumstances, I think I would be on better ground if I suggested we send the bill to committee tomorrow morning. I know some honourable senators do not feel it necessary, but there may be other questions to be asked.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

Hon. Mr. Connolly (Ottawa West): I move that this bill be referred to the Standing Committee on Banking and Commerce.

Honourable senators, may I announce that after consulting with the chairman of the committee, it is proposed that that committee meet tomorrow morning at ten o'clock.

Motion agreed to.

DOCUMENTS TABLED

Hon. Mr. Connolly (Ottawa West) tabled:

Order in Council P.C. 1964-1222, dated August 6, 1964, authorizing under section 21 of the Export Credits Insurance Act, revised contracts of insurance originally approved by Order in Council P.C. 1963-1564, dated October 24, 1963, by the Export Credits Insurance Corporation for shipment of 250,000 metric tons of wheat (or flour equivalent) to the People's Republic of Bulgaria, pursuant to section 21B of the said act, chapter 105, R.S.C., 1952, as amended 1960-61. (English text).

Report of the Unemployment Insurance Commission for the fiscal year ended March 31, 1964, pursuant to section 95(2) of the Unemployment Insurance Act, chapter 50, Statutes of Canada, 1955. (English text).

Copy of "Data from Radiation Protection Programs", dated June, 1964. (English and French texts).

Order in Council P.C. 1964-1275, dated August 13, 1964, authorizing under section 21A of the Export Credits Insurance Act, long-term financing by the Export Credits Insurance Corporation for the sale by Dominion Steel and Coal Corporation, Limited, Sydney, Nova Scotia, of steel rails and track accessories to Ferrocarril del Pacifico, S.A. de C.V. Guadalajara, Jalisco, Mexico, pursuant to section 21B of the said act, chapter 105, R.S.C., 1952, as amended 1960-61. (English text).

Order in Council P.C. 1964-1223, dated August 6, 1964, authorizing under section 21 of the Export Credits Insurance Act, contracts of insurance by the Export Credits Insurance Corporation for a further shipment of 200,000 metric tons of wheat to the Czechoslovak Socialist Republic, pursuant to section 21B of the said act, chapter 105, R.S.C., 1952, as amended 1960-61. (English text).

Order in Council P.C. 1964-1314, dated August 25, 1964, authorizing under subsection 2 of section 21A of the Export Credits Insurance Act, long-term financing by the Export Credits Insurance Corporation for the purchase from Amco Furnace Contractors Limited, Rexdale, Ontario, of design, erection and commissioning services and capital equipment by the President of India for use at Durgapur, West Bengal, India, pursuant to section 21B of the said act, chapter 105, R.S.C., 1952, as amended 1960-61. (English text).

Copy of a letter, dated August 25, 1964, addressed by the Counsellor and Charge d'Affaires a.i. of the Embassy of Japan at Ottawa to the Minister of Finance, together with an annex concerning voluntary controls on the export of certain products to Canada for the 1964 calendar year. (English and French texts).

Report of the Superintendent of Insurance for Canada, Volume I—Abstracts of Statements of Insurance Companies in Canada, for the year ended December 31, 1963, pursuant to section 9 of the Department of Insurance Act, chapter 70, R.S.C., 1952. (English and French texts).

Report of the Tariff Board, relative to the Investigation ordered by the Minister of Finance respecting Oil-Seeds, Vegetable Oils and Related Products—Reference No. 131 (English and French texts), together with a copy of the transcript of the evidence presented at public hearings (English text), pursuant to section 6 of the Tariff Board Act, chapter 261, R.S.C., 1952.

Report of the Department of Secretary of State of Canada for the fiscal year ended March 31, 1964, pursuant to section 8 of the Department of State Act, chapter 77, R.S.C., 1952. (English and French texts).

Report of Agreements made under the Agriculture Products Co-operative Marketing Act for the fiscal year ended March 31, 1963, pursuant to section 7 of the said act, chapter 5, R.S.C., 1952. (English and French texts).

Report of Agreements made under the Agricultural Products Co-operative Marketing Act for the fiscal year ended March 31, 1964, pursuant to section 7 of the said act, chapter 5, R.S.C., 1952. (English and French texts).

Copy of communique issued following a meeting of the Commonwealth Economic Consultative Council held at Kuala Lumpur, Malaysia, on September 1 and 2, 1964. (English text).

Report of the Postmaster General for the fiscal year ended March 31, 1964, pursuant to section 77 of the Post Office Act, chapter 212, R.S.C., 1952. (English and French texts).

Statutory Orders and Regulations published in the *Canada Gazette*, Part II, of Friday, August 28, 1964, (Canada Student Loans Regulations) pursuant to section 7 of the Regulations Act, chapter 235, R.S.C., 1952. (English and French texts).

Statutory Orders and Regulations published in the *Canada Gazette*, Part II, of Wednesday, August 12, 26 and September 9, 1964, pursuant to section 7 of the Regulations Act, chapter 235, R.S.C., 1952. (English and French texts).

Report on the Administration of Allowances for Blind Persons in Canada for the fiscal year ended March 31, 1963, pursuant to section 12 of the Blind Persons Act, chapter 17, R.S.C., 1952. (French text).

Report on the Administration of Allowances for Disabled Persons in Canada for the fiscal year ended March 31, 1963, pursuant to section 12 of the Disabled Persons Act, chapter 55, Statutes of Canada, 1953-1954. (French text).

Report on the Administration of Old Age Assistance in Canada for the fiscal year ended March 31, 1963, pursuant to section 12 of the Old Age Assistance Act, chapter 199, R.S.C., 1952. (French text).

Report on the Operations of the Farm Improvement Loans Act for the year ended December 31, 1963, pursuant to section 13 of the said act, chapter 110, R.S.C., 1952. (English and French texts).

Copy of joint communique of the Third Meeting of the Canada-Japan Ministerial Committee held at Tokyo on September 4 and 5, 1964. (English and French texts).

Copy of Agreement establishing Interim Arrangements for a Global Commercial Communications Satellite System together with a copy of the Special Agreement related to the said Satellite System. (English and French texts).

Hon. Mr. Connolly (Ottawa West): May I say I am sure that we are all extremely gratified to see the honourable senator who presides over our deliberations with us this evening, safe and hearty and sound.

ACTS OF PARLIAMENT

EARLIER PUBLICATION AFTER SESSION

Hon. Jean-François Pouliot: Honourable senators, I would be thankful to the Leader of the Government (Hon. Mr. Connolly) if he would inform the Senate about a decision that has been made by the Government, upon his request, for the publication of the Acts of Parliament as soon as possible after they have been assented to.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, September 16, 1964

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

Prayers.

DOCUMENTS TABLED

Hon. John J. Connolly tabled:

Copy of a letter, dated August 15, 1964, addressed by the Prime Minister of Canada to the Premiers of nine provinces concerning arrangements for contracting-out of federal-provincial cost-sharing programs. (English and French texts).

Copy of a letter, dated August 15, 1964, addressed by the Prime Minister of Canada to the Premier of Quebec on the above-mentioned subject. (English and French texts).

Exchange of Notes between Canada and the United States of America authorizing the Canadian Entitlement Purchase Agreement provided for under the Columbia River Treaty. Ottawa, September 16, 1964. (English and French texts).

Exchange of Notes between Canada and the United States of America confirming the entry into force of the Protocol of January 22, 1964, to the Columbia River Treaty. Ottawa, September 16, 1964. (English and French texts).

FARM IMPROVEMENT LOANS ACT

BILL TO AMEND—REPORT OF COMMITTEE ADOPTED

Hon. Norman P. Lambert, for Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill C-119, to amend the Farm Improvement Loans Act, and had directed that the bill be reported without amendment.

Report adopted.

THIRD READING

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

Hon. John J. Connolly: Honourable senators, with leave of the Senate, I move that the bill be read the third time now.

Motion agreed to and bill read third time and passed.

ROYAL ASSENT

NOTICE

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

GOVERNMENT HOUSE

Ottawa

16 September 1964

Sir,

I have the honour to inform you that the Hon. Robert Taschereau, P.C., Chief Justice of Canada, acting as Deputy to His Excellency the Governor-General, will proceed to the Senate Chamber today, the 16th September, at 5.45 p.m., for the purpose of giving Royal Assent to certain Bills.

I have the honour to be,
Sir,

Your obedient servant,

A. G. Cherrier
Assistant Secretary
to the Governor General.

The Honourable
The Speaker of the Senate.

ACTS OF PARLIAMENT

EARLIER PUBLICATION AFTER SESSION

Hon. John J. Connolly: Honourable senators will recall that on March 10, in the course of his explanation of Bill S-2 respecting the Revised Statutes of Canada, honourable Senator Pouliot brought to our attention that public bills in the Province of Quebec are printed in the *Official Gazette* of Quebec within a few days of the conclusion of the session of the Quebec Legislature; and he suggested that some similar action should be taken in respect of statutes of the federal Parliament, by having them published in the *Canada Gazette* shortly after the adjournment of this session of Parliament.

I have informed the honourable senator, and I now inform the Senate, that arrangements have been made whereby acts of Parliament are published now in separate chapter form approximately five weeks after they receive the royal assent. These publications, as they become available, are listed on the daily check list of Government publications which all honourable senators receive.

As a result of the remarks made by the honourable Senator Pouliot, and in order better to serve the requirements of the judiciary, all judges will receive a list of the statutes as they receive royal assent and any judge may get copies from the Queen's Printer upon application.

Hon. Jean-François Pouliot: Honourable senators, I wish to thank the honourable Leader of the Government in the Senate for having been so diligent in order to accomplish this reform, which will be helpful to all those who are interested in the law.

BUSINESS OF THE SENATE

On the notice of motion for adjournment:

Hon. John J. Connolly: Honourable senators, we now reach the point where we indulge in guessing. I am sorry that at the moment Senator McCutcheon is not in the chamber, because yesterday, by a development of circumstances more than anything else, I joined the category of honest prophets and I am afraid that, in the result, he became a second guesser. However, as I say, that was simply because circumstances conspired, and I think very fortunately, to have a piece of legislation before us for consideration when we assembled last night under our previous arrangements.

The present program in the other house is very full. Today they will deal with a bill or a proposed bill in respect of the agricultural industry, and there is a second such bill on the Order Paper for consideration. The arrangement is that on Thursdays and Fridays—for this week at least, and indeed perhaps for several weeks—the estimates of the departments will be studied. As honourable senators know, this is a very important and time-consuming part of the work which must be done in the House of Commons.

I understand further that a supply motion will be taken next Monday. As honourable senators know, a supply motion involves a two-day debate. I am informed that there may be another supply motion taken in the other place a week from Monday. It would appear, therefore, that the days available for the discussion of new legislation between now and the end of the month are somewhat limited. I think no one can give assurance that there will be further legislation for the Senate to consider before the end of the present month.

In these circumstances, and in view of the fact that Her Majesty is expected to be in Ottawa on Monday, October 12, it seems to me that it would be provident for the Senate to adjourn today until Tuesday, October 13, at 8 o'clock in the evening. This adjournment will, of course, be subject to the application of the rule for the recall of the Senate in the event that business is available for us to transact. I assure all honourable senators that when that time comes, if it does come before the date set for our return, I will consult with His Honour the Speaker, and we will do our very best to meet the convenience of senators, consistent with the requirements of the work to be done.

Honourable senators, I therefore move, with leave of the Senate, that when this house adjourns today, it do stand adjourned until Tuesday, October 13, at 8 o'clock in the evening.

Hon. A. J. Brooks: Honourable senators, I wish to commend the honourable Leader of the Government (Hon. Mr. Connolly) on his good judgment in recommending this adjournment, based on the information he has received and has given to us.

I cannot help saying that it is indeed a frustrating experience, as well for the honourable leader as for all honourable senators, to come to Ottawa for such short periods and find there is no work on hand for our attention. That does not mean there is no work to be done—in fact there is a great deal of work to be done.

In the Commons *Hansard* of September 14 last, at page 7943, the Prime Minister outlined the work which he considered very important and would require the attention of Parliament. First, he mentioned the farm legislation. In that connection, we were pleased that one bill was ready for us yesterday, to which I would say we were able to give attention in a highly satisfactory manner.

Secondly, the Prime Minister mentioned redistribution legislation. That is certainly a most important matter as far as Parliament and the country is concerned. It is now at least three years overdue, and should certainly receive the attention of Parliament as soon as possible.

Again, the Prime Minister mentioned that legislation would be introduced based on the report of the Royal Commission on Transportation, which I understand to be the MacPherson Report. This is most important legislation, and is one of the major subjects that Parliament and the Government has to deal with.

Hon. Mr. Connolly (Ottawa West): That bill has received first reading.

Hon. Mr. Brooks: That is interesting to know; it is fortunate that the measure has gone that far.

People in all parts of the country are greatly interested in the MacPherson Report. I do not think there is general agreement on the report, but there are certain parts of it which should be implemented, and some other parts which probably will not. However, the report should receive a most careful study.

The Prime Minister also mentioned the Canada Pension Plan. Of course that plan

has been receiving the attention of Parliament, provincial governments and people all over Canada for some time. We do hope that something realistic will be brought before Parliament before the end of this year.

I note that the Prime Minister said, as reported at page 7943:

> A careful review of every single clause of this legislation is essential, and careful consultation with the provinces in respect of all these clauses is going on—

That statement shows just how important is this legislation.

The Prime Minister mentioned other legislation, and, as the Leader of the Government has just advised us, explained that there would be supply motions. We know it is necessary to have supply motions in the House of Commons so that the estimates may be dealt with by Parliament before the year has ended.

All this work has been piling up and is ahead of Parliament but, unfortunately, as our leader has told us, we must go home for three weeks and wait for it to be dealt with by the House of Commons. I rather hesitate to say this, but in my experience in Parliament over a great many years I think this has been one of the most frustrating sessions I have ever experienced, and I do hope we will get down to business very soon.

We know why most of this business has been held up, and I am not going to interject any debate on a flag or anything of that nature at the present time. But we do know that the legislative business has been held up because there was injected into Parliament at this session a resolution for the adoption of a flag. After many weeks of debate, a suggestion, which had been made a long time ago, to set up a committee to study the question, has now been adopted by Parliament. I personally did not see the necessity for this question being brought up at the present session and frankly I do not see the necessity now. However a committee has been appointed, and in that connection I would like to ask the honourable Leader of the Government a question.

I remember that in 1946 a joint committee of Parliament was set up to deal with the question of a flag. It was made up of members of the House of Commons and of the Senate. I wish to ask the honourable Leader of the Government why we do not have such a committee at this time? I remember the splendid work done by that committee, and I remember the long sessions held and the valuable contributions made by members of the Senate on it. Because of that, I think the Senate should be represented on the committee which is now being set up to deal with the matter.

Members of the Senate can make a great contribution to a committee of this kind. The members of this chamber have not been subjected, in this instance, to long debates; they have not been subjected to bitter criticism from the press, radio and television. Therefore, the members of the Senate could bring a fresh point of view to a committee of this kind. I think it was an oversight, and a very serious one, on the part of the Government not to have invited members of the Senate to sit on a committee of this kind. I make no further comment on this point. Perhaps some other honourable senators would like to comment on it.

I would ask the honourable Leader of the Government if any request was made to have members of the Senate included on this committee, or whether any representations were made, and if so, what reception was given to such representations by the Government.

Hon. Mr. Connolly (Ottawa West): Honourable senators, I think the answer to the question posed by honourable Senator Brooks can be a very straightforward one, and I hope that I am not oversimplifying it.

The resolution to deal with the question of a distinctive national flag for Canada was originally introduced in the House of Commons. It seemed to me to be the better part of wisdom, because of the character of the debate that was likely to occur and indeed did occur, to wait until the House of Commons finished consideration of this matter. In my view the Senate should not discuss this very important piece of business before it has been concluded in the Commons. I think the Senate will be in a better position to consider the issue when the Commons has completed its deliberation. At the moment it is purely a Commons resolution and we have no resolution on the matter on our Order Paper. Therefore I think it is primarily a matter for them to set up their own committee to deal with it.

If at the time the matter is to be considered here it is considered desirable from the point of view of the Senate that there should be a committee to study the question, I think the Senate will decide to do so at that time. In my view it would meet with the agreement of most honourable senators if we proceeded in that way.

What was done on the flag question in 1945 and 1946 may have been done in a different context, but the procedure the House of Commons have adopted is the procedure they themselves decided upon in the existing circumstances and on their own responsibility. Frankly, I do not like to consider the pros

and cons of what they do in that house. I consider that to be their business just as I consider the conduct of our affairs here to be our business.

I am not criticizing the Leader of the Opposition (Hon. Mr. Brooks) when I say this, but I think I owe it to the house to make known to honourable senators the considerations that entered into my thinking.

There is another point to be considered. I understand the decision to set up a committee was one that was reached after agreement by consultation with the leaders of all parties, and we were not part of that issue at that time. We do not know whether or not they would have wanted to enlarge the committee to include members of the Senate. We do not even know if they considered it.

I have discussed this matter on a number of occasions with many senators, and this seemed to be the wise course to take.

Hon. Mr. Brooks: I take it then there was no representation to the Government to have members of the Senate included in the committee?

Hon. Mr. Connolly (Ottawa West): I did not make any.

Hon. M. Grattan O'Leary: Honourable senators, I rise to support what has been said by the Leader on this side of the house with respect to the desirability of Senate representation on the flag committee. At the outset, honourable senators, I must confess that following a statement made to the nation by the Prime Minister on Sunday evening during a national television broadcast—

Some Hon. Senators: Order, order.

Hon. Mr. O'Leary (Carleton): Am I not permitted to speak, sir?

The Hon. the Speaker: The motion before the Senate is for adjournment.

Hon. Mr. O'Leary (Carleton): I am speaking in connection with a matter that is of interest to all honourable senators.

The Hon. the Speaker: May I say that I do not think this is the time to discuss this matter. I allowed the honourable Leader of the Opposition (Hon. Mr. Brooks) to make his point, but if the matter were thrown open for debate one could not tell where it would end. I do not feel that according to the rules such a debate should take place at this time. Therefore, I would suggest that the honourable senator may ask questions or discuss the motion to adjourn, but he may not discuss the question of a new flag, since that question is not now before the Senate.

Hon. Mr. O'Leary (Carleton): I did not intend to discuss the question of a flag.

With great respect for your ruling, sir, may I now speak on a question of privilege because this is a matter, I think, which affects the privileges of this house?

In his statement on Sunday night the Prime Minister seemed to have assumed that the house would have to accept a certain type of flag for Canada.

Some Hon. Senators: Order, order.

Hon. Mr. O'Leary (Carleton): Let me read what he said—

> We are going to have a new flag by Christmas. It is going to be a distinctive national flag and it will be based on this historic and proud emblem of Canada, the maple leaf.

My point, honourable senators, if I may make it, is this. As to the usefulness of this parliamentary committee—and we are a branch of Parliament, we are interested in the parliamentary committee, and this is a resolution before Parliament—in view of that statement, which I consider to be shocking and irresponsible, the committee has been torpedoed before it has been launched. An act of sabotage has been committed against it.

May I say, to be honest with myself, that I regret as much as any person in Canada the fact that after an agreement had been reached among the parties in the other house—

Hon. Mr. Hugessen: What is the honourable gentleman talking about? Is he talking about an agreement in the House of Commons?

Hon. Mr. O'Leary (Carleton): I am leading up to my point.

I think the Prime Minister was in contempt of Parliament when he gave a pledge to the nation that he would bring in a certain type of flag. What right had he to assume that this branch of Parliament would accept any particular flag which comes to it from the other place? Surely, this is a proper question of privilege!

I have raised my voice in this house very humbly before about the contempt and the disdain for this house shown by people in power in the other place. I submit, honourable senators, that that statement—the statement that a flag would be provided for the Canadian nation by Christmas, and that it would be a special type of flag—was in contempt of this branch of Parliament.

I said before that I regret—and I cannot see how on earth this is out of order—that certain people rushed into print last week to say that certain parties in the House of Commons had won a victory or suffered a defeat. There was no defeat and no victory in the House of Commons last week. There was

victory only for common sense. There was victory for the good and wholesome Canadian spirit of compromise. But, honourable senators, that does not excuse the statement made by the Prime Minister the other night.

Walter Bagehot in *The English Constitution* said that the Prime Minister must be the one to set the tone of public life. I ask you, honourable senators, what sort of tone of public life was being set by the Prime Minister last Sunday night?

The Prime Minister this morning—and here, again, is where you come to the tone of our Canadian public life—is quoted as saying:

> I felt it was desirable for me to express my own view that we should have such a flag.

Honourable senators, he was not expressing his own view on Sunday night.

Hon. Mr. Connolly (Ottawa West): Why not?

Hon. Mr. O'Leary (Carleton): He was issuing an ultimatum to his own people on the parliamentary committee.

Hon. Mr. Connolly (Ottawa West): Surely the honourable senator does not mean that.

Hon. Mr. O'Leary (Carleton): What else can this mean? What was the controversy in the House of Commons about? It was about whether the flag should have on it the Union Jack or a maple leaf. So, finally and sensibly, after a lot of rancorous debate, the matter was referred to a parliamentary committee charged with the duty of seeking some fair compromise. Well, if that is so, how can the Prime Minister tell the nation on Sunday night that the flag that comes from the committee will be a flag "based on this historic and proud emblem of Canada, the maple leaf?"

Hon. Mr. Connolly (Ottawa West): Does the honourable gentleman suggest that the Prime Minister by those words is saying to Parliament: you will act thus and so? Surely, he is making a prognostication—

Hon. Mr. O'Leary (Carleton): He is putting his members on that committee into a ministerial straitjacket, and they will have to abide—

Hon. Mr. Connolly (Ottawa West): I protest, Mr. Speaker. It is outrageous that there should be this kind of talk here.

The Hon. the Speaker: I think I have allowed the honourable senator enough time to make his point of privilege. There is nothing referring to the flag now before the house. In the near future—I do not know exactly when—we in the Senate will have an opportunity to discuss the flag question. Having regard to that fact I would ask the honourable senator not to continue his remarks in this vein.

As I have already said, his point of privilege has been made quite clear. Some honourable senators may not agree with him, but he has made his point and, having done so, I will ask him to refrain from further discussion of the question of the flag.

Hon. Mr. O'Leary (Carleton): Thank you, Your Honour. I am sure you wish to be fair. I am sorry that technically I am out of order, but I make my point, I think, when I say that in my opinion the Prime Minister's statement was reckless and irresponsible.

Hon. Mr. Connolly (Ottawa West): It was no more reckless and irresponsible than the statements made by the honourable senator.

Hon. R. B. Horner: Honourable senators, I wish to protest to some extent. This is a body that should be interested in everything that Canadians are interested in.

Hon. Mr. O'Leary (Carleton): Hear, hear.

Hon. Mr. Horner: The honourable Senator O'Leary was not debating the flag. He was bringing to the attention of this house the method by which this committee was appointed, and the statements made by the Prime Minister which the senator thought should not have been made.

I believe that Senator O'Leary had a perfect right to say what he has said. If we have not freedom of speech here, then what are we here for? I thought, after reading the statement of the Prime Minister, that he intended to abolish the Senate before Christmas, or that this was some special kind of measure that did not need to pass this chamber at all. I thought we were going to be set aside.

The remarks of the honourable senator were desperately needed today; it is high time we showed a little bit of gumption. If this resolution is going to be passed by Christmas, then are we going to be here at that time? It might not be passed for several Christmases.

Hon. Mr. Pouliot: Honourable senators—

The Hon. the Speaker: Honourable senators know that as Speaker of this honourable house, I have always tried to be fair and impartial. I believe that often I have been a little too lenient, but when no point of order is raised I assume that there is unanimous consent of the Senate for an honourable senator to extend his remarks.

I do not want to deprive any honourable member of the Senate of the opportunity of discussing the question of the flag but, as I have said and as everybody knows, the time will come when every honourable senator will have the opportunity to speak on this subject.

There is a motion to adjourn before the house, and having allowed the honourable

Leader of the Opposition (Hon. Mr. Brooks) to make his point I cannot, under the rules, allow a full discussion of the question of the flag.

Some Hon. Senators: Question.

Hon. Jean-François Pouliot: Honourable senators, in all deference to the ruling of His Honour the Speaker, which I accept, I think that the best way to show the olive branch is to sponsor in this house in due course a motion concerning the flag, and I am ready to do it. I have already spoken about the flag in this house, and I am ready to put such a motion. However, I will do it upon one condition, and it is that my honourable friend, Senator O'Leary (Carleton), tells us what he means by a national, distinctive flag. When he tells us that I will move the motion.

Hon. Mr. Connolly (Ottawa West): Question.

The Hon. the Speaker: Honourable senators, with leave of the Senate, it is moved by honourable Senator Connolly, seconded by honourable Senator Hugessen, that when the Senate adjourns today it do stand adjourned until Tuesday, October 13, 1964, at 8 o'clock in the evening.

Is it your pleasure, honourable senators, to adopt the motion?

Hon. Senators: Agreed.

Motion agreed to.

MONUMENTS ON PARLIAMENT HILL

SUGGESTED UNVEILING

On the Orders of the Day:

Hon. Jean-François Pouliot: Honourable senators, this is not a question, but a suggestion I have to make to the Government with regard to something that will surprise you all.

There are on this hill several monuments, and four of them have not yet been unveiled. Although they have been exposed to the four winds for decades, and have resisted snow, wind, hail and all the other elements, they have not been unveiled. Among them is one which was ordered from the sculptor, Walter S. Allward, in 1908 and completed in May, 1914. It has never been unveiled. I am referring, of course, to the monument to Lafontaine and Baldwin. It is here. It is a beautiful monument, but it has never been unveiled.

My suggestion is that the Government should take advantage of the visit of Her Majesty to Ottawa on Monday, October 12, and ask her to graciously unveil the monument to the two fathers of responsible government in this country. If there had been no Lafontaine and no Baldwin there would have been no Macdonald, no Laurier, no Cartier and no McGee.

This is a matter of great importance, and it is feasible because it was the father of the present Queen who unveiled the Cenotaph on Confederation Square, and it was the then Prince of Wales who unveiled the statue of Sir Wilfrid Laurier in front of the East Block.

Cartier's monument was unveiled in 1884 and that of Sir John Macdonald in 1895. There are other monuments which have not been unveiled. I wonder if you would like to know which they are.

There is the monument to Alexander Mackenzie; there is the monument to George Brown; and there is also the monument to Thomas D'Arcy McGee—these have never been unveiled. We should not ask the Queen to go all around the building to unveil all these monuments. If she unveils the monument to Lafontaine and Baldwin, it will be enough. I am sure she would graciously accept. With regard to the other monuments, may I suggest that in due course the monument to the memory of Alexander Mackenzie should be unveiled by his biographer, Professor Dale Thomson of Montreal, a professor at the University of Montreal. I suggest also that the monument to George Brown should be unveiled by that well-known journalist and member of Parliament for York-Humber, Mr. Ralph Cowan. Then I have Thomas D'Arcy McGee. Who could unveil it better than our friend Senator Grattan O'Leary?

I make those suggestions in the friendliest manner and I hope they will be considered in due course.

DISSOLUTION AND ANNULMENT OF MARRIAGES ACT

BILL TO REPEAL—WITHDRAWN

On the Order:

Second reading of Bill S-29, intituled: "An Act to repeal the Dissolution and Annulment of Marriages Act".—(Honourable Senator Pouliot).

Hon. Jean-François Pouliot: Honourable senators, I am in the valley of humiliation. I have to ask your leave to withdraw this bill. It is not because I do not believe in it. I believe that a time will come sooner or later when we will have real judges of the Exchequer Court to deal with divorces. That time will come eventually. When, I do not know. In order to have this done, the bill should be amended. Not only that, but chapter 98 of the Revised Statutes of Canada 1952, sections 17 and 18, concerning the jurisdiction of the Exchequer Court, should be also amended in order to give full force to the suggestion which is made in this bill.

This bill asks for the repeal of the legislation concerning the present divorce system which we have here. I find it absurd. I shall not repeat what I have said many times, that it is bad legislation which will be referred to the bar. There is a new bâtonnier of the Barreau de la Province de Québec in Montreal. There is also a new president of the Canadian Bar Association. Both are eminent lawyers. I will submit the question to them. If the Canadian Bar Association and the Bar of the Province of Quebec do not move, I will leave it at that; but if I have their support I will come again and ask yours, too, honourable colleagues, in order to change that system and bring matters of divorce under the jurisdiction of real judges of the Exchequer Court, not judges who put on their mortarboard just to cash their cheques.

Honourable senators, I ask you now, if you have no objection, to give leave for the withdrawal of this bill.

The Hon. the Speaker: Honourable senators, has the honourable Senator Pouliot leave to withdraw his bill?

Hon. Senators: Agreed.

Bill withdrawn.

Hon. John J. Connolly: Honourable senators, I suggest that the Senate do take recess now to reassemble at the call of the bell at approximately 5.40 p.m.

The Senate adjourned during pleasure.

At 5.45 p.m. the sitting was resumed.

The Senate adjourned during pleasure.

ROYAL ASSENT

The Honourable Robert Taschereau, P.C., Chief Justice of Canada, Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned and being come with their Speaker, the Honourable the Deputy of His Excellency the Governor General was pleased to give royal assent to the following bills:

An Act to amend the Farm Improvement Loans Act.

An Act respecting The Guarantee Company of North America.

An Act to incorporate Congregation of the Marist Sisters.

An Act to incorporate Meota Pipe Lines Ltd.

The House of Commons withdrew.

The Honourable the Deputy of His Excellency the Governor General was pleased to retire.

The sitting of the Senate was resumed.

The Senate adjourned until Tuesday, October 13, at 8 p.m.

THE SENATE

Tuesday, October 13, 1964

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

Prayers.

FARM MACHINERY SYNDICATES CREDIT BILL

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-121, to provide for the extension of credit to farm machinery syndicates.

Bill read first time.

SECOND READING—DEBATE ADJOURNED

Hon. John J. Connolly, with leave of the Senate, moved the second reading of the bill.

He said: Honourable senators, since the Senate has not assembled for about a month I wish, first of all, to express my personal pleasure at seeing so many of my colleagues again in Ottawa.

I think I should not go further without saying how delighted everyone was with the reception which was held yesterday for Her Majesty, who once more honoured our capital with her persence, and how delighted I personally was to see so many honourable senators in Ottawa for the occasion of the royal visit. I am sure all of us felt that it was indeed a genuine day of thanksgiving in Canada and for that reason it was another great Canadian occasion.

I can also express some gratification at the fact that the Senate was, about a month ago, directed to reassemble here on the evening of Tuesday, October 13, at 8 o'clock, and further that we have a bill to consider. Once more we have landed on our feet; and, as Mr. Speaker will indicate a little later, we have another bill to be introduced here tonight.

Therefore, the Senate will have some work to do this week in the chamber. In addition, there will be a good deal of work to be done by various of the standing committees of the Senate.

Honourable senators, with those preliminary and completely out of order remarks, I now come to the subject matter of our business this evening, the consideration of Bill C-121, intituled an Act to provide for the extension of credit to farm machinery syndicates.

I need not tell honourable senators that this is the third measure this session dealing with the provision of credit for the agricultural community of Canada. In June the Senate considered and passed a bill to amend the Farm Credit Act. That bill dealt primarily with the work of the Farm Credit Corporation, and in particular with long-term credit for farmers, credit that is given on the security of real estate and of equipment. There is no need to thresh old straw over that bill, because it was debated fully at that time.

In September, when we last met, the Senate dealt with an act respecting the Farm Improvement Loans Act, which also was a measure designed to provide credit for the agricultural community. The machinery for that legislation works through the banks. It is designed to provide intermediate term credit to enable farmers to purchase machinery and livestock and to make improvements to buildings. Honourable senators will remember that the rate of interest provided for in that legislation, which the banks of the country have done so much to implement, is five per cent.

All of these measures, and the measure that we have before us this evening, are designed to assist the agricultural community in the production of foodstuffs. This has been a traditional and a very important element of the Canadian economy since Canada first existed. However, the age of automation has reached the farms, and is upon the farmers just as much as it is upon the industrial community of this country.

Hon. Mr. Brooks: May I interrupt the honourable leader to ask if copies of this bill could be distributed? Some of my colleagues are anxious to have a copy before them.

Hon. Mr. Connolly (Ottawa West): I understood that copies had been distributed to honourable senators. Certainly, the bill has been available now for some days.

I was saying that the development of farm machinery and equipment has revolutionized the farming industry of this country; and the development and improvement of farm equipment has involved a saving of labour for the farmer, an increased efficiency in the way in which the farm is operated, and it can mean a lowering of the cost of the farmer's product. It can thus ensure competitiveness of his prices and I think, properly used, this kind of machinery and equipment to which I am referring means better living conditions on the farm and higher standards of living for farmers. In other words mechanization is now pretty well the way of life with the farmer, as it is with most other people in our society. Mechanization spells progress, but also it can and does spell greater expense. This is true not only on the larger farm

units in western Canada, but also the smaller ones in central and maritime Canada.

If I may be permitted to make a personal reference, I remember a few years ago going up to Kent County in Ontario as a lawyer on behalf of one of the canning companies. I went a little later than this in the fall, and I noticed farmers constantly coming into the plant that day consulting with the agricultural specialists, arranging for contracts that would be carried out the following year for the disposal of their farm produce to the canning company. They were discussing all manner of things, not only the contract for the crop, whatever it might have been—peas, corn, tomatoes and other products that are grown there—but they dealt also with problems such as soil testing and fertilizing. I was amazed at the organization and efficiency with which this operation was conducted. Certainly, as the honourable senator from Blaine Lake (Hon. Mr. Horner) knows, I am not exactly a farm boy and do not know very much about these things; so my eyes and ears were opened widely.

One of the things I learned on that occasion—and this was some years ago—was that the canning company had an arrangement with some of the farmers that the crop would be taken off at the time, even at the precise hour the canning company wanted it. They told me of cases in which a farmer would go to bed at night with his pea crop on his land and wake up the next morning to find the crop had gone, the canning company having come overnight to gather it because the precise moment for the taking of the crop had arrived.

Perhaps this is progress; it is efficient. But this high-powered type of farm operation was not used in the part of Canada where I lived, especially in the summer season, and was new to me.

It might be of interest to honourable senators if I said I am informed that the value of machinery on farms in Canada in 1961 approximated $2½ billion book value. This is a major capital investment. I am informed that the magnitude of this investment may not be required by the farmers of Canada; that a good deal of its capacity is wasted. It is hoped that this bill will make more machinery more readily available and provide a more complete use for the machinery that is available to the farmer.

The Senate might also be interested to know that last year farmers were believed to have borrowed somewhere between $225 million and $400 million at commercial rates, which vary anywhere from 7 to 10, to 15, and perhaps to 20 per cent, depending on the institution that is lending. This is over and above the money loaned to farmers through the facilities provided by the Farm Credit Corporation, the Farm Improvement Loan legislation and other federal and provincial legislation on the statute books.

It is proposed by means of this legislation to cut into that amount of borrowing by providing another agency, but the incursion into the field of commercial lending to farmers at the moment will be relatively small, being an amount of some $25 million. I shall say more on this a little later.

Dealing with the bill itself, section 2 defines a farm machinery syndicate which, in simple language, is a partnership of three or more farmers to buy and to operate on an agreed basis a piece of farm machinery or equipment.

By section 3 of the bill credit for the joint purchase of this equipment will be supplied by the Farm Credit Corporation and that corporation will administer this act.

By section 7 of the bill it is provided that $25 million will be placed in a segment of the Consolidated Revenue Fund and the Farm Credit Corporation will be empowered to draw down from this fund such amounts as are required for the program.

There are other incidental provisions of the bill which deal with such matters as advances by the Farm Credit Corporation, the accounting the corporation must make for the money it draws down—sections 8 and 10; the reporting by the corporation to the minister and to Parliament—section 13; and section 11 sets up the status of the corporation for the purposes of this legislation.

Honourable senators will be interested in sections 3, 4 and 5 which deal primarily with the loans. The program is designed to be self-supporting. The security for the loans will be in the first instance a promissory note which will be taken from each member of the syndicate or partnership and upon which there will be joint and several liability. Other suitable security may also be taken by the corporation by such devices as a chattel mortgage on the machinery bought or, in the Province of Quebec, under a recent amendment to the law there, there is provision for a pledge or nantissement, which I believe is the technical term. I know when I studied law in the Province of Quebec 30 years ago anything resembling a chattel mortgage was beyond the reach of commercial firms, but a change has been made in this respect. I might add that both a chattel mortgage in the common law provinces and the pledge or nantissement in Quebec are registrable instruments.

The maximum amount of the loan is 80 per cent of the cost to the syndicate of the machinery to be purchased, and in dollars the maximum amount is $15,000 per syndicate member, with a ceiling of $100,000. The individual's share may vary depending upon the

agreement reached by the members of the syndicate.

The maxium term of loans under this legislation is seven years. Interest is payable at least annually. The rate of interest to be charged may be described generally as an economical rate. It will include the cost to the corporation of the money lent, the cost of administering the loan, the cost of establishing a reserve the amount of which will be developed from experience of losses, plus a one per cent service charge. The service charge will be deducted immediately. In other words, the administrative costs of this program will be recovered at once, and there will be no interest payable thereon because the amount is deducted at the outset. If the loan is prepaid sooner than expected the costs of incurring it and of the investigation will have been met.

Hon. Mr. Farris: Is there a maximum on the rate to be charged?

Hon. Mr. Connolly (Ottawa West): There is no maximum set in the legislation. I think that later on I shall be able to say something more about the precise rate. It may be five per cent, but it will not be as high as commercial rates. If the honourable senator will allow me I shall get that information and convey it to the house later.

The question may be asked: What is meant by farm machinery and farm equipment? It is proposed to leave the matter of definition to the regulations because, generally speaking, I think the intention is to make the definition sufficiently broad to enable the legislation to be as workable as possible. However, certainly it will include earth-moving equipment, land-clearing equipment and land-breaking equipment. It will include machinery for tilling, for harvesting, and this will include specialized equipment for specialized crops. It will include feed-mixing and grinding equipment, drying equipment and equipment for cleaning farm products.

Hon. Mr. Aseltine: Where is that to be found in the bill?

Hon. Mr. Connolly (Ottawa West): I am saying this will be dealt with by the regulations, and it is proposed to deal with it in a very broad way. The Government's policy is to give the terms "farm equipment" and "farm machinery" the broad connotation or meaning I have just indicated. In other words, almost any kind of farm machinery which can be used co-operatively would qualify for treatment under this legislation.

Hon. Mr. Roebuck: Would well-sinking equipment be included?

Hon. Mr. Connolly (Ottawa West): It might be, although well-sinking is usually done by specialists who are engaged by farmers to do that work. However, these terms might include well-drilling equipment. In saying that I am referring to water well-drilling equipment. I do not think oil well-drilling equipment would come under this legislation.

Honourable senators, extensive use will be made of this legislation by the small farm operators in central Canada who have 25, 75 or perhaps 100 acres under cultivation and who could share a combine which might cost $5,000. Between them the partners could make the down payment of $1,000 and finance the balance as provided in this legislation.

I should say too that there is a very good precedent for this legislation in the British experience. Between 1955 and 1963 a similar scheme was adopted which resulted in the establishment of some 341 such syndicates. Farm holdings in Britain are generally smaller than those found in many parts of this country.

Hon. Mr. Brooks: Have any other countries that can be compared with Canada adopted this system? Britain is not a good comparison.

Hon. Mr. Connolly (Ottawa West): I cannot answer that. I have been briefed on the British experience, and I do not know about other countries. By 1964, I am told, there were almost 600 of these syndicates or partnerships established in Britain. The Canadian officials concerned with the administration of the legislation have had a good many conferences with British officials on the program. At this point I should say that the British program is not government sponsored. It was initiated as a result of the activities of the Farmers' Union which administers it, and Barclay's Bank makes the loan.

A question has been raised about the possibility of conflict within the syndicate as to the use that is to be made of the equipment that is jointly owned. It is proposed that agreements will be made covering joint use, including the operation, maintenance, storage and even the hiring-out of the equipment, although section 2(1)(c) provides that the equipment is to be used primarily by the farmers who form the syndicate or partnership.

This is a new course of credit. It is designed to avoid a tie-up of other credit facilities available to the farmer. I would point out that in this country it is experimental legislation. It is new, and with experience it is hoped it will develop, as the administrators expect it will, in a manner very satisfactory to the farmers.

Honourable senators might ask why the facilities in this legislation should not be

provided through the banks as are loans under the Farm Improvement Loans Act. In my opinion the answer to an objection of this kind lies, first of all, in the fact that it is proposed that the Farm Credit Corporation will supervise these loans, and that corporation can help the farmers who want to form the syndicates in regard to the agreements. Its officers are dispersed throughout Canada, and they can investigate the credit-worthiness of the farmers who make application more effectively than can the banks.

This is all I have to say about the general nature of the legislation. It is my understanding that it is proposed to adjourn the debate tonight, and I hope that a good many honourable senators will take part in the discussion tomorrow. I would suggest, if the Senate so desires, that the bill be referred to a committee before which the officials can be brought and to which explanations can be given. I commend the legislation to the favourable consideration of the Senate.

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

CROP INSURANCE ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-129, to amend the Crop Insurance Act.

Bill read first time.

Hon. John J. Connolly moved that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

DOCUMENTS TABLED

Hon. John J. Connolly tabled:

Report of the Eastern Rockies Forest Conservation Board for the fiscal year ended March 31, 1964, pursuant to section 10 of The Eastern Rocky Mountain Forest Conservation Act, chapter 59, Statutes of Canada, 1947. (English text).

Report of the Auditor General on the Examination of the Accounts and Financial Statements of the National Battlefields Commission for the fiscal year ended March 31, 1964, pursuant to section 12 of An Act respecting the National Battlefields at Quebec, chapter 57, Statutes of Canada 1907-8, and sections 85(3) and 87(3) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French texts).

Capital Budget of the National Battlefields Commission for the year ending March 31, 1965, pursuant to section 80(2) of the Financial Administration Act, chapter 116, R.S.C., 1952 (English and French texts), together with copy of Order in Council P.C. 1964-1378, dated September 3, 1964, approving same. (English text).

Report on the Operations of the Veterans' Business and Professional Loans Act for the fiscal year ended March 31, 1964, pursuant to section 13 of the said act, chapter 278, R.S.C., 1952. (English and French texts).

Report on the Operations of the Fisheries Improvement Loans Act, for the fiscal year ended March 31, 1964, pursuant to section 12(2) of the said act, chapter 46, Statutes of Canada, 1955. (English and French texts).

Report, dated September 2, 1964, of the Restrictive Trade Practices Commission, under the Combines Investigation Act, concerning an alleged combine in the matter of the Sale and Distribution of Milk in the Ottawa, Ontario, area. (English and French texts).

Revised Capital Budgets of Northern Transportation Company Limited and Eldorado Aviation Limited for the year ending December 31, 1964, pursuant to section 80(2) of the Financial Administration Act, chapter 116, R.S.C., 1952, together with copy of Order in Council P.C. 1964-1403, dated September 3, 1964, approving same. (English text).

Report of the Director of Investigation and Research, Combines Investigation Act, for the fiscal year ended March 31, 1964, pursuant to section 44 of the said act, chapter 314, R.S.C., 1952. (English and French texts).

Report of the Dominion Bureau of Statistics for the fiscal year ended March 31, 1964. (English and French texts).

Order in Council P.C. 1964-1541, dated October 1, 1964, authorizing under section 21A of the Export Credits Insurance Act, longterm financing by the Export Credit Insurance Corporation in addition to that authorized by Order in Council P.C. 1963-843, dated May 30, 1963, for the sale of capital equipment from various Canadian suppliers, and erection engineering services from Beamer and Lathrop Limited, Niagara Falls, Ontario, to Compania Manufacturera de Papeles y Cartones S.A., Santiago, Chile, pursuant to section 21B of the said act, chapter 105, R.S.C., 1952, as amended 1960-61. (English text).

Order in Council P.C. 1964-1525, dated October 1, 1964, authorizing under section 21 of the Export Credits Insurance Act, revised contracts of insurance originally

approved by Orders in Council P.C. 1963-1564, dated October 24, 1963, and P.C. 1964-1222, dated August 6, 1964, by the Export Credits Insurance Corporation for shipment of 250,000 metric tons of wheat (or flour equivalent) to the People's Republic of Bulgaria, pursuant to section 21B of the said act, chapter 105, R.S.C., 1952, as amended 1960-61. (English text).

Copy of a letter, dated October 1, 1964, addressed by the Secretary of State for External Affairs to Mr. D. G. Chance, Secretary, International Joint Commission, containing a reference to the said Commission concerning the pollution of the waters crossing the international boundary in the Red River. (English and French texts).

Copies of two letters, dated October 7, 1964, addressed by the Secretary of State for External Affairs to Mr. D. G. Chance, Secretary, International Joint Commission, containing references to the said Commission concerning

(1) the level of waters in the Great Lakes; and

(2) the pollution of Lakes Erie and Ontario and the international section of the St. Lawrence River.

(English and French texts).

Statutory Orders and Regulations published in the *Canada Gazette*, Part II, of Wednesday, September 23 1964, pursuant to section 7 of the Regulations Act, chapter 235, R.S.C., 1952. (English and French texts).

THE ESTIMATES

REPORT OF COMMITTEE ON FINANCE

Hon. T. D'Arcy Leonard, Chairman of the Standing Committee on Finance, to whom was referred the Estimates laid before Parliament for the fiscal year ending 31st March, 1965, presented the following report:

1. That their quorum be reduced to seven (7) members.

2. That they be empowered to sit during adjournments of the Senate, and that Rule 85 be suspended in relation thereto.

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

Hon. Mr. Leonard moved that the report be taken into consideration at the next sitting.

Motion agreed to.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, October 14, 1964

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

Prayers.

PRIVATE BILLS

INTERPROVINCIAL PIPE LINE COMPANY—FIRST READING

Hon. Hartland de M. Molson presented Bill S-42, respecting Interprovincial Pipe Line Company.

Bill read first time.

Hon. Mr. Molson moved that the bill be placed on the Orders of the Day for second reading on Tuesday next.

Motion agreed to.

CANADIAN-MONTANA PIPE LINE COMPANY—FIRST READING

Hon. Donald Cameron presented Bill S-43, respecting Canadian-Montana Pipe Line Company.

Bill read first time.

Hon. Mr. Cameron moved that the bill be placed on the Orders of the Day for second reading on Tuesday next.

Motion agreed to.

CRIMINAL CODE (HABEAS CORPUS)

BILL TO AMEND—AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the following report of the committee on Bill C-35, to amend the Criminal Code (*Habeas Corpus*):

> Your committee recommends that authority be granted for the printing of 800 copies in English and 300 copies in French of its proceedings on the said bill.

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

Hon. Mr. Hayden: I move, with leave, that the report be adopted now.

Report adopted.

BANKING AND COMMERCE COMMITTEE

AUTHORITY TO SIT DURING SENATE ADJOURNMENTS

Hon. Mr. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the following report of the committee:

> Your committee recommends that it be empowered to sit during adjournments of the Senate, and that Rule 85 be suspended in relation thereto.

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

Hon. Mr. Hayden: At the next sitting.

Hon. Mr. Brooks: Might I ask the honourable senator what is the particular reason for sitting during adjournments of the Senate? Is it because there is so much work to be done?

Hon. Mr. Hayden moved that the report of the committee be placed on the Orders of the Day for consideration at the next sitting.

Motion agreed to.

PETITIONS FOR PRIVATE BILLS

EXTENSION OF TIME FOR FILING—REPORT OF COMMITTEE ADOPTED

Hon. Thomas Vien, Chairman of the Standing Committee on Standing Orders, presented the committee's fourth report:

> Your committee recommends that the time limited for filing petitions for Private Bills which expired on Friday, July 10th, 1964, be further extended to Friday, October 23rd, 1964.

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

Hon. Mr. Vien moved, with leave, that the report be adopted now.

Report adopted.

FARM MACHINERY SYNDICATES CREDIT BILL

SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Connolly (Ottawa West) for the second reading of Bill C-121, to provide for the extension of credit to farm machinery syndicates.

Hon. Arthur M. Pearson: Honourable senators, last evening we were treated to a fine display of knowledge by a brilliant lawyer from the City of Ottawa on some of the farming problems. It always does one's heart good to come from the country and hear a lawyer discuss such problems and explain a bill as clearly as did the Leader of the Government yesterday.

Hon. Mr. Connolly (Ottawa West): It is a good thing for the lawyers too.

Hon. Mr. Hayden: It works the other way as well.

Hon. Mr. Pearson: Honourable senators, I am not quite clear myself as to what the advantages of this bill will be to the farming community, but it has taken the present Government a long time to come forward with a new piece of agricultural legislation.

As the Leader of the Government (Hon. Mr. Connolly, Ottawa West) has stated, we have had at this session two agricultural bills, one dealing with the Farm Credit Act and the other with the Farm Improvement Loans Act, but these were merely extensions or amendments to existing acts. We heard great promises in the past year and a half of what was going to be done for the farmers. First, we were going to have two ministers of agriculture, one for eastern Canada and one for western Canada. Apparently the Government has changed its mind or sees the possibility of conflicting interests, since neither minister would be in full control of national policy. Then there was to be legislation to free the farmers from the cost-price squeeze. Finally, we were going to have a guarantee of $2 a bushel for wheat—this was mainly for the west—even though wheat at that time was over $2 a bushel. These promises have all been forgotten.

The minister in one of his peregrinations saw something in England and, being a man of very few ideas, he thought of this sharing of farm machinery as something new which might enhance his stature among agriculturists as a minister with new and advanced ideas. I have here a clipping taken from the *Family Herald* of October 8, 1964, written by David Suderman; it appeared on the editorial page of this national agricultural magazine. I quote:

> When he introduced his highly-touted machinery bill to the House of Commons, Agriculture Minister Harry Hays declared that it would set up a farm machinery credit program fundamentally different from anything proposed before. Basically, however, except for providing an additional source of credit to farmers, the measure's main feature is to give official recognition to machinery co-operatives and joint ownership of farm machinery, neither of which are new ideas.

This, however, is not a new idea; it has been used for many years by farmers as a means of cutting the cost of certain implements, such as water tanks, post-hole drills, brush mulchers, etc., but in each case one farmer was responsible for the machine, and kept it in repair and ready for use. The minister, however, has undertaken to put this co-operative program down on paper in the form which you have before you now as Bill C-121.

At the outset, honourable senators, I may say I am going to support this act, not that I think it is of great value but it may help some farmers, and I certainly would not want to deny any farmer whatever assistance he can get. It could help farmers in the purchase of irrigation trenchers, heavy bulldozers for clearing and levelling land, rock pickers, or any other machine which is not used in the rush of planting or harvesting field crops.

The problem of all farmers lies in the vagaries of the weather. When the sun shines and the season is right, seeding must be completed as rapidly as possible so as to produce uniformity of crop, whether it be oats, wheat, barley, sunflowers, soybeans, onions or tobacco. The harvests likewise must be gathered quickly so as to avoid loss due to moisture and weather.

This past season in western Canada has emphasized the fact that each farmer must have his own harvesting equipment to be able to take advantage of the very brief periods of good weather. Although harvesting in western Canada started in August this year, there are still many areas where it has not been completed, and there are some areas where farmers have not even commenced their harvesting.

A group of farmers, when properly syndicated, may under this act purchase all the machinery they need for their farming operations. There must be a minimum of three partners in the syndicate. Three or four small farmers may go into debt to the extent of $15,000 each, which means a total debt of $45,000 or $60,000 depending upon whether there are three or four in the partnership. They must do this in order to get enough machinery to handle all their land holdings. They can then be in a position equal to that of a farmer with large land holdings. If each takes his limit of potential under this act, each would have to pay $3,000 in cash. By this method each one of the partners could reduce the total necessary capital cost of farming his land properly by approximately two-thirds or three-quarters of the total. The interest or service charge would be something like 6 or 7 per cent.

I noted that the honourable Leader of the Government (Hon. Mr. Connolly, Ottawa West) was quite optimistic yesterday when he said the rate of interest would be in the neighbourhood of 6 per cent, or a little over 5 per cent. However, I think it will work out at 6½ or possibly 7 per cent.

On the other hand, an individual farmer may, under the present Farm Improvement Loans Act, purchase his most-needed farm

implements by going into debt to the extent of $15,000, with a cash payment of $3,000 or $4,000 and paying interest at the rate of only 5 per cent on the balance. This would mean a saving of something like 2 per cent when compared with the present proposal. That farmer gives a promissory note to repay the loan in three or four years. He makes his own deal with his banker. This method may be a little slower way of obtaining his implements, but it is more satisfactory to the farmer because there is no loss of independence and it is a sounder scheme.

Under this bill the farmer normally will have to engage a lawyer to draw up an agreement in writing with his partners, and he will have to sign a joint note binding himself to repay the full amount of the loan should anything happen to his partners. Anyone who has backed a note as guarantor knows what usually happens. The well-to-do man or the most reliable usually gets stuck for the payment of the note. It is human nature to get the money from those who show most responsibility for their covenants, and it is human nature for the weaker to rely on the stronger. In the homesteading days many farmers who guaranteed their neighbours' notes were stuck for them.

It has been reported in the other place by the Minister of Agriculture that the syndicate must establish the equity of each partner in the equipment purchased, so that if one of the partners dies or moves away his equity can be sold to a new member. This is all very well if a new member can be found, but suppose there are no new members to be had in that particular district. In that case the remaining two—if there were three in the original syndicate—would have to assume the balance owing, and this could work a hardship upon them. It might happen that the partner who was strongest financially might die, leaving the weaker ones to carry the debt. Under such circumstances—and I am sure they will arise continually—this debt might easily ruin the small family farm.

One of the members of the syndicate could suffer serious financial loss due to hail, fire, frost or drought, and thus be unable to meet his obligation in that year. What happens then? In a partnership such as this bill anticipates each farmer is fully responsible for the full debt.

My conclusion is that this bill, on the face of it, may help and will help in some cases, but I foresee many anguished and disturbed communities. Farming is a hazardous industry, and many unforeseen problems can happen to a partnership formed under this or any other legislation before the partners finally pay off their loans. Provision should have been made for extending the repayment of these loans in the event of the difficulties which I have already enumerated, such as the death of one of the partners or a partner leaving the district.

There is not a great deal of interest in this bill among the farmers out west. They have read about it in the papers and seem to be conversant with its provisions, but they cannot see much value in it. The criterion of the more recent legislation brought forward by the previous Government was to assist the farmer by making more credit more easily available. This legislation seems to throw in road blocks. One solution that comes to my mind, which might have been worked on in place of this present bill, would be to arrange for various agencies in the farming areas which could do custom work and have sufficient implements ready and available at all times.

Having been in the farm land business for many years, I have personal knowledge of many unforeseen difficulties that do occur in purchases of machinery or lands, due to many causes, and I am sure honourable senators are aware of these. For that reason, I do not think that the present bill is as well thought out as it should have been. However, I am going along with it because it may help in some cases such as that of a father and his sons, or three or four brothers operating separate farm units.

The great problem, however, which has never been touched as yet is that of the cost-price squeeze—the high cost of farm machinery as compared with the comparatively low price of farm products and the lack of good markets. There is need for a comprehensive study of these matters before legislation is brought forward. This bill is a mere flea bite in the solution of the total problem of the farm industry in Canada.

Hon. F. Elsie Inman: Honourable senators, I should like to say a few words on this bill as it affects my own province. As you know, Prince Edward Island is a small province. The farms are small, between 100 and 150 acres. If two or three farmers can join to purchase farm machinery and farm 500 acres between them, this would be of wonderful assistance.

Recently, when travelling by train, I was speaking with a woman who was left a widow with six children while in her early forties. She has a 100-acre farm, and farmed it herself with the help of a few neighbours to plow and plant. She had a $1,000 mortgage on her farm, and has paid it off. She gave her six children a college education at Prince of Wales College, and they became teachers, nurses, and so on. She told me that anyone who wished to do so could make a good

living, but it was hard work. When I mentioned this bill, she said that if it had been in force in 1950 it would have been of wonderful assistance to her as she and others could have bought machinery for farm work.

I am in full accord with the bill; I believe it will be of tremendous value to those who live in provinces where farms are small.

Hon. Frank C. Welch: Honourable senators, having been a fruit-growing farmer, I should like to say a few words on this bill. In addition to fruit growing, I was at one time in the business of selling heavy machinery. This bill has many good points, but there are some opportunities for abuse. I would be surprised to read in a year's time that the provisions have not been abused.

There used to be a method by which one could get machinery without mortgaging his farm. All a respectable farmer had to do was get a loan from the bank, which the Government would guarantee to the bank, and he was able to get his machinery, take it home and use it. He could use it on his farm whenever he wished and did not have to wait for his neighbour to finish with it, nor did he have to wait for his neighbour to renew the loan. Those with farming experience know that group ownership does not work—you must own your own machinery in order to take full advantage of the weather.

However, I would rather see in this bill something in the way of a floor on farm produce. This would be doing the farmer a real justice.

Bill C-121 embodies a very important principle, namely, that the problems facing Canadian agriculture, and indeed the problems facing Canadian farmers, must receive more attention and more diligent efforts from legislators in an attempt to solve them. However, it is unfortunate that while the principle of the bill is pointed in the right direction, the provisions themselves will be a weak charge fired only in the general direction of the problems.

It may be true that some farmers, in some areas, will be assisted to some degree, but this is a far cry from what is needed to solve the "farm problem." Since it does provide to farmers some measure of assistance, no matter how small, it should on that basis alone be worthy of support. As the sayings go—"A half a loaf is better than none at all" or "My neighbour's good fortune is mine."

The real problem facing agriculture is its adjustment to keep pace within the process of economic change. Whether we like it or not, the continued growth of the nation and the nation's economy will bring about change. It has wrought change in the past, and it shall continue to do so in the future. Any nation which is moving ahead in the process of economic development, particularly as it becomes more and more industrialized, must face the economic fact of life that its occupational structure will change. It means that more and more opportunities are provided in manufacturing and service industries, and consequently those individuals in agriculture and other primary occupations who are operating on a marginal basis are drawn away from the farms into other areas which to them are more lucrative. We have seen this happen here in Canada. The 1961 census reported 480,903 farms in Canada; this was a decrease of 142,188 farms from the total recorded in 1951, a drop of nearly a quarter in a decade. Since there is only a minor decrease in total acreage under cultivation, it is evident that part of the decline was due to the merging of small farms into larger ones, part to the abandonment of marginal farms, and part succumbing to urban sprawl. If the nation continues to progress, that process will continue.

The real problem occurs because fewer farmers are forced to provide increased production—a role which in the past they demonstrated could be performed more than admirably. As a consequence, however, increased productivity has made agriculture a more efficient and a larger-scale enterprise. Thus today we are faced with the very serious problem of those individuals who are still forced to maintain farms on marginal land or who farm on a small scale, being forced to compete against the large-scale operation. While it may seem very callous to say that slowly over time this trend of decline in the agricultural labour force and in farm owners will continue, it is a problem which we must face and attempt to make this often painful adjustment more palatable. This will not be done by providing more debt for the small farmer and chaining him to the unrewarding task of paying interest for most of his future. This should not be inferred to mean that small farmers cannot operate efficiently and be competitive, but rather that those individuals who are restricted by their type of holdings, or methods or quality of land, face insurmountable odds.

Debt affects output adversely when it is so heavy that the farmer is virtually working for the moneylender. Indeed there are many countries where the farmers are so heavily in debt that they cannot afford to make the annual interest payment and repayment of principal as they become due. Farmers' incentives in such situations are sadly depressed. If in time the farmer manages to repay his debts, in all likelihood it will be time for him to replace worn or outdated equipment, and hence he must once again sell his soul and carry the burden of debt.

Small farmers, of necessity, have a very high propensity to incur burdensome debt. Bill C-121 may well provide them with the opportunity. More important, the problems of increasing farm income, improving marketing, occupational readjustment, and the fundamental issue of rising farm costs, require a carefully considered and integrated plan of action by the Government. In this light, Bill C-121 reflects one sticking his fingers into the hole in the dam, when there is no hope for assistance and when other holes may burst through at any moment. The problems facing Canadian farmers are finely interwoven and require a concentrated and integrated attack, not piecemeal measures.

Let us come more specifically to the provisions in the bill. The major shortcomings of the extension of credit to farm machinery syndicates have been noted in the House of Commons. However, it is important to carefully screen the bill to see who can really be helped by it.

First of all, to attain maximum benefits from expensive equipment a farmer must have a farm large enough to provide increased production at lower cost. In many cases it is doubtful that either his cost saving or production would be improved if his farm were extremely small. If, however, we conceded that some individuals in this category would be helped—and I think this would be a small percentage—to what extent will this assist farmers in general? According to the 1961 census for Canada as a whole, 44 per cent of all farms are larger than 240 acres; another 42 per cent are between 70 and 240 acres; the remaining 14 per cent are quite small.

Thus, for the very small farmer I would expect that very few of this 14 per cent could really derive extensive benefits from syndicate purchases of expensive machinery. In fact, our low-income farmers might find the increased debt burden intolerable.

The larger-scale operator has enough demand for his equipment that it would be difficult for him to consider joint usage for most equipment. In addition, the large-scale operator will be better able to finance expensive equipment on his own, and indeed will probably prefer to do this. However, this is the category of individuals who seem best suited to derive benefits from the legislation. They could efficiently make use of extra equipment because of their scale of operations, they would gain greater returns—hence their ratio of debt to return would be lower—and, finally, they would be able to carry the debt load much easier than small farmers.

Yet the legislation is envisaged as being of assistance to the small farmer.

Another important factor is that the average-size farm in western Canada is 582 acres, while in eastern Canada it is only 153 acres. If our assumption that the larger farmer would best be able to take advantage of the legislation is correct, then it would appear that the western farmer is the individual who can best gain from the legislation.

While it is necessary that we do not bear too much regional bias, it does seem strange that legislation designed to assist in bringing some solution to those farmers who are handicapped by the high cost of machinery, bears most weight in other than the distressed areas. Of the total farms in Canada in 1961, 76 per cent were in the category of commercial crop and livestock farms, having an annual potential output of $1,200 or more. In the east, however, they made up only 45 per cent of farms, while in the west they represented 80 per cent. This indicates that a high proportion of farms in the east are of the marginal-subsistence type or small units. Remarks made in the House of Commons on the bill also indicate the rate at which net farm income is rising in the east—certainly not a rate which would indicate that progress is being made to solve the problems confronting the low-income farmer in Canada.

Also, the demand for machinery falls into specific categories. Most farms already have the basic equipment. New machinery in the west could handle large-scale operations, but in the east the very nature of farming and the types of additional equipment required would be restricted to a few items. It might be fairly difficult to find adjacent farmers with similar demands.

Figures for 1961 show that there were 480,000 farms with 358,000 automobiles, 550,000 tractors, 300,000 trucks, and 156,000 combines. It is a safe assumption that there is at least one vehicle, truck or automobile, and generally both, per farm, and an average of more than one tractor. Hence demand for more equipment must be in specialized areas.

If the Government is genuinely interested in assisting the farmer in machinery purchases, its attention would be much better directed towards attempting to curb the high cost of machinery and equipment to farmers all across the country, rather than aiming at piecemeal measures which provide limited assistance to certain areas and categories of farmers who are not in the most acute need of that assistance.

For those small farmers who are bold enough to venture into these syndicates, it may provide more headaches than benefits. Credit is a marvelous institution, but it must be exercised with care and within the bounds of common sense. Those limited few who will accept such responsibilities and who

will be successful, however, dictate that support cannot be withheld from the bill, despite its lack of assistance in meeting the fundamental problems and issues.

Hon. A. J. Brooks: Honourable senators, I should like to say a few words on this bill. Before doing so, however, I wish to join with the Leader of the Government (Hon. Mr. Connolly, Ottawa West) in his remarks expressing the pleasure and delight of all members of this house at the splendid reception which was given on Monday last to Her Majesty the Queen.

When Senator Inman of Prince Edward Island rose to speak I was reminded of the welcome to the Queen by her province. In voicing an expression of my feelings, I do so not only on behalf of the Atlantic provinces, but the rest of Canada. We were indeed proud of the splendid program in Charlottetown on the 100th anniversary of the Conference of 1864, and also the splendid reception given Her Majesty by Charlottetown, that city small in size but great in heart.

Honourable senators, Bill C-121, to provide for the extension of credit to farm machinery syndicates, was thoroughly discussed in the other place, I believe for five or six days, and all the good and bad points were brought out.

I listened to the Leader of the Government speaking carefully of the good points yesterday, and I congratulate him on his presentation and explanation of the bill. Today, Senator Pearson mentioned that possibly the honourable leader, as a lawyer, would not know as much about the farming industry as do the farmers. Since listening to the remarks of the honourable leader, and those of the two senators who are farmers, I feel that possibly Senator Pearson's statement is true. However, the lawyers could be greatly interested in this bill. I can foresee a lot of legal business for the lawyers across Canada if the provisions of this bill get into full operation, and indeed the lawyers may become the beneficiaries rather than the farmers.

Hon. Mr. Aseltine: What about the machinery companies?

Hon. Mr. Brooks: And the machinery companies, of course; it is understood that they will do well.

I am not going to repeat the arguments which have been used. The shortcomings were very well brought out by the two previous speakers. However, the Leader of the Government mentioned yesterday the fact that this scheme had been tried out in Great Britain. Possibly that is the only country in the world where it is being tried out; and I might add—as the leader also mentioned—that it is not sponsored by the government in Great Britain. I believe it is sponsored by the Farmers' Union and by one of the great banks, Barclays Bank. He also said there were 600 syndicates in Great Britain. Britain has a great many farmers, and with 600 syndicates, if they had only three to a syndicate, it would mean that only 1,800 farmers had shown any interest in the syndicates; but I have not the least doubt their syndicates are much larger than that, just as they would be here.

There is no comparison between farming in Great Britain and in Canada. I think most of us during visits to Great Britain have seen their small farms. I remember when I was over there years ago, there was what one might call the "one-horse farm," just a few acres and that was before the days of mechanization. Now that the horse is no longer used and farms are becoming mechanized, I can understand three or four small farmers joining together to buy a tractor, because that is a piece of machinery which on a few acres of land would hardly be a necessity, even in these times of mechanization. As I say, I can understand a few British farmers joining together for that purpose, but can you compare that situation with that existing in Canada? Senator Inman mentioned the 100-acre farm, but I believe the smallest farms across Canada, and even in the Atlantic provinces, are 150, 200 or 250 acres.

In regard to the essential machinery, such as the tractors I have mentioned and, on the dairy farm, the milking machines and other machinery used by the so-called small farmer in Canada, these could not be shared with his neighbour. There is certain specialized machinery, as has been pointed out by Senator Pearson, which can be shared, but it is only specialized machinery.

Then again, it occurs to me that in these days of mechanization and automation, the farm too is becoming automated, as the leader mentioned yesterday. At least it can be said that the farms are becoming larger and larger. This is one of the results of this and other legislation.

Today, with so much machinery being used, the young people are leaving the farms. There are now fewer farms and fewer farmers than there were a few years ago, although we are producing more and more on the farms. Indeed, we produce so much we do not know what to do with it. A few years ago we had 600 million bushels of wheat on the prairie farms that we could not sell. I remember we also had millions of tons of butter we could not sell. We did give some of it away to hospitals, and similar institutions, and we sold some at very low prices to such countries as India. The same situation applies to

pork, and to practically every commodity we raise in this country at one time or another.

Then this thought must arise in your minds, as it does in the farmers': Why must so much emphasis be placed on so much more machinery on the farms, bearing in mind the farming methods we have today? Of course, I know we must go along with progress, but still, why should we emphasize the fact we must have more and more machinery and at the same time know we cannot even sell what we are producing now?

Hon. Mr. Horner: Hear, hear.

Hon. Mr. Brooks: What we need in this country is not more farm machinery, but more markets in which to sell the farm produce, for we can raise unlimited quantities of produce in all parts of this country. The farmer needs cheaper transportation and more markets.

I repeat, I cannot see the great urgency for a bill of this kind, although I am not opposing it. There are many other matters concerning this bill on which I could speak, honourable senators, but I do not see any necessity for prolonging the debate. However, I repeat that I do not see any great necessity for this legislation. I think there is an abundance of credit available to the farmer. Indeed, an abundance of credit is becoming available to everyone. The other day I heard a man say that Shakespeare must have been wrong when he said, "Neither a borrower nor a lender be," because we in Canada are becoming a nation of borrowers, with the encouragement of our Government and of legislation such as this.

Take a young farmer. If he wants to go to college he can borrow money to do so and take 10 years to pay it back. If he wants to go into farming he can borrow again, and keep on borrowing until he has prejudiced his whole future as far as financing is concerned. I feel we should and must encourage more independence among our people. I also feel that the greatest encouragement we can give to our farming community is, first, as I said a moment ago, to provide more foreign markets for their produce and, second, in this widely spread out country of ours, to keep our transportation costs as low as possible so that farmers and others in the extremities of the country can sell to the great cities in central Canada. Today those are the two main requirements as far as the farming community in Canada is concerned.

Hon. Harry A. Willis: Honourable senators, I had not intended to speak on this bill, but being a lawyer and a practical farmer, and hearing it so brilliantly introduced by the Government Leader, I think I should say a few words.

First of all, speaking solely from the point of view of the Province of Ontario, I think this bill infringes on the act embodied in the legislation of Ontario to give young farmers loans for their farms or to buy not only implements but also cattle, feed and other things they need in their farming operations.

Let us analyse this bill. What does it cover? Does it cover milkers? I am in the dairy business. If I am going to have three other partners with me interested in having cows milked at a certain time, how are we going to do it? Is one partner going to milk at 5 o'clock, one at 6, and one at 7? The same applies to a bulk cooler for milk. You cannot transport it from one farm to another. It has to remain where it is installed, and it has to remain at a certain temperature, 40 degrees.

What about tractors? Can you tell me that farmers are going to purchase tractors together and trade them around from one farm to another? On my farm there are three tractors and they are being used constantly by the people I employ. If I had three other partners, what would I do? Would they call up at noon and say that they wanted this tractor at 1 o'clock or 2 o'clock? This legislation obviously cannot apply to tractors or plows. There is only one season for plowing. It cannot apply to harrows or mowers. When you are harvesting hay you need the mower when the weather is good for cutting and baling the hay. Likewise with sideloaders and balers.

What does it boil down to? The honourable Leader of the Government mentioned "combines." What are combines? They are used for harvesting during the ripening of the grain, and that in Ontario is a short period of time. I have had experience of this nature. I was in on a combine partnership with a relative of mine, and at mid-season he came and told me, "I am sorry, but we have to cut own grain, and you will have to do what you can." I had to buy a combine and do it on my own. If that happens with two people, what is going to happen with three? In Ontario when the wheat, oats or other grain is ripe, the combine is used at that time and that time only. So I do not see how this bill helps in any way.

I appreciate what my friend Senator Inman said about the widow. What is going to happen if there are three deaths in this syndicate? What will be the situation then?

Hon. Mrs. Inman: May I say something here? This kind of co-operation has been going on in Prince Edward Island, a small province, for a long time. I remember when I was a

little girl the farmers used to co-operate very nicely, and helped each other and worked in such a way that there was never any ill-feeling. They would agree to cut your grain next week, and cut somebody else's on Thursday or Friday. That is the way they get along there.

Hon. Mr. Willis: Learned and beautiful senator, I am corrected. However, I still say that Senator Connolly (Ottawa West) and other lawyers in this chamber know that there will be an unprecedented succession of tax problems if the three people involved in the syndicate should die at the same time.

I would also point out that the banks—and again I speak of Ontario—have been very generous in their loans to farmers to buy farm equipment and machinery. In my view the Government is now trying to outdo the banks and move into their province, although the banks have been very good to Ontario and indeed to Canadian farmers. I think in doing so the Government is adding conflict to conflict. Why have a syndicate at all? Why not amend the act so that a farmer can go to the Government by himself and borrow up to $5,000, since the maximum for a syndicate of three is $15,000? The act does not specify the rate of interest and I do not know what it will be, but I know it will be one-half or one-quarter per cent more than what a farmer would pay on a loan from his own bank in his own locality.

To me this bill is sheer window dressing, and it is not worth it.

Hon. Walter M. Aseltine: Honourable senators, like the honourable senator who has just taken his seat (Hon. Mr. Willis) I had no intention of speaking on this bill. However, having heard the remarks of Senator Pearson and the others I think I should say a few words.

I gather from Senator Willis that he is an agriculturist. It has been said that the difference between a farmer and an agriculturist is that the agriculturist makes his money in town and spends it on the farm, and the farmer makes his money on the farm and spends it in town.

I congratulate the honourable Leader of the Government (Hon. Mr. Connolly, Ottawa West) on his presentation. I do not know whether he is an agriculturist, as I am, or not, but I think he did very well and is to be commended on his very fine effort.

Now my home is in Saskatchewan, in the heart of the wheat belt, where we have many farms of considerable size, one section, two sections, three, four, five and upwards. We also have some 160-acre farms. It is well known that a 160-acre farm cannot support an $11,000 or $12,000 combine, so the farmer does not try to buy one. In fact I found that in that area the farmers were not interested in this system at all because all they did was to have their nearest neighbour combine the 75 or 100 acres of crop they grew each year. By paying $2 or $3 an acre for combining and hauling to the elevator, or storing on the farm as the case may be, the farmer was able to operate quite economically.

As I say, I found no enthusiasm whatever in that area for this bill, but I did in fact find considerable criticism. The first criticism was that they would not under any circumstances sign a joint and several obligation in the nature of a note or contract or any other kind of document to make themselves liable for the whole debt. Like Senator Pearson and Senator Horner, I have had some experience in signing notes. In about nine cases out of ten I have had to pay the note myself because other people fell down on their obligations. That, I think, is the chief objection to this bill. It will not help the farmers very much but it certainly will help the implement dealers.

A friend of mine who lives on a farm in the Rosetown area came into my office one day and I had a talk with him about farm machinery. He told me he had just bought a fine new tractor that cost him $5,000, and a combine which cost him $7,000. I said to him "How do you pay for those machines? How can you afford them?" He said, "That is easy; I made up my mind years ago that since I was going to spend my life working for the machine companies I was going to have the best equipment available." That really has nothing to do with this bill, but I mention it in passing.

Certain questions arise which need to be answered, and for that reason I am glad that the honourable Leader of the Government has agreed to send this bill to committee for study. There are some questions I would like to ask. For example, how do farmers get into the syndicate, and how do they get out of it? Who decides what type of machinery is to be bought? What happens if there is disagreement between members of the syndicate? What happens if they want to use the same machinery at the same time? What about care for the machinery, and repairs? What happens if one member goes bankrupt, and what happens if one member should die?

These are only a few questions. I presume that the Leader of the Government when he winds up the debate will say that all these matters will be dealt with by regulations. However, if this bill goes to committee these are questions which in my view should be answered. When we have this information we will have a better understanding of what we are being asked to pass.

Hon. J. Wesley Stambaugh: Honourable senators, it is always interesting to me to hear lawyers saying how farmers should behave and how they should operate their farms. It is interesting to hear them discuss the troubles the farmers can get into, and of course the more trouble they get into the better it is for the lawyers. In fact at times the lawyers can make more trouble than the farmers can make for themselves.

However, as far as this bill is concerned I would say that the farmers around my district must be different from what they are around Rosetown and the other places we have heard about. I also have had considerable experience with regard to signing notes for my neighbours. However, my experience has been rather different. In nine cases out of ten when I have signed notes I have had no trouble whatever. I lost very little by doing so and received considerable pleasure because I was able to help my neighbours.

Also, in my own district I have been a little more fortunate than some of my neighbours. I have been able to get good machinery, and when automation came in I was one of the first to get a tractor and was able to do some work for my neighbours with it. I was one of the first with a combine harvester and a combine seeder. In many places I was able to help my neighbours at various times. I did not have any trouble collecting my fee either, and the experience has been a rather happy one all the way around.

I think the same will be true with respect to this bill. If a few neighbours want to get together and buy some machinery, then under this bill they will be able to do so. I can think of machinery that they might buy to their advantage, and in particular a tractor, swather, as well as a combine seeder and combine harvester. Of course it may happen that each will want to use it at the same time, but they can always flip a coin to determine who should use it first; or they may decide that one may have it first this year, and another man will have it first next year.

In my part of the country the main crops are wheat, oats and barley. Wheat and oats are raised in about the same quantities, and there is not quite so much barley. As these crops do not ripen at the same time, this machinery can be used at different times. Generally the barley ripens first, followed by the oats and then the wheat. We use swathers in harvesting the barley and oats, and we cut and thresh the wheat direct.

I can see that some difficulty may arise, but it will not be serious. Most of the criticism that has come from those honourable senators who have spoken against the bill can be likened to putting up a straw man and knocking it down. There can be benefit derived from this legislation. Some people will use it, but nobody is forced to use it. If they can borrow money from the banks to better advantage, then they will not make use of this legislation. If it is of no benefit to a farmer, then he will not use it; but to some farmers it will be of benefit. I can see nothing against the bill, and I am heartily in favour of it.

Hon. R. B. Horner: Honourable senators, it has been my intention all along to speak in the debate on the second reading of this bill, and I have nothing new in the remarks I intend to make.

One of the serious matters that is raised by this bill is the whole question of credit, and surely I am in order if I speak about that. One of the things I feel the greatest responsibility for is the advice I give to young farmers. I tell them, without any hesitation at all, that taking care of their credit is the most important thing. Perhaps it is the most important thing to any man, but it is of special importance to a farmer. What shape will a young man's credit be in if he signs a joint and several note for $100,000? How welcome will he be at the bank if, indeed, it is possible for him to get into the bank? He has simply no credit left at all.

This is the complaint that I have heard all over the west in regard to ordinary farm loans. I have been told that if a farmer wanted a loan on a quarter section and he was asking only what that was worth, then the lenders wanted everything else, and that farmer's credit was tied up completely.

I do not know what difficulties may arise in connection with these syndicates or partnerships, but the trouble might go even as far as murder. It is difficult to find a group of men who can take care of machines. We in western Canada have been all through this. The big threshing machines were the first to appear, and some operators made money with them, but there were others who could not run them at all. Some operators found difficulty in not being able to hire men. Men would not work for them. Their machines were left idle, and the company took them back. It is against human nature for a group of from three to seven men to have the same idea about taking care of machinery.

We speak of a standard of living. What kind of a standard of living is being advocated when it is suggested that farmers tie themselves up in groups of from three to seven in order to take on a joint debt? This is advocating the setting up of one of the greatest quarrelling groups that could ever be invented by man. It is torture!

The man who is capable of running machines is going to get them, and he cannot be stopped from getting them. He will have them, and he will know how to run them.

With all the availability of facilities for borrowing that the honourable Leader of the Government has mentioned, it seems to me that our trouble in the future will be in selling what we produce. What is the sense in encouraging syndicates to buy machinery in order to produce more without knowing whether we can sell it? This is not the way to make people happy. We seem to have gone all out on this thing called money. Young people are told: You must make a lot of money. Honourable senators, that is not what makes people happy, and it is not the way to raise a family, and yet our people are being taught that the whole thing is to grab what money they can. There is a way of life, but it certainly cannot be found by joining up in a syndicate and signing a promise to pay $100,000.

It is rather too bad, now that the banks have been made into very nice places. If a farmer joins one of these syndicates he will then have no more occasion to go into a bank. He is all through there.

Honourable senators, I would like to see several amendments made to this bill. The whole measure, in my opinion, is entirely unnecessary. It is the purest kind of farce, and it could be very dangerous. It might even be, as I said, the cause of loss of life. I have seen quarrels occur in connection with machines that are jointly owned, and they have been the bitterest quarrels I have ever known. I am convinced they will take place.

I would suggest that this "joint and several" provision be taken out of this legislation. It is unnecessary in any event because each one of the members of the syndicate would be worth the whole amount. However, having regard to all the other kinds of loans that are available, the legislation is unnecessary. I am opposed to it. It is very bad, and it can be very dangerous for the reasons I have stated.

Hon. Arthur W. Roebuck: Honourable senators, I enter this debate with some trepidation because I am another lawyer talking on an agricultural topic. However, do not forget that many a farmer goes to a lawyer and asks him for his advice. For the most part my practice has not been to get people into trouble in order that I might get them out of it, but rather to keep them out of trouble in the first place. Were a farmer to come to me and ask for my advice with respect to the signing of a joint and several note, I would tell him not to do it except under very exceptional circumstances.

My friends who have been criticizing the bill have done so from the point of view of the possibility of the farmer getting himself into trouble by signing a note of this kind, but is not that the function of the farmer himself? Somebody has said that this will not be a cure for all the farmers' troubles and problems. Of course it will not be. Rome was not built in a day, and neither is a successful farming community constructed in a day or the legislation in regard to it. It is a step-by-step operation. One of the Opposition speakers—I think it was Senator Pearson—said it was a flea bite. He said that he was going to vote for it because he thought it might be of some value. Well, that is some concession. I think it may be of some value, but I do not overestimate its value at all.

My friend, who is smiling at me, the former Leader of the Opposition (Hon. Mr. Aseltine), said it would benefit the machinery makers and not the farmers. If it benefits the machinery makers then that must be because the farmers think it is of some value to them, because it is only when they act that the machinery makers come into the picture at all.

I have been speaking so far as a lawyer, but my most vivid recollections are of the days when I lived on a farm. It is a long long time ago since I was farming with the desperate necessity of making a living. My father went on a farm when I was 10 years of age and we came off when I was 16 years of age in 1894. The recollections I have of the farming of those days are still very vivid in my mind. I have been interested in farmers and farming ever since and I have seen changes that have taken place in farming.

I can remember my father going out with a team of horses and a single blade and plowing all day long, perhaps seven or eight hours or something of that kind; and finally coming home at night with the horses lathered with sweat, dragging their feet behind them, and he tired out. The horses had travelled, I suppose, two miles an hour or something of that kind. As the land there was fairly heavy, if he had plowed an acre of land he had done fairly well.

At the present moment I have a farm. I am not a big farmer like my friend across the way (Hon. Mr. Willis) but I have a farm and I have a tractor, a fine big diesel tractor. It drags not one blade but three; so on that ground alone it accomplishes at least three times as much as did my father on the farm prior to 1894. Not only that, while he travelled at perhaps two or three miles an hour this tractor may travel at eight miles an hour or thereabouts. That would be about three times as fast as the horses. So if you take first the three blades doing three times as much work and travelling three times as fast,

that gives us nine times as much production. Not only that, on this tractor we have lights so that we can use it all day long and all night long if we wish. My father could plow for eight hours only. A tractor of this kind with its lights can be used for a full 24 hours of the day if we wish. That would be three times as long, so we have 27 times the production we had in those old days on the farm.

Honourable senators, you need not mind the exactness of my mathematics. The facts are that with the combines, tractors and other farm machinery of today the farmer is not comparable with the farmer of those old days. Legislation of this kind becomes imperative. It is not that we want to go into syndicates or sign notes. It is because the farmer today simply must have this machinery that will keep up with the times, not for local consumption or life on the farm but in order that farmers in Canada can compete with farmers abroad who have adopted high machinery qualifications for their work. There has been talk here about our markets abroad. Certainly, if we were to continue farming as my father farmed many years ago, we would not be able to compete with the Russians, for instance, who are making more and more tractors and enlarging their farms and becoming up to date. We, too, must keep in pace with the progress of our times.

Gentlemen, this is not an ideal bill. I shall not go into it in detail. There are strong objections to the signing of a note of this kind. I would not advise it to any client of mine except, as I said, under exceptional circumstances. But why not give the farmer the opportunity? He has just as much intelligence as we have here. Why not give him the opportunity to use this bill if he so desires? It is another string to his bow. He may get himself into trouble but that, gentlemen, is his business, not ours. If we present him with an opportunity which he may use, he probably will thank us for it. It is a step in the right direction in the mechanization of our farms, the increasing of our production and, above all, the reduction in the cost of production on the farm which will make us competitive in the markets abroad.

While I am not enthusiastic about this bill I certainly am going to vote for it.

Hon. Mr. Connolly (Ottawa West): Honourable senators—

The Hon. the Speaker: I must inform honourable senators that if honourable Senator Connolly speaks now, it will have the effect of closing the debate.

Hon. Mr. Connolly (Ottawa West): Honourable senators, I am sure we have all enjoyed the debate on this measure which has taken place this afternoon. I suppose it proves many things. It seems to me to prove in the first place that if you scratch a lawyer hard enough or long enough you may find a farmer or an agriculturist. We certainly uncovered a few here this afternoon.

I thank Senator Pearson for his remarks. I am not as pessimistic as he is about the prospects for the success of this legislation. I am not too optimistic either about the prospects of success for those lawyers who may think of getting a lot of business out of drawing these syndicate or partnership agreements. I think it is the intention, as I indicated last night, that the Farm Credit Corporation will have a good deal to do with the preparation of these agreements and will help those farmers who desire to form a syndicate, in drawing agreements, in the knowledge they have gathered from the British experience and from what they know about matters of this kind.

Senator Pearson referred to the risk involved in the partnership, particularly arising out of the joint and several liability on the note. I cannot speak out of personal experience, but I would think that the farmer is as sharp and as acute about entering into a partnership as any man from any other segment of society. I would think that farmers would choose their partners with a good deal of discernment.

As Senator Stambaugh mentioned, no one is forced to enter one of these partnerships or syndicates. As Senator Roebuck said, this is another facility available as a source of credit for the farming community.

I thank Senator Welch for the references he made, particularly to the agricultural problems in Maritime Canada. He stated that this legislation is a far cry from all that is needed. I am the first to admit that is so and I have had to say this about the Farm Credit bill and about the Small Loans bill. In themselves, none of these measures will solve the problem of the farmer. However, even if this bill is but a flea bite in one sense, it could have a fairly wide application for good.

I was pleased to hear Senator Inman refer to the co-operative aspect of farming in the great Province of Prince Edward Island. I think that what she described as the attitude of farmers one to another there is something which was behind the thinking that went into the making of this bill.

Hon. Mr. Horner: May I ask the leader a question? He said that there is no compulsion. Perhaps he has never been through the experience of being the only likely man to join to buy some expensive machinery. You may not favour it but, because of Mrs. So and So and because of the farmers

where you live, you are practically compelled to go into the syndicate.

Hon. Mr. Connolly (Ottawa West): That may be, but it is up to the individual person to take his own responsibility in that respect, and this is done every day.

Let me talk about the area with which perhaps I am most familiar—the legal profession. Fairly early in life one forms associations or partnerships. One takes a risk, just as one's partners take a risk with you. But it is open to you not to take the risk. It is open to you to practice alone. So too is it open to any individual farmer not to bother about this source of credit but to go and get it from the bank or, as Senator Willis suggested, under the Small Loans Act or some other commercial source. It is up to the individual, and of course nobody is more of an individualist in this country, or perhaps any other, than the farmer.

Senator Brooks quoted Shakespeare to us. This I like to hear. He quoted the line: "Neither a borrower, nor a lender be." I wish he had continued, because another line says: "And borrowing dulls the edge of husbandry." That is particularly applicable in this context. But I think the farmers have been dulling the edge of husbandry in this country in a considerably big way.

Hon. Mr. Roebuck: That was written 300 years ago.

Hon. Mr. Connolly (Ottawa West): Yes. Certainly, that is another factor. Farmers have used credit from the Farm Credit Corporation, and from other sources of federal and provincial legislation, to which reference has been made today. Farmers are into the commercial banks and other lending institutions to the extent of $225 million to $400 million at this time, at rates varying all the way from 7 per cent to 20 per cent, depending upon the kind of institution to which they apply for their credit. The rates that are going to be applicable to this act are not going to compare to that. I had to hesitate last evening when Senator Farris asked what the rate would be. I am informed that it will be approximately 6 per cent. But if the edge of husbandry is going to be dulled by borrowing by credit, that edge has been pretty well dulled already, I should think.

Senator Willis says that this measure will infringe upon provincial credit legislation. I do not think "infringe" is the word the honourable senator intended or should have used. It is supplementary to other federal legislation which provides credit for farmers. It is supplementary to credit facilities that are provided by provincial governments, and they are considerable.

Senator Horner referred to the great dangers of a young man being involved jointly and severally with partners on a $100,000 note. I would point out to him that this, of course, is the maximum amount that can be borrowed by any syndicate, and whether or not a young man such as he describes would qualify as a credit risk for a loan of this magnitude is another matter.

Hon. Mr. Horner: A young man would be a better risk than an old man, wouldn't he?

Hon. Mr. Connolly (Ottawa West): He might be, although perhaps I would rather have my honourable friend on a note like this, if I were going to lend the money, than a young man.

I thank Senator Roebuck for his intervention, because he has put this measure into very good perspective. I do not think he says it is the answer to all the farmers' problems. I think probably he will be found to be critical of some of the particular provisions of the bill. However, he has helped a great deal, following other speeches which were made this afternoon that were not too critical but more critical than Senator Roebuck's—I do not object to that—in putting the matter into perspective, into focus, the way I believe the measure should be considered.

Again, I thank all honourable senators who have participated in the debate.

I would propose that when the bill receives second reading it be referred to the Standing Committee on Banking and Commerce.

Hon. Mr. Farris: I have one question to ask the honourable leader. Has it ever been considered that instead of joint and several notes by syndicate members, the liability be limited to one-third to each of the three signers?

Hon. Mr. Connolly (Ottawa West): I think this has been considered, but I understand that the conclusion reached was that considering all the circumstances the joint and several liability is preferable in the general interest.

Hon. Mr. Crerar: I have a few questions to ask the honourable leader. First, has there been any widespread, popular demand for this legislation? Secondly, has any estimate or forecast been made of the probable use of it once it is enacted into law?

Hon. Mr. Connolly (Ottawa West): I cannot give any specific answers to the honourable senator on either of these points, but I am informed that a great deal of interest has been expressed, both in eastern and western Canada, in the offices of the Farm Credit Corporation, which is the agency that will administer this legislation. There has been a good deal of interest indicated. I must add, in fairness, as I said last night, that this is

experimental legislation. But it is going to be a self-sufficient operation. If it goes slowly, all right. Perhaps it will pick up as time goes along, if it does not start out with a great rush. Perhaps it is a matter of farmers who have the facilities made available to them learning just what the value of these facilities will be and working out among themselves ways in which they can best use it.

Hon. Mr. Lambert: May I ask the honourable leader if the officials of the Department of Agriculture will be the principal witnesses in committee?

Hon. Mr. Connolly (Ottawa West): Yes. I would think the principal witnesses would come from the Farm Credit Corporation. Mr. G. Owen, who is chairman, would probably give evidence that will be most satisfactory to all honourable senators.

Hon. Mr. Aseltine: Will any farm organization be represented?

Hon. Mr. Connolly (Ottawa West): I know of none.

Hon. Mr. Lambert: May I suggest that possibly the agricultural division of the Dominion Bureau of Statistics might put on record the data as to the number of modern combines and implements, and the extent to which they are distributed in the different provinces. This would show, for instance, whether the major part of this expenditure might be applied to western Canada. Such information, I think, would be essential to a better understanding of this bill and possibly shed further light on the subject.

Hon. Mr. Connolly (Ottawa West): I will draw that to the attention of the authorities, and if there is such a division of the Dominion Bureau of Statistics, or elsewhere, which can provide the information, I will see to it that it is represented in committee.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Connolly (Ottawa West), bill referred to the Standing Committee on Banking and Commerce.

CROP INSURANCE ACT

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

Hon. Eric Cook moved the second reading of Bill C-129, to amend the Crop Insurance Act.

He said: Honourable senators, no doubt from time to time we all have had occasion to note with wonder how, when once a piece of legislation which serves a useful purpose is placed on the statute books, it seems to grow and expand in succeeding years.

The Crop Insurance Act which was passed in 1959 and which is indeed a useful piece of legislation, is now to undergo its first expansion to better meet the needs of the farmers of Canada, if the proposed amendment is enacted.

In explaining the development of the Crop Insurance Act, a few words must be said about the Prairie Farm Assistance Act. This act will, of course, remain in full force and effect, but as at first glance it might seem to serve some of the same purposes as the Crop Insurance Act, I would like to give a very short outline of the history of the Prairie Farm Assistance Act.

Following the drought years during the 1930s it was considered necessary to develop some substitute for direct relief which had been used to assist farmers in disaster years on the prairies. Honourable senators will, of course, appreciate that the constitutional responsibility for providing assistance for those who suffer disaster such as crop failure rests with the provinces. The Prairie Farm Assistance Act was designed to enable farmers, in times when they had something to sell, to contribute to a scheme which would enable them, as a right, to secure assistance in times of crop failure. So the Prairie Farm Assistance Act was passed to assist the provinces in meeting their responsibility to citizens in distress. This act, however, only applies to the spring wheat area in Canada, which includes the Provinces of Manitoba, Saskatchewan, Alberta and the Peace River district of British Columbia. During the period from 1939 to the present, farmers of the spring wheat area have received, by way of payment made under the act, $340 million, and have paid, by way of a one per cent levy on grain sales, $153 million. I would point out that the operation of the Prairie Farm Assistance Act is not affected in any way by the Crop Insurance Act or by the proposed amendment. Now, however, in an area where his province has introduced crop insurance, a farmer has the option of purchasing crop insurance or remaining under the Prairie Farm Assistance Act.

It only remains to say that, while the Prairie Farm Assistance Act did and still does afford some measure of relief, its application is limited to the areas mentioned, and the coverage made possible is limited to $800 per farmer, depending on the extent of crop failure. Actual payments made to farmers have averaged $245.

The Crop Insurance Act has general application to all of Canada, and the coverage which may be obtained extends to 60 per cent of the value of the long-term average yield in any

area. It is interesting to note that the average amount of coverage provided for farmers in 1964 was just over $2,000.

This act is designed to provide assistance to provinces who enter into crop insurance programs, to make it possible for farmers to ensure a return of the costs of production of their crops. It is not the intent of the legislation to insure profits, but rather to enable provinces to provide insurance which will protect farmers' working capital.

Three provinces—Manitoba, Saskatchewan and Prince Edward Island—have crop insurance programs in operation, and some 8,600 farmers purchased coverage for crops in 1964 totalling $18,000,000. It is expected that Nova Scotia and Alberta will commence the operation of insurance schemes in 1965.

From the beginning provinces were hesitant greatly to expand crop insurance operations because they feared that widespread disaster in the early years, before reserves were accumulated, would create a serious financial problem for the provincial governments. As a result the provinces requested that the federal Government, with its far greater resources, provide reinsurance for a large part of the provincial liability. The amendments before us are designed to provide that reinsurance and thus enable provinces to make crop insurance available to a great many more farmers.

The amendments are for the purpose of adding additional provisions to the Crop Insurance Act. Nothing is taken from the original act. All that is done is to create a new alternative to assist the provinces, so that the provinces will be able to introduce their own crop insurance scheme, without any fear of financial disaster.

Finally, honourable senators, let me say a few brief words about each of the several sections of the bill before us.

Section 1 provides an alternative to the present loan provision, whereby the province may reinsure a portion of its liability to its own farmers who have taken out crop insurance. The existing loan provisions are left unchanged.

Section 2 provides for the establishment of a special account in the Consolidated Revenue Fund to be known as the Crop Reinsurance Fund. The reinsurance premiums paid by the provinces will be paid into this fund, and in the event of claims, if there are any deficiencies, interest free, advances will be made from the Consolidated Revenue Fund.

New section 4B of the act—In the event of a claim the province is solely liable up to:

(i) the total of all premiums collected in that year; plus

(ii) any amount available in the reserve fund of the province Crop Insurance Fund; plus

(iii) 2½ per cent of the total liability under all policies in force that year.

When all these amounts are exhausted, the federal authority pays 75 per cent of the amount remaining unpaid and the province the remaining 25 per cent.

Section 3 provides that the premiums collected may only be used to pay losses, reinsurance expenses and 50 per cent of administration expenses.

Section 4 provides that insured farmers will receive back the full amount of the Prairie Farm Assistance Act levy.

Honourable senators, should the bill receive second reading I will move that it be referred to the Standing Committee on Banking and Commerce.

Hon. John Hnatyshyn: Honourable senators, first I would like to congratulate the sponsor, Senator Cook, on the very concise and clear manner in which he presented this bill.

I am a great believer in crop insurance. Ever since I was a young boy I have heard farm organizations and farmers as individuals ask for crop insurance. I think crop insurance is good legislation and I support it wholeheartedly.

As the sponsor has pointed out, crop insurance was first introduced and placed on the statute books in 1959, being chapter 42, and since that time three provinces have tried it out on an experimental basis. These have been sort of pilot projects, because there are many difficulties to overcome in crop insurance that only experience can solve.

I certainly hope the amendment we have before us today is not the last one we shall have, because I think many others will be necessary.

Probably the most progressive province with regard to crop insurance has been the province of Manitoba, because of the three provinces that have passed complementary legislation, which is necessary before crop insurance can function, Manitoba during the last crop year covered 6,400 farmers, while Saskatchewan covered 2,200 and Prince Edward Island 75. As a matter of fact, Manitoba started in the crop year 1960-61 with 2,500 farmers, covering a liability of $4 million. Now, as I stated before, they have some 6,000 farmers and the liability covered is $14 million. According to the Minister of Agriculture of Manitoba they are hoping that with this amendment, which in part has been suggested by the Manitoba Minister of Agriculture, it will be possible next year to cover 50 per cent of all farmers in Manitoba, with a liability of some $25 million.

As I stated previously, this is the kind of legislation on which it is essential to proceed slowly. This is not because crop insurance is unpopular. It is not because it is unwanted by the farmers that they have not moved faster. But the provinces have been a little reluctant to enter into such a scheme for fear of some catastrophe resulting in a complete crop failure and the provinces would be faced with greater financial obligations than they could bear.

This amendment provides for two things, the first being that in the case of such a catastrophe resulting in complete crop failure the province can choose one of two alternatives, either a loan from the federal Government to cover the loss, or by seeing to it that they are reinsured with the federal Government. I merely wish to point out, as has been so ably explained by the sponsor, that this act is not a relief measure such as the Prairie Farm Assistance Act was at its beginning. In view of the premiums that the provinces will have to pay to be reinsured, this act will be actuarially sound and over the years the premiums will cover the losses. The difficulty has been that at the beginning, in the case of severe loss or complete crop failure, some provinces were not sure that they could wait for a number of years to cover the losses.

The thing most desired by the farming community is stability, since that is one of the things they lack most at the present time. Of course this amendment or crop insurance cannot solve the problem of fluctuations in price. However we have the price stabilization act to take care of that. But this act can solve to some degree the problem of fluctuation in yield. I would like to point out to honourable senators that during the last 10 years there has not been a crop failure to the same extent as there was some years ago, for example in the 1930's.

Hon. Mr. Hayden: Why?

Hon. Mr. Hnatyshyn: On account of the improvements in farming methods, chemicals, insecticides and herbicides.

Hon. Mr. Leonard: And the good weather man.

Hon. Mr. Hnatyshyn: Not only good weather, but the improvements in the preservation of moisture and because of the scientific way in which farming is carried on today. Over the last 10 years the yield under similar conditions to those existing in the 1930's has been much higher because of these improvements.

Now to work out crop insurance on as sound an actuarial basis as life insurance is a little more difficult because those companies have figured out when one is supposed to die, but it is a little harder to figure out when a crop failure is likely to occur. But I think the companies have worked out fairly closely when it is likely to occur, and that will be an additional protection to create stability over the years as far as fluctuation in yield is concerned.

We have covered many other situations by legislation. Earlier today we were discussing an act whereby further credit is given to the farmers; we have had the Farm Credit Act, the Farm Improvement Loans Act, and these things are now fairly well taken care of. I would hope that with these improvements and these amendments more provinces will come in under the Crop Insurance Act. I know Alberta is just about ready to come in. They have enabling legislation but they have not yet come into the scheme covered by this act.

Hon. Mr. Roebuck: May I ask the honourable senator for my own information what is the definition of "crop failure"?

Hon. Mr. Hnatyshyn: Well, it is considered to be a crop failure if the yield is under a certain number of bushels through frost or for various other reasons. There can also be grasshoppers, or hail or many other hazards that can cause crop failure.

Hon. Mr. Roebuck: The farmer then carries the first loss, since it is only if he loses more than so many bushels it is considered a crop failure.

Hon. Mr. Hnatyshyn: To a large extent. There must be limited insurance because otherwise the premiums would be too high, but at least the insurance will cover the cost of production. I was very glad to hear Senator Cook speak of the Prairie Farm Assistance Act and to say that it is not being discontinued. Some fear has been expressed in the past that it will be discontinued and replaced by the Crop Insurance Act. The Prairie Farm Assistance Act has served and in fact still serves a very useful purpose as has been explained by the sponsor. The farmer pays a one per cent levy which is taken right off his grain cheque. The amount paid in is about half of what has been paid out. The remainder has been made up from the federal treasury. Since the Prairie Farm Assistance Act is not being discontinued, the farmers will have the best of two worlds. If a farmer does not wish to come under the Crop Insurance Act he can still take advantage of the provisions of the Prairie Farm Assistance Act, but if he does decide to come under the Crop Insurance Act, then he cannot take advantage of both.

It should be remembered also that while the Prairie Farm Assistance Act serves a useful purpose in some areas it does not protect the farmer individually because it covers only failure occurring in an area, for example a

township. One farmer may be unfortunate, while his neighbours may have a good crop, and so he would not derive any benefit under the Prairie Farm Assistance Act.

Honourable senators, the hour is late, and I do not wish to speak at any length. However, I am very keen on this legislation which I consider to be excellent, and I hope we will have many more amendments of this nature as experience shows we need them. I heartily commend this bill to all honourable senators.

Hon. Arthur M. Pearson: Honourable senators, I wish to congratulate the sponsor for his very clear explanation of the bill, and also the last speaker for his very fine remarks in commending this insurance bill to you.

The crop insurance bill of 1959 broke new ground in providing assistance to the farm industry, and in a sense it carried the former Prairie Farm Assistance Act somewhat further in the protection it afforded to the farmer. I had the privilege in 1959 of introducing the crop insurance bill, and I am pleased that it went through this house at that time without objection. If this amendment is brought forward to improve the original act, then I am pleased to support the amendment.

Today only three provinces, Manitoba, Saskatchewan and Prince Edward Island, have availed themselves of the benefits that can accrue to farming communities as a result of this crop insurance. I am pleased to hear that Alberta and Nova Scotia have passed enabling legislation, although they have not yet set up pilot areas to test the strength or weakness of the crop insurance plan in their respective provinces.

I hope there will come a day when the crop insurance scheme will become universal so that all farm communities can make use of it, and that it will not be too costly for those who farm what are called sub-marginal lands. Some of the areas that are considered good insurable risks are more subject to hail and frost than areas that are not considered the best type of land for insurance coverage. There are other areas that are subject to drought but, on the other hand, they do not, as a rule, suffer from frost, and in the future it should be possible for them to come under an insurance plan that covers all areas of Canada. Once the crop insurance plan becomes general the premium could very easily be reduced.

At this point I might mention that when the Municipal Hail Insurance Scheme in the Province of Saskatchewan was placed before all the municipalities they were able either to accept or reject it, but in the greater part of the south half of the province they undertook to insure under that scheme. Individual farmers again can reject or accept municipal hail insurance. The Municipal Hail Insurance Scheme covers almost all areas of southern Saskatchewan, and the farmers find it comparatively cheap to have hail insurance on their land. When this insurance becomes universal it will bring with it a reduction in the premium.

Honourable senators, I think this bill, giving the provinces the right of reinsurance to a total of 75 per cent over and above the total of reserves and premium receipts, is a good move and I shall certainly support it.

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

THE ESTIMATES

REPORT OF COMMITTEE ON FINANCE ADOPTED

The Senate proceeded to consideration of the report of the Standing Committee on Finance which was presented yesterday.

Hon. T. Darcy Leonard moved that the report be adopted.

He said: Honourable senators, I realize the hour is late, and I shall try to make my remarks as brief as possible. However, I think the Senate is entitled to an explanation of the report that the Standing Committee on Finance brings before it today.

The report is in two numbered paragraphs. The first deals with the quorum of the committee, but that paragraph is really subsidiary to the paragraph that is numbered 2 and which deals with the power of the committee to sit during adjournments of the Senate. Therefore I shall deal first with paragraph 2, which is the important part of this report.

When your committee was set up and commenced its sittings last June it decided to embark upon a study of the recommendations made by the Glassco Commission with respect to the estimates. Those recommendations are quite sweeping. They are designed to bring about greater efficiency and greater economy in the management of the Government's financial affairs. In embarking upon this study the committee was aware that it would require a number of sittings and the hearing of a number of key witnesses. This study did not exclude the consideration by the committee of any items of expenditures in the estimates. The committee was quite free to consider any of those items, and any questions could be asked about them of any witnesses brought before the committee to deal with them. However, as the matter of the consideration of the Glassco Commission's report is rather important it was decided that at this stage it might well receive the consideration of a parliamentary committee and that before the recommendations are implemented consideration might be given to them by this committee.

Towards the end of June we ran into some difficulty. The sittings of the Senate were uncertain. The committee could not sit if an adjournment was for more than one week, and although we might try to estimate the time at which the committee might be sitting we had to fit that into the timetables of a number of our witnesses who had other engagements and who had made arrangements for their summer vacations. The Steering Committee of the Standing Committee on Finance decided upon a program of eight meetings, and as these were going to extend over a period of time it was felt that they should start with the commencement of the regular fall sittings of the Senate.

At these eight meetings we would first hear Dr. Davidson, the Secretary of the Treasury Board. Dr. Davidson is a very experienced civil servant of long standing in various departments of Government. He is a dedicated civil servant, and one who commands high respect in Parliament and throughout the country, and has for a great many years. With Dr. Davidson the committee would hear also Mr. Steele, the former secretary of the Treasury Board, who is now Under Secretary of State. These two gentlemen would be followed by Mr. Balls, the Comptroller of the Treasury; Mr. Henderson, the Auditor General, and then Dr. Bryce, the deputy Minister of Finance. Time would be left for another two meetings at which the committee might consider the report that it would present to the Senate, or hear further evidence or rehear any of the witnesses who had appeared previously.

Hon. Mr. Brooks: I am sorry for interrupting the honourable senator, but will he allow me to ask a question? I did not understand what evidence the committee will be hearing. Is it the report of the Glassco Commission upon which these gentlemen will be examined?

Hon. Mr. Leonard: Perhaps I might amplify that. The Glassco Commission, in dealing with the estimates, has made some very sweeping recommendations, as I have said. I can give only a few examples. One of them is that the number of votes under which the estimates are brought before Parliament should be reduced, thus providing a smaller number of votes for Parliament to deal with. A second and very major recommendation is that in the preparation of the estimates, and in the form of the estimates, they be put under the heading of programs of expenditures. At the present time the emphasis is on details of expenditures. The thought behind that recommendation is that as a department embarked upon a program of expenditure, even though details of expenditures with respect to that program were kept, there would be a deeper sense of responsibility upon the department to see that the program was being carried out economically, and there would be more opportunity afforded Parliament of examining into the carrying out of that program. That, in turn, involves giving to departments a greater responsibility with respect to the estimates. The next step is that it involves a change in the controls that are now placed upon the departments in carrying out their programs of expenditures.

These are important matters, and they are just some of the recommendations. These are the things we have been dealing with in the committee so far.

Hon. Mr. Brooks: It sounds very sensible.

Hon. Mr. Leonard: We had our first meeting of the fall session yesterday, at which Dr. Davidson spoke for several hours.

Under the schedule it is planned to have a meeting next Tuesday at which Dr. Davidson will finish his evidence and will be subjected to examination and cross-examination. When Dr. Davidson's evidence is completed we will hear from Mr. Balls during the following week, and then from Mr. Henderson, and so on according to this program. The program is subject to the calling of additional witnesses and the holding of additional meetings, but it does present an orderly way of dealing with these recommendations, a study of which seems to be important for this committee to be engaged in.

We are facing again the possibility of some uncertainty in the sittings of the Senate, for reasons with which all honourable senators are familiar. It may be that the Senate will not sit next week or the week after because no business is coming to it in the way of public bills from the House of Commons. That would mean a postponement of this program, but perhaps that is not so important as is the effect it would have on the committee's being able to maintain continuity in its studies. For instance, Dr. Davidson's evidence should be completed before we hear from the Comptroller of the Treasury, and the Comptroller's evidence should be completed before we hear the evidence of the Auditor General.

Therefore, if this report is adopted it is planned to go ahead with the meeting of the Standing Committee on Finance scheduled for next Tuesday even though the Senate itself is not sitting. The committee will then sit on eight successive Tuesdays until its work is completed, with the idea of presenting a report to this house before the Christmas recess. Other meetings may be necessary also. There may be more than one meeting a week. We have been in touch with all those witnesses and they know that these dates are scheduled for them. They are preparing their material

and we would get a most efficient consideration of the work of the committee, if this can be carried out.

That is the reason why the committee asks for authority from the Senate to sit even though the Senate adjourns for more than one week. Under the present Rule 85, we cannot sit if the Senate adjourns for more than one week. For example, if tomorrow or Friday we were to adjourn for a longer period than one week, with the suspension of the rule the Finance Committee could sit next Tuesday and similarly from week to week.

I realize there are some disadvantages. I realize that there are some senators who would like to be at meetings of the Finance Committee, and if the Senate does not sit it would be difficult for them to be there. However, there are some offsetting factors. The proceedings are all being printed and will be made available as rapidly as possible to the members of the committee. The present meetings are of a preliminary character, and it is my view that when we come to meetings dealing with the report itself those meetings will be held when the Senate is sitting, so at that time all members will have an opportunity to deal with the report itself, review all the evidence that has been heard and, of course, recall any witness of whom they want to ask further questions.

There is also an advantage, in a way, in having a meeting, say, next week. Many senators are here as a result of having been called back this week and will stay on without going home if there is an interregnum of one week.

Honourable senators, that is the main reason for the report. The other section is a matter of form. The present quorum is nine members. The suggestion of making it seven is done through an abundance of caution, as the lawyers say. On the theory that if nine is the right figure when the Senate is in session, seven might be appropriate in regard to a period when the Senate is not sitting. Also, it will make the task of the chairman a little easier if, no matter what the circumstances, he can count on seven at least. I myself think there would be many more than seven, but nevertheless out of an abundance of caution I would suggest we make it seven.

Hon. Mr. Connolly (Ottawa West): We are most grateful to honourable Senator Leonard, who has explained this motion in a very clear way. He has pointed to the important work it is proposed to do in the Finance Committee.

It is worth saying here that very often the work done in committees of this honourable house is as important as that done by the house itself. We should give more attention and attach more importance to the work of our committees than we have been disposed to do. Certainly, the outside public has a very high idea of the value of the work of Senate committees.

In acceding to the proposal before us now we are reinforcing that view in saying that we intend to maintain the high reputation which these committees enjoy and that this is something we should all support.

Report adopted.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, October 15, 1964

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

Prayers.

LIBRARY OF PARLIAMENT

REPORT OF JOINT COMMITTEE

The Hon. the Speaker: Honourable senators, I have the honour to present a report from the Joint Committee on the Library of Parliament, recommending that salary rates of clerical classes in the Library of Parliament be brought in line with the recently revised salaries paid for comparable positions in the Public Service.

Hon. John J. Connolly: Honourable senators, I suggest that the reading of the report be dispensed with, because I am going to propose that the report stand on the Order Paper for consideration at the next sitting. In the meantime, honourable senators can examine it in detail.

Hon. Senators: Agreed.

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

Hon. Mr. Connolly (Ottawa West) moved that the report be placed on the Orders of the Day for consideration at the next sitting.

Motion agreed to.

For text of report see appendix p. 1032.

FARM MACHINERY SYNDICATES CREDIT BILL

AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Arthur L. Beaubien, for Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the following report of the committee on Bill C-121, to provide for the extension of credit to farm machinery syndicates:

> Your committee recommends that authority be granted for the printing of 800 copies in English and 300 copies in French of its proceedings on the said bill.

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

Hon. Mr. Beaubien (Provencher): I move, with leave, that the report be adopted now.

Report adopted.

REPORT OF COMMITTEE ADOPTED

Hon. Arthur L. Beaubien, for Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill C-121, to provide for the extension of credit to farm machinery syndicates, and had directed that the bill be reported without amendment.

Report adopted.

THIRD READING

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

Hon. John J. Connolly: Honourable senators, with leave of the Senate, I move that the bill be read the third time now.

Motion agreed to and bill read third time and passed.

CROP INSURANCE ACT

BILL TO AMEND—SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Cook for the second reading of Bill C-129, to amend the Crop Insurance Act.

Hon. Walter M. Aseltine: Honourable senators, after listening to the speech made yesterday by the honourable sponsor of this bill (Hon. Mr. Cook) and the speeches of Senator Hnatyshyn and Senator Pearson, I find that there is very little left for me to say, except that this bill to amend the Crop Insurance Act of 1959 is something that the provinces have been asking for and for that reason we should give it second reading and speedy passage.

When the Crop Insurance bill was first introduced in 1959 it was sponsored by the honourable senator from Lumsden (Hon. Mr. Pearson). At that time he stated it was something new in the form of farm legislation; that it would likely turn out to be less than perfect in every particular, and that it would probably be necessary to amend it from time to time. The purpose of the bill now before us is to amend the 1959 Crop Insurance Act.

I take it that it is good business to reinsure any risk which, if it materializes, may put you into bankruptcy or prove financially embarrassing. The purpose of this bill is to protect the provinces that enter into this scheme, and to make it safer for them to carry on the business of insuring the crops of the farmers.

Honourable senators, in my opinion, it is not necessary to send this simple bill to committee, and it is my hope that it will be given second reading, and possibly third reading, today. In these circumstances my remarks will be quite brief.

I would like to call the attention of honourable senators to the fact that in 1939 the Prairie Farm Assistance Act was passed after several very dry years. That act was passed for the purpose of giving the farmers drought relief. I know something about the operation of it in the province of Saskatchewan where it has worked out quite well, and many farmers wish it continued in force even though the maximum relief that can be obtained in any one year under that act is $800 per farmer.

I might say that in the district in which I carry on my farming operations we have not had a crop failure since 1937. That is quite a record, because there were crop failures in 1930, 1931, 1932, 1933 and on up to 1937. The crop in 1937 was, I think, the worst I ever grew. In fact, we did not thresh anything on our lands in my home district that year.

Hon. Mr. Connolly (Ottawa West): Why? Was it because of drought?

Hon. Mr. Aseltine: We had had no rain whatever, and of course we were not farming as well in those days as we are now, and the crop just did not grow. We had absolutely nothing.

It was probably as a result of that experience that the Prairie Farm Assistance Act was passed in 1939. Under that act every farmer, no matter who he may be, pays one per cent of the amount he obtains for his crop when he delivers it to the elevator. That amount of one per cent is deducted from the purchase price. On crops of wheat, oats, barley and flax—although flax was not in this category at the beginning—we have been paying this amount of one per cent all these years. I am happy to say that I have never yet qualified for prairie farm assistance on any of my lands, but I am quite content to pay my share of the cost because it helps to build up the fund so that others who have suffered crop failures can obtain this form of relief.

Hon. Mr. Roebuck: You have the protection.

Hon. Mr. Aseltine: However, the Prairie Farm Assistance Act did not give individual coverage. If a certain number of sections of land which surrounded your land did not qualify, it made no difference; the whole area qualified and each person was able to obtain the assistance. It was never on an individual basis. One man might be located 10 miles away from the area which I have just mentioned and even though he had no crop at all he could not get any relief under the Prairie Farm Assistance Act.

On account of this, many farm organizations all over the country kept asking for some form of crop insurance. Also, in Saskatchewan a commission was set up to study the economic future of the province. After a thorough study lasting two years or more and costing quite a large sum of money, the commission brought in its report recommending, among other things, the adoption of some form of crop insurance. Finally, the government of the day brought in the Crop Insurance Act of 1959. We are amending that act today at the request of certain provinces, for the purpose of establishing a crop reinsurance plan. This has been fully explained by the former speakers, and I do not intend to elaborate.

It was suggested to me by an honourable senator who is familiar with farm matters in western Canada, that there might be some overlapping in the Province of Saskatchewan because that province has municipal hail insurance. He suggested that I should explain this to honourable senators when I spoke this afternoon.

It is quite true that we have municipal hail insurance and that every farm is insured to the extent of $5 per acre against loss by hail. However, any person who does not wish to carry that insurance and chooses to insure his crops against hail in a line company, can opt out of the Municipal Hail Insurance Act. There may or there may not be some overlapping. The person who opts out and who signs up for crop insurance under the Crop Insurance Act would get nothing more than what he would get in case of loss under that act; but if he did not opt out he would get his municipal hail insurance in the case of a loss by hail and he would also get whatever he was entitled to under the Crop Insurance Act. But in that case he would be paying two premiums: he would be paying a premium to the Municipal Hail Insurance Association, which is collected in the form of taxes by the municipality in which he resides, and he would also be paying a premium under the Crop Insurance Act.

I think that what I have said will make the picture clear to honourable senators. That is one of the reasons why I am speaking today. I adjourned the debate last evening, not for the purpose of holding up the bill, but simply to read what the other speakers had said and to decide whether it was necessary to deal with anything else.

One matter which I think has not been fully explained is that under the Prairie Farm Assistance Act, when the farmer takes his wheat to the elevator, one per cent of the selling price of the grain is deducted, but when he comes under the Crop Insurance Act he gets a card, which he takes with him when he goes to the elevator with his grain, and the elevator company does not deduct the one per cent. However, the difficulty has been that

when the Canadian Wheat Board made its payments later on they deducted the one per cent, and the farmer lost that no matter whether he came under the Crop Insurance Act or not. Under section 4 of Bill C-129 this is rectified. This section provides that the one per cent that has been deducted by the Wheat Board will be repaid to all farmers who have had the deduction made.

I have one further remark to make. At the present time, Saskatchewan, Manitoba, and Prince Edward Island have adopted crop insurance under this act. Nova Scotia and Alberta have passed enabling legislation. These are the provinces which have asked for this legislation, and this bill provides for reinsurance. If the bill is passed, I hope they will also decide to come under the act.

Hon. Eric Cook: Honourable senators—

The Hon. the Speaker: I must inform honourable senators that if the honourable Senator Cook speaks now, it will have the effect of closing the debate.

Hon. Mr. Cook: Honourable senators, I am sure we all agree, in view of the excellent contributions to the debate, that the sense of the house seems to be that this bill be not referred to a committee. I therefore ask honourable senators to give favourable consideration to the motion for second reading of the bill.

Motion agreed to and bill read second time.

THIRD READING

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

Hon. Mr. Cook: With leave of the Senate, I move that the bill be read the third time now.

Motion agreed to and bill read third time and passed.

BANKING AND COMMERCE COMMITTEE

AUTHORITY TO SIT DURING SENATE ADJOURNMENTS—REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the report of the Standing Committee on Banking and Commerce, which was presented yesterday.

Hon. Mr. Cook, for Hon. Mr. Hayden, moved that the report be adopted now.

Hon. Mr. Connolly (Ottawa West): Honourable senators, this may appear to be a matter of repetition, because yesterday when the Chairman of the Standing Committee on Finance (Hon. Mr. Leonard) presented a similar motion, which I understand to be independent of the motion now presented, I spoke of the importance that I think all of us attach to the work of the committees of the Senate, even when the Senate is not in session.

Without repeating what I said yesterday, I would ask that the views I expressed then apply also to this motion. However, because this motion gives me an opportunity to speak again, and also because I have the responsibility of piloting public bills through this chamber, I would like to record the appreciation that all of us feel to the chairmen of our various standing and select committees for the valuable service they render the Senate and Parliament in the work they perform. To be chairman of a committee is not always an easy task. It is not always easy to ensure that there is a quorum. The decisions that have to be made, and the judicial way in which they are best made in the interests of the Senate and Parliament, often impose a heavy burden upon our chairmen. We have able committees in the Senate, as the public recognizes, and I say that our present chairmen are worthy of the high traditions established by outstanding men who occupied these positions in the Senate in the past.

Report adopted.

ROYAL ASSENT

NOTICE

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

GOVERNMENT HOUSE

Ottawa

15 October 1964

Sir,

I have the honour to inform you that the Hon. Robert Taschereau, P.C., Chief Justice of Canada, acting as Deputy to His Excellency the Governor General, will proceed to the Senate Chamber today, the 15th October, at 5.45 p.m., for the purpose of giving royal assent to certain bills.

I have the honour to be,

Sir,

Your obedient servant,

A. G. Cherrier,

Assistant Secretary to the Governor General.

The Honourable

The Speaker of the Senate.

PRIVATE BILL

MOUNTAIN PACIFIC PIPELINE LTD.—SECOND READING

Hon. T. D'Arcy Leonard moved the second reading of Bill S-41, to incorporate Mountain Pacific Pipeline Ltd.

He said: Honourable senators, before proceeding with my remarks on the motion for second reading, perhaps I may be permitted, as chairman of a committee, to say thank you to the Leader of the Government for his very kind remarks made with respect to chairmen of committees. While in my own case I think his remarks are somewhat exaggerated, nevertheless, I appreciate them, as I am sure the other chairmen do.

In sponsoring a bill for the incorporation of a pipeline company, I am a little out of my usual field. However, I can give the Senate the benefit of the information which has been given to me by the sponsors of the application, and if the Senate sees fit to give second reading to the bill, as I assume it will, then I shall move that it be referred to the Standing Committee on Transport and Communications. The sponsors of the bill will be present at the committee, and will be able to furnish fuller information than can I, in my ignorance, concerning this pipeline.

The purpose of this bill is the incorporation of a pipe line company pursuant to the National Energy Board Act, to gather and transmit natural gas liquids from western Alberta to the west coast of Canada. This project will include construction of a gathering system in the gas fields of Alberta, and a 580-mile, 8-inch pipe line from Edson, Alberta, through the Yellowhead Pass route, to Port Moody, British Columbia. A very substantial proportion of the products is intended to be shipped to Japan and other foreign markets.

The natural gas liquids involved in this project are ethane, propane, butanes and pentanes, all of which are constituents of wet natural gas which forms a substantial part of the natural gas reserves of Alberta. Ethane, propane and butanes are widely used in petrochemical manufacturing plants as the raw material for such products as ethylene, propylene and butylene, which in turn are used in the manufacture of synthetic rubbers and plastics, plastic fibres, ethylene glycol, or anti-freeze, and to produce paints, solvents, explosives, pharmaceuticals, detergents and many other products. In the expanding petrochemical manufacturing industry the uses for these basic raw materials is considered limitless. The fourth constituent of wet natural gas is propane, which is widely used for domestic and commercial heating in areas where natural gas is not available.

To date, a large proportion of these liquids have been consumed as part of the natural gas, whether it be in exported or domestic use. This constitutes a loss to the country of a valuable resource which, if extracted, can be profitably used for the purposes which are above described. The Alberta Government has recognized the value of these components and has enacted legislation which subjects all natural gas export permits to the reservation that these liquids might be required to be extracted in the province before the export of the natural gas. To date this legislation has not been invoked.

The initial capacity of the 8-inch pipe line will be 17,000 barrels per day. The pipe line will be designed to carry a number of petrochemical products in addition to the four above described basic raw materials. The design of the pipe line to accommodate these other products will be of significant value to the petrochemical industry in Alberta as it will allow the secondary industry a means of access to the west coast.

The purposes of the Mountain Pacific project will in no way duplicate any of the established gas or oil pipe lines in Canada, which can generally be divided into two groups: firstly, oil pipe lines and, secondly, natural gas pipe lines. In the first class are such pipe lines as Trans-Mountain, carrying oil from Alberta to the west coast, and Interprovincial Pipe Line, which carries oil from Alberta to eastern Canada. Secondly, there are the natural gas pipe lines such as West Coast Transmission which transports vapour gas from inland British Columbia to the west coast, the Alberta and Southern Pipeline which connects Alberta to U.S.A., and the Trans-Canada Pipeline from Alberta easterly to Ontario. The only liquid gas extraction plant and pipe line is that of the Pacific Transmission Company connecting Empress, Alberta and Winnipeg, Manitoba and using as its source of supply natural gas in the Trans-Canada Pipeline system.

The Mountain Pacific project has been planned by two Canadians, both experienced in the oil and gas industry. One is Peter Colwell Bawden, and the other is Gus A. Van Wielingen, both of whom are from Calgary.

Mr. Bawden was born in Toronto and, like a number of other young men, followed the advice of Horace Greeley and went west, and the west has been good to him. He is the son of Mr. Harry Bawden of Toronto, whom I have known very well for a good many years. Mr. Bawden is an investment banker in Toronto who is highly regarded and experienced, and I think he is known to a good many honourable senators. His son, Peter Bawden, is the majority owner and president of Peter Bawden Drilling Limited, one of the largest oil well drilling companies in Canada. This company commenced business in 1952 with one drilling rig and about 20 employees; today, together with its wholly-owned subsidiaries, it controls 28 drilling rigs

and over 600 employees in Canada and Australia. The Australian affiliate, Richter-Bawden Ltd., is the largest contract oil drilling firm in that country.

Mr. Bawden's experience and initiative made possible the drilling of the first oil well in the Canadian Arctic Islands in 1961. It was the most northerly well ever drilled in the free world.

Mr. Bawden has actively participated in the affairs of the petroleum industry in Canada. In 1962 he was president of the Canadian Association of Oilwell Drilling Contractors, and has a number of other activities —which are listed and can be ascertained— to his credit.

Mr. Gus A. Van Wielingen has had 17 years' experience in the natural gas and petrochemical industry of Canada, the United States and foreign countries. For more than six years he was a senior associate and a director of J. C. Sproule and Associates Limited, an engineering consulting firm specializing in oil and natural gas exploration and production, with headquarters at Calgary. Previously Mr. Van Wielingen was chief gas engineer for a large international oil company operating in Canada, and during his many years in the industry he has participated in many of the major oil and gas developments in Canada. Mr. Van Wielingen holds a Bachelor of Science degree in mechanical engineering from the University of Amsterdam.

Mr. Bawden and his company have spent over two years investigating and researching the potential markets and sources of supply, the feasibility of transporting the liquid gases from Alberta to foreign markets, and the financing of the project. Canadian Bechtel Ltd. and J. C. Sproule and Associates Ltd. were retained to advise on the engineering aspects of the project, and Mr. Bawden, Mr. Van Wielingen and others have spent lengthy periods in Japan and elsewhere assessing the potential markets and prices. Some substantial producers in Alberta have been approached and a sufficient number have been "interested" to assure the initial supply to meet the requirements of the project.

Results of the marketing studies and negotiations in Japan have shown that the project should be proceeded with immediately to capitalize upon the presently expanding market for liquid gases in that country. This expansion in Japan is taking place at a rapid rate and, furthermore, the Japanese industry has expressed a desire to develop a source of supply as an alternative to the Persian Gulf which is presently their main source. Marketing and transportation surveys have demonstrated that the Canadian liquid products can be sold in Japan at prices competitive with the Persian Gulf supplies. It is estimated that the Japanese market could absorb liquid gases from Canada in quantities valued at $10 million annually. Transport to the Japanese market will be by refrigerated tanker. The shipping distance from the west coast of Canada to Japan is shorter by about 2,600 miles than the route presently in use from the Persian Gulf to Japan, and this adds substantially to the advantage that the Canadian product will have over the present supply to Japan.

In addition to the sale of the products to the Japanese market, it is foreseen that substantial sales can be made on the west coast of Canada as well as in the western United States.

Mr. Bawden and Mr. Van Wielingen also believe that a secondary petrochemical industry will gradually develop, both in Alberta and British Columbia in the areas serviced by this pipe line, with a resultant increase in demand for the gases and consequent benefit to those provinces.

Dominion Securities Corporation Ltd., one of Canada's leading financial firms, has given us the assurance that the project can be financed, subject to suitable contractual arrangements for the purchase and marketing of products.

It is estimated that the cost of acquiring the rights-of-way, constructing gathering systems, storage facilities and the 8-inch pipe line to the west coast will be $38 million. Assuming that early approval of the project can be obtained from the energy boards—of course this does require the consent of the National Energy Board of Canada and of the Alberta Oil and Gas Conservation Board— the completion of the pipe line during 1966 is contemplated. The construction of the whole project would employ approximately 1,800 men, and as a going concern the enterprise will have a substantial number of employees.

This bill provides for an authorized capital stock of 10 million common shares without par value and 250,000 preferred shares with a par value of $100 each. It provides that the majority of the directors shall be Canadian citizens resident in Canada. The head office of this company is to be at the City of Calgary.

I think that is all the information I have. I will do my best to answer any questions honourable senators might ask, although, as I said at the outset, I do confess my ignorance on the subject in general. However, in the light of the information which has been supplied to me and which I have given to this house, it is my view that this bill should

receive second reading and then go to committee for further consideration and for the hearing of evidence in connection with it.

Hon. Mr. O'Leary (Carleton): Will the honourable senator tell us if there is any such thing as a deadline for the passage of this bill?

Hon. Mr. Leonard: I assume, honourable senator, there is no hidden meaning in that question. In fact, there is no deadline.

Hon. Mr. O'Leary (Carleton): Then, there is no fear of closure.

Hon. Mr. Reid: I would like to ask if there are any shares held by Japanese in this company. The Japanese have been combing this country recently to see what they can get, and now for the first time we have a pipe line to pump oil out of Alberta practically direct to Japan. As I say, the Japanese have been combing this country very carefully to see what they can get from this country to help their industrial works in Japan. I understand there are approximately 50 of them here at the moment, and for that reason I ask if there are any Japanese holding shares in the company.

Hon. Mr. Leonard: Honourable senators, my understanding is that the only people presently financially interested are the people I have mentioned to you, Mr. Bawden and Mr. Van Wielingen, and the other petitioner, Mr. Lougheed, who is a solicitor in Calgary. Of course no shares have been issued because the company has not yet been incorporated, and until it is incorporated and receives the necessary permits no shares will be issued.

I think there are two questions really involved in considering this point. The tanker fleet might very well be owned by a different company than this pipe line company, and the shipping facilities used for the transport of the liquid gas might be leased. I do not think it has yet been determined how it will be done. It is conceivable that this company or its associates might themselves construct and own their tankers. The point to be considered is that these liquids are to be transported by refrigerated vessels or under pressure, and therefore special tankers are required to transport the liquids from Canada to Japan or to any other country. I would suggest that the specific question be put to the sponsors of the bill when we are in committee.

Hon. Mr. Reid: It is very important, I think.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Leonard, bill referred to the Standing Committee on Transport and Communications.

ADJOURNMENT

Leave having been given to revert to motions:

Hon. John J. Connolly moved that when the Senate adjourns today it do stand adjourned until tomorrow, October 16, 1964, at two o'clock in the afternoon.

Motion agreed to.

The Senate adjourned during pleasure.

At 5.45 p.m. the sitting was resumed.

The Senate adjourned during pleasure.

ROYAL ASSENT

The Honourable Robert Taschereau, P.C., Chief Justice of Canada, Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned and being come with their Speaker, the Honourable the Deputy of His Excellency the Governor General was pleased to give royal assent to the following bills:

An Act to provide for the extension of credit to farm machinery syndicates.

An Act to amend the Crop Insurance Act.

The House of Commons withdrew.

The Honourable the Deputy of His Excellency the Governor General was pleased to retire.

The sitting of the Senate was resumed.

The Senate adjourned until tomorrow at 2 p.m.

APPENDIX

(See p. 1026.)

JOINT COMMITTEE ON THE LIBRARY OF PARLIAMENT

The Joint Committee on the Library of Parliament met on October 15, 1964 and begs to submit the following report: In order to bring the salary rates of clerical classes in the Library of Parliament in line with the recently revised salaries paid for comparable positions in the Public Service (T.B. 629228 dated August 13, 1964) we recommend the following salary revisions to be effective October 1, 1963:

Library Assistant 1

From:	2910	3060	3210	3360
To:	3030	3180	3330	3480

Library Assistant 2

From:	3510	3660	3810	3960
To:	3660	3810	3960	4110

Library Assistant 3

From:	3930	4080	4230	4380
To:	4080	4230	4380	4530

Library Assistant 4

From:	4260	4440	4620	4800
To:	4410	4590	4770	4950

Library Clerk 1

From:	3390	3540	3690	3840
To:	3540	3690	3840	3990

Library Clerk 2

From:	4050	4200	4350	4500
To:	4200	4350	4500	4650

Library Clerk 3

From:	4410	4590	4770	4950
To:	4560	4740	4920	5100

Library Clerk 4

From:	4860	5040	5220	5400
To:	5040	5220	5400	5580

Library Secretary 1

From:	4470	4650	4830	5010
To:	4620	4800	4980	5160

Library Secretary 2

From:	5100	5280	5460	5640
To:	5280	5460	5640	5820

Library Supervising Clerk

From:	5340	5520	5700	5880
To:	5520	5700	5880	6060

Library Administrative Officer

From:	5730	5910	6090	6270	6450
To:	5910	6090	6270	6450	6630

Respectfully submitted.

Maurice Bourget
Speaker of the Senate

Alan Macnaughton
Speaker of the House of Commons
Joint Chairmen

THE SENATE

Friday, October 16, 1964

The Senate met at 2 p.m., the Speaker in the Chair.

Prayers.

HER MAJESTY THE QUEEN

ADDRESS OF LOYALTY AND AFFECTION FOLLOWING VISIT

The Hon. the Speaker: Honourable senators, I have the honour to inform the Senate that the following message has been received from the House of Commons:

Resolved: That a humble Address be presented to Her Majesty the Queen in the following words:

To Her Most Excellent Majesty:
Elizabeth The Second

By the Grace of God of the United Kingdom, Canada and Her other Realms and Territories Queen, Head of the Commonwealth, Defender of the Faith:

Most Gracious Sovereign:

The . . . Commons of Canada in Parliament assembled, wish humbly to convey to Your Majesty this expression of our deepest loyalty, affection and respect, and of our heartfelt appreciation of your recent visit to Canada.

The presence in our country of Your Majesty and His Royal Highness Prince Philip on the occasion of the centennial of the meetings of the Fathers of Confederation held at Charlottetown and Quebec City warmed and moved the hearts of all true Canadians. Your messages will be an inspiration and guide to the Canadian people as we work together to achieve the national progress of which you spoke so movingly.

We pray that you may continue to reign for many years as our gracious and beloved Sovereign.

Ordered: That the said Address be engrossed, and that a Message be sent to the Senate informing Their Honours that the House of Commons has passed the foregoing Address and requesting Their Honours to unite with this House in the said Address by inserting therein the words "Senate and".

Attest.

Léon-J. Raymond
The Clerk of the House
of Commons

Honourable senators, when shall this message be taken into consideration?

Hon. John J. Connolly: Honourable senators, with leave of the Senate, I move, seconded by honourable Senator Brooks, P.C.:

That the Senate do agree with the House of Commons in the said Address by filling up the blank spaces left therein with the words "Senate and".

Honourable senators, both Senator Brooks and I have been uniquely honoured today by our colleagues. By their direction, we alone are to speak to the resolution for them and on behalf of the entire Senate of Canada.

The visit to Canada of Her Majesty and her husband, His Royal Highness the Prince Philip, is a great national occasion. They came to mark the centenary of the conferences at Charlottetown and Quebec out of which this new northern nation was born. Their coming reminds us of the progress we have made since the small colonies of those days so long ago agreed to federate. In the intervening century British North America has become Canada. And Canada has been forged into a distinctive modern nation of the new world by the energy, the intrepidity, the inventiveness and the integrity of those early colonists, their descendants and the hundreds of thousands of others who came here to share her abundance and to help work out her destiny.

No one will say that the task has been easy. All will agree that some national problems remain to be solved. But this is a way of life with a great, a dynamic and a progressive people.

Nations, like men, do not live by bread alone. The basic elements of the spirit of a nation are in the minds and hearts of its people—honour above all, confidence in their common destiny, integrity in their dealings, charity in the broad sense to other men, energy, capacity and a reliance upon Divine Providence.

Nations, too, like men, must pause occasionally to assess their position. Canada has paused this year. She has looked back momentarily to the significance of the fateful meeting in that little room in Charlottetown one hundred years ago. She has surveyed the development since. The visit of Canada's Queen and her speeches here have put into perspective the spiritual motives without which this great endeavour would have been impossible.

From the beginning, the influence of the Crown upon Canada has been benign. In more recent times it has been increasingly so, probably because it has become more personal. The visit of Her Majesty on this and other occasions, like the visits of her father and of her mother on earlier occasions, have emphasized this. The fact is that the relationships between the Crown and Canada

have provided a pattern for the modern development of the Commonwealth and of the many countries which now make up its membership.

I would go further today—though it may be anomalous to do so. As Canada has progressed in independence and self-reliance, the personal attachment of her people to the Queen's person has in fact grown stronger as reliance upon Her Majesty's Government in the United Kingdom has diminished. Her Majesty is in truth the Queen of our people.

Hon. Mr. Pouliot: Hear, hear.

Hon. Mr. Connolly (Ottawa West): The attitudes of our people reflect this fact, but more especially is it reflected in the faces and in the voices of our little children, who are its best and its most objective witnesses.

(Translation):

Honourable senators, the visit which the Queen of Canada paid our country affords an opportunity to recall the motto of the province of Quebec: "Je me souviens". As soon as the British regime was established in Canada —under the very terms of the capitulation of Quebec and Montreal, under the Quebec Act of 1774 and under the British North America Act—our constitution recognized, without any reservation, certain fundamental rights to French-speaking Canadians. Those rights dealt with language, religion, civil code, customs, and education.

Let us recall first of all that such an arrangement was entirely foreign to the imperial policy of those days. Today, that policy has become steadfast and enlightened. It is enshrined in our constitutional documents and practice. It has been forcefully recognized in the speech delivered by Her Majesty in the Quebec legislature last Saturday. In effect, rights formerly called the fundamental rights of minorities are truly the guarantee of real equality between all Canadians.

At this milestone in our history, when so many of our traditional beliefs are subject to political debates, the statements of the Queen of Canada, who came among her people, emphasize not only those fundamental principles but establish also a link of admiration, affection and loyalty between all her Canadian subjects and their youthful, gracious and courageous Queen.

(Text):

Honourable senators, we are all conscious of the fact that there has been among us a gracious and beautiful young woman whose sincerity, whose dedication, and whose courage has touched the hearts of us all.

Hon. A. J. Brooks: Honourable senators, I deem it a great honour and privilege to be the seconder of this motion.

The idea of introducing a motion such as this before both Houses of Parliament was suggested in the House of Commons a few days ago, and it was debated briefly there at that time.

This morning, the House of Commons, with enthusiasm and sincerity, unanimously passed the Address, without debate. The members of the Commons are the elected representatives of the people of Canada, and therefore in passing the address that house expressed the sentiments of the people of Canada from coast to coast.

Honourable senators, it is fitting that we in the Senate, on our own behalf, should join in sending a message to Her Majesty. The Senate is a branch of Parliament, and although ours is not an elected body, the members of this house come from all parts of Canada and represent the people from all parts of the country.

I am sure that Her Majesty knows the general feeling of the people in Canada. I think she has the faculty of looking below the surface, and is able to see clearly what is in their hearts.

Her Majesty sent a message after she had left our shores, one paragraph of which I am sure indicates her understanding:

> Please convey my warm thanks and those of my husband to the Prime Minister, Government and people of Canada for the kind and loyal welcome which they have given us.

His Excellency the Governor General replied for the people of Canada. I do not think it would be out of place for me to say here how proud we have been of the manner in which Their Excellencies, the Governor General and Madame Vanier, have performed their duties, not only on this but on every occasion since His Excellency became Her Majesty's representative in Canada. His message in part says:

> The presence of Your Majesty and of His Royal Highness amongst us has strengthened our admiration and affection for, and pride in, Our Sovereign.

Those well chosen and, may I say, most appropriate words, express the feelings of Canadians, and I am sure that under ordinary circumstances they would have been sufficient.

I enjoyed the remarks of the Leader of the Government in the Senate, but I am not going to follow him in reciting the development of our great country since Confederation. That has been well done by him. Nor do I think it necessary to review the outstanding attributes and qualifications of Her Majesty as our Queen. She has, in full measure, all the queenly virtues people can expect and hope

for from their Queen—courage was mentioned by the Leader of the Government, which she exhibited on her visit—dedication to duty, self-sacrifice, to mention only a few. But however much we admire these virtues in our Queen, I think we admire even more the homely virtues—her home life, her happy family life, the love of her husband and children. Time and time again it has been said that the family life of our royal family provides a splendid example not only for her subjects but for all peoples everywhere.

If I may make a personal reference, honourable senators, I had the great honour of accompanying the Queen on three occasions, twice in Ottawa and once in Great Britain. On those occasions I noticed that on meeting dignitaries of state, the army, navy, air force, and other services, she was most courteous and very queenly; but it was when as our Queen she met, as it were, the common people that she showed up at her best. I was greatly impressed on two occasions when she met the old veterans at the National War Memorial by the interest she showed in them and their families, and also the great warmth and friendliness she showed in chatting with the Mothers of the Silver Cross.

The Leader of the Government has said that the Crown is part of the Government of this country. It has been since the days of Confederation. The Fathers of Confederation one hundred years ago realized that the Throne was and would continue to be an emblem of unity for all our people.

On her recent visit here and in her public appearances and utterances, the Queen, by her tact, reserve and understanding, not to mention her unflinching courage, demonstrated that she will continue to help to bring about a better understanding among all peoples in Canada. Indeed, as Her Majesty said:

> True patriotism does not exclude understanding the patriotism of others.

I am sure that her influence has already been felt and appreciated.

In closing, honourable senators, may I say that as long as we have the Crown—and personally I hope we will continue to have it for many generations—and as long as we have a Sovereign such as we have today, it is easy to say, "God bless the Queen, God bless her gallant husband, God bless her family."

Motion agreed to.

Hon. Mr. Connolly (Ottawa West): Honourable senators, I now move, seconded by the honourable Leader of the Opposition (Hon. Mr. Brooks):

> That the Honourable the Speaker do sign the said Address to Her Majesty the Queen on behalf of the Senate.

Motion agreed to.

The Hon. the Speaker: Ordered, That the Clerk do go down to the House of Commons and acquaint that House that the Senate have passed the Address to Her Excellent Majesty the Queen, conveying to Her Majesty the expression of our deepest loyalty, affection and respect, and of our heartfelt appreciation of her recent visit to Canada, in the manner set forth in the said Address hereto attached, and have inserted in the blank spaces therein the words "Senate and".

ADDRESS TO THE GOVERNOR GENERAL

Hon. Mr. Connolly (Ottawa West): Honourable senators, I move, seconded by the honourable Leader of the Opposition (Hon. Mr. Brooks):

> That the following Address be engrossed and presented to His Excellency the Governor General, namely:
>
> To His Excellency General the Right Honourable Georges P. Vanier, Companion of the Distinguished Service Order, upon whom has been conferred the Military Cross and the Canadian Forces' Decoration, Governor General and Commander-in-Chief of Canada.
>
> MAY IT PLEASE YOUR EXCELLENCY:
>
> The Senate ..... of Canada, in Parliament assembled, have agreed to an Address to Her Most Excellent Majesty the Queen, conveying to Her Majesty the expression of our deepest loyalty, affection and respect, and of our heartfelt appreciation of her recent visit to Canada, in the manner set forth in our Joint Address hereto attached, and respectfully request that Your Excellency will be pleased to transmit the said Address to Her Majesty the Queen.

Motion agreed to.

Hon. Mr. Connolly (Ottawa West): Honourable senators, I move, seconded by the honourable Leader of the Opposition (Hon. Mr. Brooks):

> That the Honourable the Speaker do sign the said address to His Excellency the Governor General on behalf of the Senate.

Motion agreed to.

The Hon. the Speaker: Ordered, That the Clerk do go down to the House of Commons and acquaint that House that the Senate have passed an Address to His Excellency the

Governor General respectfully requesting that His Excellency may be pleased to transmit our Joint Address to Her Most Excellent Majesty the Queen, conveying to Her Majesty the expression of our deepest loyalty, affection and respect, and of our heartfelt appreciation of her recent visit to Canada, and more particularly set forth in the said Joint Address, and request the House of Commons to unite with this House in the Address to His Excellency the Governor General by inserting the words "and Commons."

Hon. Mr. Connolly (Ottawa West): Honourable senators, I would like to suggest that we conclude this auspicious occasion by all the members of the Senate rising and singing "God Save the Queen."

The Senators thereupon rose and sang "God Save the Queen."

DOCUMENT TABLED

Hon. John J. Connolly tabled:

> Report of the Superintendent of Insurance of Canada, Volume II, Annual Statements of Fire and Casualty Insurance Companies and of Accident and Sickness Insurance transacted by life ininsurance companies in Canada, for the year ended December 31, 1963, pursuant to section 9 of the Department of Insurance Act, chapter 70, R.S.C., 1952. (English text).

PRIVATE BILL

THE ROYAL COLLEGE OF DENTISTS OF CANADA—FIRST READING

Hon. Donald Smith presented Bill S-44, to incorporate The Royal College of Dentists of Canada.

Bill read first time.

Hon. Mr. Smith (Queens-Shelburne) moved that the bill be placed on the Orders of the Day for second reading on Tuesday next.

Motion agreed to.

NATIONAL FLAG DESIGNS

NOTICE OF INQUIRY

Hon. Jean-François Pouliot: Mr. Speaker and honourable senators, I give notice of a question that I shall ask when the house meets again. I want to know the exact number of flags exhibited in Room 356-S of the Senate on Tuesday last. I might have two or three comments to make, but on account of the solemnity of this sitting I shall wait until the next one to make them.

ADJOURNMENT

Leave having been given to revert to the order for Notices of Motion:

Hon. John J. Connolly moved that when the Senate adjourns today it do stand adjourned until Tuesday, November 3, 1964, at eight o'clock in the evening.

He said: Honourable senators, although this motion is for an adjournment to a definite date, it may well be that the Senate will be recalled earlier. I am sure I speak for all honourable senators when I say that this motion will not in any way interfere with or delay progress of legislation through Parliament. If there is legislation ready for consideration at an earlier date—and this would include a bill for interim supply or any other bill—after consultation with His Honour the Speaker the Senate will be notified as to when it should reconvene.

Motion agreed to.

LIBRARY OF PARLIAMENT

REPORT OF JOINT COMMITTEE ADOPTED

The Senate proceeded to consideration of the report dated yesterday, October 15, of the Joint Committee on the Library of Parliament.

Hon. Mr. Connolly (Ottawa West) moved that the report be adopted.

Report adopted.

The Senate adjourned until Tuesday, November 3, at 8 p.m.

THE SENATE

Tuesday, November 3, 1964

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

Prayers.

HER MAJESTY THE QUEEN

ADDRESS OF LOYALTY AND AFFECTION FOLLOWING VISIT

The Hon. the Speaker informed the Senate that the following message had been received from the House of Commons:

Ordered: That a Message be sent to the Senate informing Their Honours that this house doth unite with the Senate in the Address to His Excellency the Governor General respectfully requesting that His Excellency may be pleased to transmit to Her Majesty the Address of both Houses of Parliament in appreciation of Her recent visit to Canada, and have inserted in the blank spaces therein the words "and Commons".

Léon-J. Raymond
The Clerk of the House of Commons

DOCUMENTS TABLED

Hon. Cyrille Vaillancourt tabled:

Report for 1963 of the Board of Grain Commissioners for Canada. (English and French texts).

Report on the Administration of the Fitness and Amateur Sport Act for the fiscal year ended March 31, 1964, pursuant to section 13 of the said act, chapter 59, Statutes of Canada, 1960-61. (English and French texts).

Report, dated September 23, 1964, of the Restrictive Trade Practices Commission, under the Combines Investigation Act, concerning the Manufacture, Distribution and Sale of Pencils in Canada. (English and French texts).

Supplementary Estimates (B) for the fiscal year ending March 31, 1965. (English and French texts).

Report on the Administration of the Small Businesses Loans Act, for the year ended December 31, 1963, pursuant to section 11 of the said act, chapter 5, Statutes of Canada, 1960-61. (English and French texts).

Statutory Orders and Regulations published in the *Canada Gazette*, Part II, of Wednesday, October 14 and 28, 1964, pursuant to section 7 of the Regulations Act, chapter 235, R.S.C., 1952. (English and French texts).

Copy of an agreement for the policing of the city of Corner Brook, Newfoundland, authorized by Order in Council P.C. 1964-19/1595, dated October 15, 1964, pursuant to subsection 3 of section 20 of the Royal Canadian Mounted Police Act, chapter 54, Statutes of Canada, 1959. (English text).

PRIVATE BILLS

CANADIAN INSTITUTE OF ACTUARIES—FIRST READING

Hon. Gunnar S. Thorvaldson, for Hon. Mr. McCutcheon, presented Bill S-45, to incorporate the Canadian Institute of Actuaries.

Bill read first time.

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

Motion agreed to.

SETTLERS SAVINGS AND MORTGAGE CORPORATION—FIRST READING

Hon. Mr. Thorvaldson presented Bill S-46, to incorporate Settlers Savings and Mortgage Corporation.

Bill read first time.

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

Motion agreed to.

THE BURRARD INLET TUNNEL AND BRIDGE COMPANY—FIRST READING

Hon. Sydney J. Smith presented Bill S-47, respecting The Burrard Inlet Tunnel and Bridge Company.

Bill read first time.

Hon. Mr. Smith (Kamloops) moved, with leave of the Senate, that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

DIVORCE

REPORTS OF COMMITTEE PRESENTED

Hon. F. W. Gershaw, for Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 533 to 578, inclusive.

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

Hon. Mr. Gershaw: Honourable senators, seconded by Hon. Mr. Haig, I move with leave that they be placed on the Orders of the Day for concurrence at the next sitting.

Hon. Mr. Pouliot: Honourable senators, out of personal consideration for the mover and the seconder, I shall not object tonight, but I will the next time.

Motion agreed to.

PETITION

PROPOSED BILL—REMISSION OF FEES

Hon. Hartland de M. Molson, with leave of the Senate, moved:

> That the Parliamentary fee paid upon a bill with respect to the proposed incorporation of Brada Pipe Lines Limited be refunded to counsel for the petitioners.

He said: Honourable senators, on August 18 last a petition to incorporate Brada Pipe Lines Limited, which I agreed to sponsor, was filed in the Senate. I am now advised by counsel for the petitioners that due to legal complications they do not wish to proceed with this matter.

Motion agreed to.

MARRIAGE AND DIVORCE ACT

BILL TO AMEND—ORDER FOR SECOND READING STANDS

On the Order:

> Second Reading of Bill S-16, intituled: "An Act to amend the Marriage and Divorce Act".—(Honourable Senator Pouliot).

Hon. Jean-François Pouliot: Honourable senators, I ask leave for this bill to stand until December 21 next.

The Hon. the Speaker: The order stands until December 21.

QUESTION OF PRIVILEGE

Hon. Mr. Pouliot: Honourable senators, if I may be permitted, without touching the merits of the bill itself, I now rise on a question of privilege and a point of order, based on a vote passed by the Senate on July 21, three and a half months ago, to ask the Government to refer this Bill S-16 to the Supreme Court of Canada for a decision.

It has been said there is no jurisprudence on the matter. That is not true, but if it were true, it would be a better reason to have a decision made by the Supreme Court of Canada to decide whether the Parliament of Canada or the provincial legislatures have jurisdiction with regard to the rights of married women. It is clear. No man or woman in this country can substitute himself or herself for the courts to establish a jurisprudence and to decide what legislative body has any authority.

My contention is not at all that I am infallible, but I appeal to your intelligence, and refer you to the majority vote of two to one insisting upon the submission or the reference of this matter to the Supreme Court. It is enough to understand that there is negligence somewhere.

I do not want to use harsh language tonight, but I find there is something lacking in the Department of Justice. I know very well, having looked at the record, that when Sir Allen Aylesworth was the Minister of Justice of Laurier, and when Mr. Justice Doherty was the Minister of Justice of Borden, when Mr. Lapointe was the Minister of Justice of Mackenzie King, and also when Mr. St. Laurent was the Minister of Justice of Mackenzie King, such a matter would not have been left in abeyance for so long.

One may say that the Minister of Justice is a new man. This is not an excuse at all. If he is not competent to run his department he must do as he has done with regard to the leadership of the house—he must resign.

Hon. Mr. Choquette: Hear, hear.

Hon. Mr. Pouliot: I have waited three months to say that. I have read an interesting book written by the late French academician Emile Faguet, entitled, in English, *The Cult of Incompetence*. I am sorry I have not two copies of it, because I know what I would do with the second one.

I leave it at that, and if I do not receive a satisfactory reply between now and the time the supply bill comes before the Senate I shall have something more to say about it.

Order stands.

PRIVATE BILLS

CANADIAN-MONTANA PIPE LINE COMPANY SECOND READING

Hon. Donald Cameron moved the second reading of Bill S-43, respecting Canadian-Montana Pipe Line Company.

He said: Honourable senators, I am not sure whether proceeding with this bill at this time is an exercise in optimism or futility, judging by the rumours I hear that no Senate bills are going to go through the other place for some time. However, I am always an optimist and for that reason I shall proceed tonight.

The Canadian-Montana Pipe Line Company was incorporated by special act of Parliament, being chapter 87 of the Statutes of 1951. Except for the Canadian directors' qualifying shares, the company is a wholly-owned subsidiary of The Montana Power Company which has its head office at the City of

Butte in the State of Montana. Canadian-Montana Pipe Line Company was first organized during the Korean war when heavy demands for gas from Montana industry, and in particular the Anaconda Copper Mining Company, required The Montana Power Company to look to Canada for additional supplies of gas.

When the Canadian-Montana Pipe Line Company applied for its act of incorporation in 1951, its sole purpose was the construction and operation of a pipe line from the Pakowki Lake area in Alberta to the Alberta-Montana border. Accordingly its statutory powers were drafted with that purpose in mind. I might say that the Pakowki Lake area is about 50 miles south and a little west of Medicine Hat. In addition, in 1951 the governments of Canada and Alberta had not yet defined their present gas export policies, and this was reflected in the drafting of the act of incorporation.

Since 1951 the governments of Canada and Alberta have adopted policies encouraging the export of natural gas, and the Canadian-Montana Pipe Line Company has from time to time received permits allowing it to export increased quantities of natural gas from the Pakowki Lake and adjacent areas to service the Montana market. The Canadian-Montana Pipe Line Company has accumulated earnings in respect of its pipe line operations which it now wishes to invest in the exploration and drilling of natural gas in Canada. By so doing, these funds will be used in the development of the Canadian petroleum and natural gas industry instead of being returned to the parent company in the United States.

Pursuant to a 1962 amendment to section 83A of the Income Tax Act of Canada, companies whose principal business is the operation of a pipe line for the transmission of oil or natural gas may deduct, in computing their income, expenses incurred in exploring and drilling for petroleum or natural gas in Canada.

The purpose of this bill is to grant to the Canadian-Montana Pipe Line Company authority to explore and drill for natural gas and oil and, further, the authority to acquire by licence, lease and other means, property rights in lands where it is intended to explore and drill. It should be noted that, aside from the express grant of drilling and exploration powers, the powers which the applicant is requesting in this bill are those which are now commonly granted to pipe line companies incorporated by special act of Parliament.

The petitioner presently employs about fifteen persons, all of whom are Canadian citizens, upon its operations in Alberta. The petitioner's present operations are restricted to the transmission of natural gas by two 16-inch pipe lines. One pipe line of 18 miles length connects the Pakowki Lake area to the international boundary between Alberta and Montana. This pipe line is used to transmit natural gas, purchased by the petitioner from Canadian-Montana Gas Company, to the international boundary where it is sold to the parent company, the Montana Power Company. The Canadian-Montana Gas Company from which it purchases the gas is a wholly-owned subsidiary of the Montana Power Company. Its second pipe line is of four miles length and connects the Cardston area of Alberta to the international boundary and is used to transmit natural gas, purchased from the Alberta & Southern Gas Company Limited, to the international boundary where it is sold to the Montana Power Company.

The petitioner itself owns no real property except the land and easements upon which its pipe line facilities are located.

To date the petitioner has taken no steps to undertake exploration and drilling in Alberta because it is without statutory power to do so.

Hon. Mr. Horner: May I ask what is the size of the pipe in the shorter line?

Hon. Mr. Cameron: Sixteen inches—they are both 16-inch pipes.

If the company is granted the extension of powers sought by this bill it will immediately take up mineral rights from the Alberta Government for the purpose of conducting exploration and drilling.

The Canadian directors of the Canadian-Montana Gas Company are J. E. A. Macleod, R. J. Burns, M. E. Lomas and H. B. Tiffin. The first three named are solicitors of the City of Calgary, and Mr. Tiffin is a geologist of that city.

If the bill receives second reading I propose to ask that it be referred to the Standing Committee on Transport and Communications.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

Hon. Mr. Cameron: Honourable senators, I move that this bill be referred to the Standing Committee on Transport and Communications.

Hon. A. K. Hugessen: Honourable senators, in connection with this motion I would like to mention that there is to be a meeting of the Standing Committee on Transport and Communications on Thursday morning next. As this seems to be a very simple bill perhaps it could be dealt with by the committee at that time, provided the incorporators are ready to proceed.

Hon. Mr. Cameron: I will try to have them here at that time.

Motion agreed to.

THE ROYAL COLLEGE OF DENTISTS OF CANADA—SECOND READING —DEBATE ADJOURNED

Hon. Donald Smith moved the second reading of Bill S-44, to incorporate the Royal College of Dentists of Canada.

He said: Honourable senators, I am pleased to move second reading of this bill. I consider it a privilege to be asked by the sponsors of the bill to undertake the task of introducing it into the Senate. The sponsors have some choice in this matter because there are in this chamber two members who have practised dentistry for some time or who are now so engaged. I might say a similar situation exists in the House of Commons, where I understand there are several members of the dental profession. I suppose the sponsors chose me, a retired dentist, rather than a practising member just starting on his career both here and in the profession of dentistry, because they thought I would be more neutral in my attitude towards this bill. I can look back on my career as a practising dentist, while my colleague Senator Phillips can look forward to his. I might also add that he may well find that having passed an examination, or for some other reason, he will become a fellow of the proposed Royal College of Dentists of Canada.

Bill S-44 is a bill to incorporate such a college. The purpose of the bill is to recognize and promote high national standards of specialization in the dental profession in all provinces of Canada. The new corporation will be empowered to set the qualifications for the recognition and designation of specialists in established branches of dentistry.

In the incorporation it is also provided that special qualifications in professional areas not necessarily regarded as specialties may also be recognized and designated. It is important to note that the proposed corporation will not interfere in any way with the powers of any provincial dental examining board nor will it override those powers.

I am pleased to be able to tell you that the proposed legislation has been approved by the dental organizations and boards in every province of Canada. It is also supported by the societies in Canada representing the three presently recognized specialties of oral surgery, orthodontics and periodontics. I do not think it necessary to explain those terms for you.

The incorporation is being sought following consideration of the subject by the Canadian Dental Association for a number of years, which resulted in the approval by the association of a resolution in favour of the proposed legislation. The Canadian Dental Association has some 6,000 members, which number constitutes 99 per cent of all dentists in Canada.

The eight original incorporators named in the bill are all members of the executive council of the Canadian Dental Association. These members represent the interests of the profession and of the public in the various regions of Canada: the Atlantic provinces, Quebec, Ontario, the Prairie provinces, Alberta and British Columbia.

I have been advised that the proposed bill of incorporation is patterned upon similar legislation which, in 1929, incorporated the Royal College of Physicians and Surgeons of Canada. The bill now before the Senate for consideration seeks the same powers and privileges and has similar objectives.

We are all aware of the growth in the number of specialists and indeed specialties in the field of medicine and surgery which has filled a growing need. The need for specialists in the field of dentistry has not been as acute, but it has been a growing one.

I believe the time has come for the incorporation of a governing body for the dental specialists of Canada. They should be given an opportunity to be nationally recognized and to be designated as specialists. This opportunity will be given them if Parliament sees fit to give its approval to this bill.

One of the effects of the act which incorporated the Royal College of Physicians and Surgeons of Canada has been to limit the practice of medical and surgical specialties to those who are Fellows of the Royal College. This effect has flowed from the general policy of the larger hospitals to restrict appointments to their staffs to this group of recognized specialists. Of course, this policy has not been practical in the smaller hospitals in the towns across the country and, therefore, those who have not yet attained their fellowships are not precluded from practising as specialists in the smaller hospitals. There is a difference, I think, in the application of this proposed legislation to the profession of dentistry, and that follows from the fact that dentistry in general is practised outside hospitals. There will be, therefore, no restrictions imposed upon members of the dental profession who do not become members of the Royal College.

I hope I am forgiven—and I believe my honourable colleague Senator Phillips will be one of the first to forgive me—if I make a personal reference in a suggestion to those who will be the members of the new council, with respect to the appointment of a particular person as one of those chosen without examination, and as an honour, to become a Fellow of the Royal College of Dentists of Canada if and when the legislation passes

Parliament. Clause 6(1) of the bill reads as follows:

> The Council may, after the coming into force of this Act, and without examination, select and admit as Fellows, dentists of distinction who are graduates of at least ten years' standing of a recognized university, who are domiciled in Canada and who, in the opinion of the Council, have given evidence of high ability in one of the branches of dentistry recognized as specialties by the Association. The initiative in such cases shall lie solely with the Council in co-operation with the national organizations of the recognized specialties. Applications from Candidates themselves will not be considered.

Then follow other provisions for the appointment of Fellows following examination and qualification.

In respect of this class mentioned in clause 6(1) of the bill I have in mind one very distinguished Canadian dentist who can be categorized as a Fellow, qualified as a dentist of distinction, and one who has given evidence of high ability in one of the branches of dentistry. I am referring to Dr. William W. Woodbury of Halifax.

Dr. Woodbury was one of the pioneers in this country in the development of the specialty of orthodontia. During his active years in the profession, which cover a long period of service, he established for himself an international reputation in this field. He was for a long time professor of orthodontia and Dean of the Faculty at Dalhousie University, until his retirement a few years ago. During his many years at Dalhousie—and I am sure Senator Phillips will agree with me in this—he gained the respect, admiration and indeed the affection of all with whom he came in contact. He was a great exponent of the value of a well-rounded and full education. This gentle and kind man made a significant contribution. I am sure that I will be joined by many who would be very happy to see the honour of being one of the first appointments under this clause of the bill to go to such a man.

I make this suggestion in this public fashion in order to save embarrassment, perhaps, to the one whose name I have mentioned, because his modesty would urge him to ask the member of the council from the Atlantic provinces not to bring up his name. The name of the member of the proposed council to represent the Atlantic provinces is Dr. Christie from Halifax, who during Dr. Woodbury's days of active practice was his protégé. From my knowledge of his movements he has occupied the same office that Dr. Woodbury occupied for many years. It might be said that Dr. Christie's judgment in this matter would be swayed by the great modesty of Dr. Woodbury, and by mentioning Dr. Woodbury's name in this chamber I am sure it will come to the attention of the proposed council and will be very carefully considered.

Honourable senators, I do not think I need go into the details of the bill. As I have said, it is not an exact copy of the bill which some years ago incorporated the Royal College of Physicians and Surgeons of Canada but it is very similar to it.

I should like to say as a postscript that the dental profession is the only one that to my knowledge has had the opportunity to support a program which could, if it receives public acceptance, reduce the need for its services by about 60 per cent. For some years every local dental society, every provincial association of dentists, and the Canadian Dental Association have been urging the adoption of fluoridation of community water supplies as the only presently known means of reducing dental decay and its consequent effects upon general health.

Despite this informed opinion, however, which is based upon careful observations in Canada over many years on the effects of fluoridation, relatively slow progress has been made. The extent to which public opinion has been swayed by ill-informed and prejudiced opponents of fluoridation, whose chief weapon has been their skill in the creation of false fear in the public mind, has been puzzling the members of the dental profession. I am happy to have this opportunity, honourable senators, of expressing the hope that fluoridation will be accepted by the public at a faster rate than it has heretofore, because I firmly believe that in its public acceptance lies the only apparent hope for improved dental health in future generations of Canadians.

Before I resume my seat I should like to advise honourable senators that if this bill receives second reading it is my intention to refer it to the Standing Committee on Banking and Commerce, before which some of the sponsors of the bill will appear and be very glad to enlarge on any feature that I have failed to cover this evening.

Hon. Mr. Pouliot: May I ask the honourable senator if the purpose of the bill is to permit the Fellows to practise as dentists in any province of Canada?

Hon. Mr. Smith (Queens-Shelburne): Honourable senators, as I said in my opening statement, I have been advised that the proposed incorporation of the Royal College of Dentists of Canada will not interfere in any way with the powers of any provincial dental

examining board, and neither will it override those powers.

Hon. Mr. Vien: The question that was asked of the honourable senator is: Will the dentist who receives a diploma or certificate from this college be empowered to practise dentistry in any province of Canada?

Hon. Mr. Smith (Queens-Shelburne): My understanding is that it has nothing whatsoever to do with the right of a dentist to practise in any particular province. A fellowship in the proposed Royal College of Dentists will simply entitle one who has passed the examination, or who has otherwise been made a Fellow of the college, the right to use after his name the designation "Fellow of the Royal College of Dentists of Canada." The public will be advised that this particular person has had sufficient special training in order to entitle him to become a Fellow, and therefore perhaps will feel that they are in the best hands that they can find when they require the attention of a specialist. But it has nothing whatsoever to do with the right of any dentist, fellow, or otherwise to practise any form or any specialty of dentistry in any province.

Hon. Donald Cameron: Honourable senators, is it not true that this is simply a recognition of special qualifications and training, that it is an honour to be elected to this college, rather than having anything to do with a person's legal qualifications or right to practice?

Hon. Mr. Choquette: As a member of the bar is designated a Queen's Counsel.

Hon. Mr. Smith (Queens-Shelburne): Yes. A lawyer does not have to write an examination to become a Queen's Counsel. I have never heard of an examination to become a Q.C.

Hon. Mr. Pouliot: If it is purely an honorary matter, I would suggest that our esteemed colleague Senator Smith, who has just spoken, and Senator Phillips of Prince Edward Island, should be the first two Fellows of the Royal College.

Hon. Thomas Vien: Honourable senators, I do not intend to oppose this bill, but I have not had sufficient time to peruse it and consider all the implications which might arise from it. Therefore, I would move the adjournment of the debate until tomorrow, in order to look a little more closely at the measure and to get in touch with those who are more familiar with this subject than I am. I am not at the moment opposed to the bill, and I do not expect that I will have any objection to it. I intend to take it up tomorrow, so as not to delay the passage of second reading.

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

HON. G. PERCIVAL BURCHILL

BIRTHDAY FELICITATIONS

Hon. Thomas Vien: Honourable senators, I would like to invite your applause to an honourable senator who has been of great advantage to this Senate and to Parliament. Today we are celebrating the 75th birthday of honourable Senator Burchill, and I would ask you to join me in extending to him most sincere congratulations and good wishes on this occasion.

Hon. Senators: Hear, hear.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, November 4, 1964

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

Prayers.

DOCUMENT TABLED

Hon. Cyrille Vaillancourt tabled:

Report on the Old Age Security Fund and of temporary loans made to the fund during the fiscal year ended March 31, 1964, pursuant to section 11 (4) of the Old Age Security Act, chapter 200, R.S.C., 1952. (English and French texts).

PRIVATE BILL

ASSOCIATION OF UNIVERSITIES AND COLLEGES OF CANADA—AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the following report of the committee on Bill S-36, to incorporate the Association of Universities and Colleges of Canada:

Your committee recommend that authority be granted for the printing of 800 copies in English and 300 copies in French of their proceedings on the said bill.

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

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

Report adopted.

REPORT OF COMMITTEE ADOPTED

Hon. Mr. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill S-36, to incorporate the Association of Universities and Colleges of Canada, and had directed that the bill be reported with the following amendment:

1. Page 2, line 32: after "body" insert "may become or".

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

Hon. Mr. Hayden: With leave, I move that the report be adopted now.

Honourable senators, a brief explanation of these additional words should be given to you at this time. Clause 7 of the bill before us this morning contained a provision for enacting, amending or repealing by-laws for any and all purposes of the association and including, as it stated, the "terms and conditions upon which a corporation, organization or body shall cease to be a member." The committee felt that, by implication or inference, this would prevent the association from enacting by-laws on the basis of which people could become members. Therefore, we suggested it should read "terms and conditions upon which a corporation, organization or body may become or shall cease to be a member." The amendment would add the words "may become or".

Report adopted.

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

Hon. Donald Cameron moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

DIVORCE

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of reports of the Standing Committee on Divorce Nos. 533 to 578, inclusive, which were presented yesterday.

Hon. Mr. Gershaw, for Hon. Mr. Roebuck, Chairman of the Standing Committee on Divorce, moved that the reports be adopted.

He said: Honourable senators, these are reports of the Commissioner on Divorce, before whom the petitioners, witnesses and lawyers appeared. It is the practice of the Commissioner to hear all the evidence in relation to each petition and to make a report. The report, accompanied by a summary of the evidence, is then submitted to the Divorce Committee.

The reports now before us for consideration have been recommended by the Commissioner. Each report also has been read by some member of the Divorce Committee, and examined and signed by the chairman.

Reports adopted, on division.

RESOLUTIONS PRESENTED

Leave having been given to revert to Presentation of Petitions:

Hon. Mr. Gershaw, for Hon. Mr. Roebuck, Chairman of the Standing Committee on Divorce, presented the following resolutions:

Resolution 510, for the relief of Marilyn Joy Lowings Pitre.

Resolution 511, for the relief of Marie Rejane Forget Leblanc.

Resolution 512, for the relief of Alyse Leona Lucey Langdale.

Resolution 513, for the relief of Maya Eleanor Ingrid Joosten Verhagen.

Resolution 514, for the relief of Hendrik Jan Willem de Bruin.

Resolution 515, for the relief of Sandra Eastman Milroy.

Resolution 516, for the relief of Roger Andrew Belanger.

Resolution 517, for the relief of Irene Biborosch Pheeney.

Resolution 518, for the relief of Angela Bertha Ilma Szepesi Rhéaume.

Resolution 519, for the relief of Paulette Robert Rioux.

Resolution 520, for the relief of Isabel Gladys Martin Wand.

Resolution 521, for the relief of Murray Hutchison Walker.

Resolution 522, for the relief of Gladys Saunders Sweeney.

Resolution 523, for the relief of Gilles Comeau.

Resolution 524, for the relief of Elisabeth Hildegard Martha Teschner Braendlin.

Resolution 525, for the relief of Shirley Anne Ross Halsey.

Resolution 526, for the relief of Emile Latour.

Resolution 527, for the relief of Helen Giannakouris Sauve.

Resolution 528, for the relief of Louise Comeau Cyr.

Resolution 529, for the relief of Regine Warman Taiblum Melzer.

Resolution 530, for the relief of Catherine Malandrakis Halevelakis.

Resolution 531, for the relief of Bernice Schneiderman Goldenblatt.

Resolution 532, for the relief of Raymond Jean Benard.

Resolution 533, for the relief of Georges Galarneau.

Resolution 534, for the relief of Henry James Scott.

Resolution 535, for the relief of Henri Paul Dumais.

Resolution 536, for the relief of Barbara Essing Pecker.

Resolution 537, for the relief of Ronald Gordon Thacker.

Resolution 538, for the relief of Lorna Jane Foreman Bertram.

Resolution 539, for the relief of Bertha Lilian Deane Rolet.

Resolution 540, for the relief of Gilles Joseph Jean Maille.

Resolution 541, for the relief of Marion Ethel Sheriff Pearson.

Resolution 542, for the relief of Joan Marjorie Gallant Collins.

Resolution 543, for the relief of Paul-Emile Dionne.

Resolution 544, for the relief of Ernst Windisch.

Resolution 545, for the relief of Anne Martindale Brown.

Resolution 546, for the relief of Catherine Barbara Katadotis Xenos.

Resolution 547, for the relief of Pauline Painchaud Gilker.

Resolution 548, for the relief of Ruth Diana Williams Andrews.

Resolution 549, for the relief of James Campbell.

Resolution 550, for the relief of Elizabeth Joan Stewart Harrison.

Resolution 551, for the relief of Margaret Meredith Cape MacDougall.

Resolution 552, for the relief of Gwendolyn Elizabeth Whidden Brooks.

Resolution 553, for the relief of Markie Marie Mervyn Jeffries.

Resolution 554, for the relief of Emmy Luise Bocking Scott.

Resolution 555, for the relief of Agnes Mary Ferland Robert.

He said: Honourable senators, in days gone by every petition for divorce took the form of a bill which, on receiving three readings in the Senate and in the House of Commons, and being given royal assent, became an act of Parliament.

The present custom is to have the Commissioner hear the evidence and in appropriate cases recommend the granting of a divorce by resolution of the Senate. If the Senate considers these reports and grants the resolutions, they will stand before the Divorce Committee for the next thirty days, during which time anyone who wishes to inquire into or oppose any one of them may have the opportunity to do so.

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

Hon. Mr. Gershaw: Honourable senators, I move that these resolutions be considered at the next sitting of the Senate.

Motion agreed to.

PRIVATE BILL

CANADIAN INSTITUTE OF ACTUARIES— SECOND READING

Hon. M. Wallace McCutcheon moved the second reading of Bill S-45, to incorporate Canadian Institute of Actuaries.

He said: Honourable senators, this is a bill to incorporate the Canadian Institute of Actuaries. Very briefly, it may be said that its purpose is to provide for the same recognition by the Parliament of Canada of the actuarial profession as has been given to other professions by act of Parliament from time to time.

The Oxford dictionary describes an actuary as an expert on insurance who calculates risks and premiums. If the dictionary were revised I think that definition might be considerably expanded today. It is true that that is one function of the actuary. In connection with that function, the actuary must analyse and prepare statistics both in respect of events or occurrences which are the subjects of the premiums and reserves. His statistics will include not only the events which are the subject of the premiums and reserves, but also the expenses likely to be incurred in connection with the transaction, and the rate of earnings on any amounts generated for investment.

At this stage I think I should disclose my interest in this matter, though I will not refrain from voting. I am an Associate of the Society of Actuaries, but lest any honourable senator be under any misapprehension let me say I took my examinations many years ago, when I was going to university and when the requirements were much less severe than they are now. I would not want to write my bar examinations now either!

A fully qualified actuary today must be qualified in, among other things, advanced mathematics with particular emphasis on the theory of probabilities, the theory of risk, the theory of statistics and the theory of finance; simple and advanced accounting; cost accounting; finance, economics and investment; impact of medical, mental and physical impairments, environment, occupation and human behaviour on duration of human life and ability to work; impact of environment, structure, weather and human behaviour on rate of damage to or loss of property from any and all causes; financial impact of human illness and injury and of damage to or loss of property. He must also have some of the characteristics of a lawyer in that he must be qualified in the drafting of certain types of contracts.

As I say, the day was many years ago when these requirements were very much simpler.

Most universities or colleges in Canada and elsewhere offer courses in pure mathematics; and a few in Canada, such as Queen's University and the Universities of Toronto, Western Ontario, Manitoba, British Columbia and Laval, offer courses in the special mathematics an actuary is required to use in his work. However, no educational institution in Canada, or elsewhere, provides instruction in some of the subjects in which a person is required to be proficient in order to qualify as an actuary. As a consequence there have grown up in most countries organizations comprised of qualified actuaries which prescribe courses of study, and conduct written examinations for qualification for membership in the organization. The information a student has to study to complete the examinations is available in textbooks, professional journals, etc., prescribed by the respective organizations and most likely written by the members themselves. In England the organization is known as the Institute of Actuaries. In Scotland it is known as the Faculty of Actuaries. Both of these organizations were founded by royal charter and, while their memberships are drawn largely from Great Britain, many members of the two organizations are to be found in Canada, in other countries of the Commonwealth and in the United States.

The two pre-eminent actuarial organizations in the United States are the Society of Actuaries, composed mainly of actuaries serving the life insurance business, governments and consulting actuaries, and the Casualty Actuarial Society, composed mainly of actuaries serving casualty and property insurance companies. In addition there is the Fraternal Actuarial Association and the Conference of Actuaries in Public Practice. The Fraternal Actuarial Association is composed mainly of actuaries serving fraternal organizations, and the Conference of Actuaries in Public Practice is composed mainly of consulting actuaries retained on a fee basis to install and supervise pension and welfare plans. A number of the members of these last two organizations are members of the Society of Actuaries.

The Society of Actuaries in the United States is incorporated and holds a position in the United States similar to that held by the Institute of Actuaries in England and by the Faculty of Actuaries in Scotland. None of the other actuarial organizations in the United States is incorporated, although at present all four organizations there are cooperating in a proposal to apply to Congress for an act to incorporate an organization to be known as the American Academy of Actuaries which will be designed to establish minimum qualification standards that are common to each of the four organizations, that is, qualification up to the level where the actuary is finding it increasingly necessary to specialize in one of the branches served by the respective four organizations.

The earliest actuaries in Canada and the United States were members of the Institute

of Actuaries (Great Britain) or the Faculty of Actuaries in Scotland. Growth of life insurance business in Canada and the United States and the similarity of the problems faced by the business in each country soon led the actuaries in both countries to form an organization of their own. This was known as the Actuarial Society which, upon merging with another actuarial organization known as the American Institute of Actuaries, became incorporated in the United States to form the present Society of Actuaries.

The majority of Canadian actuaries are members of the Society of Actuaries, having prepared themselves for and passed the examinations set by that or a predecessor organization. The Society of Actuaries, although incorporated in the United States, is regarded as North American in scope, serving both Canada and the United States. About 20 per cent of both the Fellows—260 out of 1,426—and the Associates—197 out of 983—reside in Canada. A Canadian has served from time to time as president of the organization and Canadians are always represented on the governing body and the various committees of the organization. Mr. K. R. MacGregor, who was until recently the Superintendent of Insurance and is now president of the Mutual Life of Canada, is currently a vice-president of the Society of Actuaries, and four of the eighteen non-officer members of the Board of Governors of the Society are residents of Canada. Out of a total of 322 committee memberships, 40 are held by residents of Canada. Canadians serve on the examination committees of the organization, thus ensuring that the examination curriculum is sufficiently broad to make it possible for fellowship in the organization to be accepted in Canada, as well as in the United States, as full qualification as an actuary.

The number of actuaries in Canada has gradually increased until at present there are approximately 300 persons who are fully qualified as actuaries, and approximately 150 partially qualified. By that I mean there are approximately 300 Fellows of one of the three institutions to which I have referred, and 150 Associates or the equivalent.

In the past, because of the development of the science and because of the fact that educational institutions were not—and in my opinion never will be—fully qualified to train an actuary through to his fellowship, actuaries centred around a city found it convenient to meet from time to time to discuss common problems. In this country that means they are to be found in Toronto, Montreal and Winnipeg, in which cities are situate the head offices of the life insurance companies. In these cities the actuaries formed clubs in which to meet and discuss common problems. There was the Toronto Actuaries' Club, the Montreal Actuaries' Club and the Winnipeg Actuaries' Club, the Toronto club being by far the largest. That club arranged seminars for young actuaries, and also tutorials and courses for Associates who were proceeding to their Fellowships. Its meetings came to assume so much importance that in 1946 it was decided to open its membership to all actuaries in Canada, and at that time the name of the organization was changed to the Canadian Association of Actuaries. Membership in the association is restricted to fully qualified actuaries, or to persons in the process of becoming actuaries or, in other words, to Fellows of the three societies I have mentioned, and Associates or the equivalent thereof in the Faculty of Actuaries.

Persons in Canada eligible for membership in the Canadian Association of Actuaries are, almost without exception, members of that association. If this bill receives second reading I shall move that it be referred to the Standing Committee on Banking and Commerce. Figures that I do not now have at hand can be given to the committee when it considers the bill. However, I think I am safe in saying that less than one per cent of the Fellows and Associates of the various organizations I have mentioned who are resident in Canada are not members of the Canadian association.

In these circumstances the association feels it could properly be said to represent, and to be the only Canadian organization qualified to represent, the actuarial profession in Canada.

Actuaries in Canada believe that it would be in the interests of the profession, and would also prove to be a source of benefit to the public, if the present association were incorporated.

At the present time, as far as I know, any person is entitled to call himself an actuary. One could say he has read the books at home and so on, as a result of which he is an actuary, and thus qualify himself in the same way as in days past people qualified themselves as members of other professions. With the extension of pension funds, and the provinces putting themselves on record stating that they are going to take on the responsibility of supervising the solvency of such funds, and so on, it becomes important to both government and the public that the term "actuary" be defined.

At the present time several statutes, both federal and provincial, refer to the word "actuary," but some of them do not define it. Where it is defined in such statutes as the Canadian and British Insurance Companies Act, the definition is usually to the effect that "actuary" means a Fellow of the Institute of Actuaries of Great Britain, the Faculty of Actuaries in Scotland, or the Society of

Actuaries of the United States. So our professional definitions, where they occur—and in some statutes they do not occur at all—are all related to bodies incorporated outside this country. If this bill becomes law the corporation which it creates will provide the means for defining an actuary in terms of a Canadian organization.

There is the other fact that a federally incorporated organization in the circumstances of the actuarial profession probably provides the best means for professional representation and identification in the provinces where there is no qualified actuary, or not a sufficient number of such persons to make feasible the formation of a provincial organization, whether by incorporation or otherwise. This is the situation in all the provinces other than Ontario, Quebec and Manitoba. Only in those three provinces is there a sufficient concentration of actuaries to make any provincial association possible.

Hon. Mr. Bouffard: Are there such organizations in Quebec and Ontario?

Hon. Mr. McCutcheon: There were, senator. I think I have said that there were three actuarial associations or clubs, one in Montreal, one in Toronto and another in Winnipeg. In 1946 they merged to become the Canadian association, with branches which meet in those three localities.

To indicate what I mean I will mention that as at January 1, 1964, there were, including Fellows and Associates, 297 actuaries in Ontario, 103 in Quebec, 38 in Manitoba, and only 12 in the other Canadian provinces. Those figures indicate that a series of provincial incorporations is quite unrealistic.

Hon. Mr. Power: May I ask if the provincial organizations now in existence ever undertook to give recognition to persons wanting to use the title "actuary?" Did they assume any authority over persons using the title "actuary?"

Hon. Mr. McCutcheon: No, they have assumed no authority. They have had no right to assume such authority. The only authority for the definition of an actuary, in my opinion, is found in certain statutes where the word "actuary" is defined.

Hon. Mr. Power: As I understand it, if that statute, which is a statute of Canada, prescribes that nobody shall be employed as an actuary unless he is a member of a British or American society, then our statutes do not recognize any Canadian, as such, as an actuary. Am I right in that? It recognizes them only in so far as they belong to some foreign association?

Hon. Mr. McCutcheon: The statutes recognize Canadians as being actuaries, but the actuaries must belong to a foreign organization. One of the purposes of this bill is to provide a Canadian recognition.

Hon. Mr. Power: But what prevents a man who lives in Winnipeg from calling himself an actuary now?

Hon. Mr. McCutcheon: So far as I know, nothing. He would not be recognized, of course, by the Superintendent of Insurance if he purported to sign an actuarial report of a life insurance company. There are other circumstances in which he would not be recognized, but so far as I know there is nothing in law to prevent anybody calling himself an actuary.

Hon. Mr. Bouffard: Is there not a course for actuaries given at McGill and Laval universities? After a person has completed that course the university must give him some form of license to practise. Is such a person called an actuary?

Hon. Mr. McCutcheon: He may be called an actuary, and without doubt Laval University, McGill, Queen's, Toronto, Manitoba, and Western Ontario, among others, are educational centres from which most of our actuaries come, but I know of no university which gives any degree in actuarial science. Such universities give a degree in pure mathematics and the various other branches of mathematics. Apart from the few statutes that provide that an actuary must certify a statement, and so on, and which then define an actuary as being a member of one of the three foreign bodies I have mentioned, there is nothing to prevent any person calling himself an actuary. Such a person would be under no liability and have no responsibility.

Hon. Mr. Croll: If section 5(2) of the bill means what I think it means, are you not setting up there a qualification or providing an opportunity to differentiate between people who belong to the organization and those who do not belong, by granting some sort of title or degree? Does not that subsection give that authority?

Hon. Mr. McCutcheon: That is what is intended, senator. I am going to discuss briefly the sections of the bill. A Fellow of the Society of Actuaries—and most actuaries in Canada are Fellows of that society—is entitled to put after his name the letters F.S.A.; and an Associate, such as I am, is entitled to put the letters A.S.A.

Hon. Mr. Croll: Are we not giving them authority there to grant degrees? That is the point I am getting at. Is that what you want, and have we the right to do that?

Hon. Mr. McCutcheon: What is proposed here is not the granting of a degree. No one

is going to put a gown on his shoulders or a hood over his head. The society, if incorporated, will or may designate initials which when carried behind the name of a member will indicate the status of that member in the organization.

I shall run through the terms of the bill very quickly. Clause 1 deals with the incorporation of certain persons as the Canadian Institute of Actuaries and, in French, Institut Canadien des Actuaires. I could describe in detail the professional qualifications of the incorporators and the regard in which they are held in the profession, but I shall refrain from doing so. I shall simply say that one of the applicants for incorporation, Richard Humphrys, civil servant of Ottawa, is now the Superintendent of Insurance.

The purposes and objects of the institute are set out in clause 2 and are self-explanatory. Clause 3 provides that the head office of the institute shall be in the City of Toronto or at such other place in Canada as may be provided for by by-law from time to time.

Then in clause 4 there are set out the normal powers for holding property, borrowing money and so on. Clause 5 provides that the persons whose names are set out in clause 1 and all other persons who are members of the association immediately prior to the coming into force of this legislation, that is, members who are either Fellows or Associates of the Faculty of Actuaries in Scotland, the Institute of Actuaries in Great Britain or the American Society of Actuaries—

Hon. Mr. Croll: And there are no others?

Hon. Mr. McCutcheon: There are no others. It provides that they shall constitute the first members of the institute, but otherwise the number and qualification of members, the various classification of members, the voting and other rights attaching to each classification, the conditions of, circumstances and manner of entry into and termination of membership and generally the conditions, privileges and obligations attaching to membership in the institute, shall be such as may be determined from time to time by its by-laws. In other words, the professional body will, like other professional bodies, prescribe the terms and conditions under which one may enter into membership and will set out the obligations and responsibilities such a member has.

Then I come to subclause 2 of clause 5, to which Senator Croll referred. If the institute so provides by by-law, members may put some letters after their names, presumably indicating whether they are Fellows of the institute or Associates of it, such as is provided by the other three professional bodies which have been incorporated.

Hon. Mr. Hayden: That has the object of identification.

Hon. Mr. McCutcheon: That has the object of identification.

Hon. Mr. Brooks: There were 400 in the organization in the three different categories? Are there many others who may be practising actuaries, but who may not be allowed to practise after a bill of this kind is passed?

Hon. Mr. McCutcheon: There is no suggestion that anybody will not be allowed to practise. That is not contained in the bill. I can go out and call myself an "accountant" or something of that nature, but if anyone is foolish enough to hire me, without my having some identifying letters after my name, he accepts me on his own responsibility. No one is going to be deprived by this bill of the right to earn a living in the way they have been earning it.

On a practical basis I do not think this question will arise at all. People who employ actuaries are highly sophisticated people and they do not take anyone who walks in off the street and says, "I am an actuary."

Clause 7 gives the council the right to make by-laws and rules, and delineates five particular matters, which are normal in a bill of this nature. Changes in the by-laws, rules and regulations have effect only until the next annual meeting.

Clause 8 provides that the act shall come into force on January 1, 1965, or on the day on which it is assented to, whichever is the later. The hope of the association is that the bill will be passed at this session of Parliament and become effective on the first day of the New Year.

Hon. Mr. Croll: This bill appears to be breaking new ground, as I read it. I am not sure that I thoroughly understand it. What concerns me more than anything else at the moment is that there may be somebody, some place in this country, who calls himself an actuary, who has been making a living as such, and who now learns that we have passed a bill and he is no longer an actuary or cannot call himself one.

Hon. Mr. McCutcheon: No, no, senator; there is nothing in the bill that prevents any Tom, Dick or Harry from calling himself an actuary.

Hon. Mr. Croll: I appreciate the point about calling himself an actuary, but it is not very long before they distinguish among themselves whether one belongs to the society or not. I have no objection to the bill being given second reading on condition that it not be dealt with in committee for a week or two in order that the people in the country may have

an opportunity to become acquainted with it. If we hear nothing from the people who are concerned and who know more than we do about this, I shall have no objection to it at all. However, we will deal with that at the appropriate time, if that is satisfactory to the mover. Otherwise, I should have to adjourn the debate in order to discuss the bill with some other people. I do not want to hold the bill up. You could make it for a week or ten days hence, if you wish.

Hon. Mr. McCutcheon: It might be satisfactory if it went to the Banking and Commerce Committee a week from today. I can assure the honourable senator that this bill had the approval of the former Superintendent of Insurance, and that one of the applicants for incorporation is the present Superintendent of Insurance. I have been in the life insurance business for more than 30 years and I know of no person in Canada holding himself out to be an actuary who is not eligible to be a member of the Canadian association under the conditions I have described. Surely it would give everyone interested sufficient time if it came before the committee, subject to the approval of the chairman of the committee, one week from today. I would not wish to have two weeks' delay, if it can be avoided.

Hon. Mr. Croll: It may not be in your hands before this week is over. We may be away from here for a couple of weeks. I have no objection to that course, on the further understanding that the committee sits while the Senate is sitting.

Hon. Mr. McCutcheon: That is an understanding on which I cannot make any comment.

Hon. Mr. Croll: What I am stressing is that the committee not be called while the Senate is recessed. If the Senate is sitting, I do not mind a week hence.

Hon. Mr. McCutcheon: I am in the hands of the chairman of the committee.

Hon. Mr. Lambert: Surely we should abide by the rules, which give a week's interval between the reading of this bill and the meeting of the committee. If the Senate is to be adjourned at that time, let us consider the point then instead of providing for it now.

Motion agreed to and bill read second time. time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. McCutcheon, bill referred to the Standing Committee on Banking and Commerce.

SETTLERS SAVINGS AND MORTGAGE CORPORATION—SECOND READING

Hon. Gunnar S. Thorvaldson moved the second reading of Bill S-46, to incorporate Settlers Savings and Mortgage Corporation.

He said: Honourable senators, this bill results from a petition which was filed in this house some time ago on behalf of a group of residents of Winnipeg and its environs, who prayed for the enactment of an act to incorporate Settlers Savings and Mortgage Corporation. The bill is brief by reason of the fact that it seeks an incorporation under the Loan Companies Act, which is chapter 170 of the Revised Statutes of Canada, 1952. That act provides for a model form of bill, and Bill S-46 is in that form.

This bill names the applicants for incorporation, who will also be the provisional directors of the company. It sets out the capital stock of the company and the amount that is required to be subscribed and paid in before the company can be licensed to do business. It also specifies that the head office of the company shall be in Winnipeg.

The most important clause in the bill is clause 7. It says:

> The company has all the powers, privileges and immunities conferred by, and is subject to all the limitations, liabilities and provisions of the Loan Companies Act.

Honourable senators, as we are all aware, the Loan Companies Act is a very important statute of this country, relating to the assembly of capital and the loaning of capital for development purposes. It contains broad powers, but also contains considerable limitations.

Any company which is incorporated under the Loan Companies Act is closely scrutinized, and its business strictly supervised by the Superintendent of Insurance for Canada.

I would like to say a word about the name of this company—Settlers Savings and Mortgage Corporation. The incorporators told me that they had quite a time deciding upon a name before they chose the word "Settlers". The reason for that you may deduce from reading in clause 1 of the bill the names of the incorporators, all of whom are persons of European descent, non-Anglo-Saxon, non-French. They are men whose parents or grandparents were settlers in Canada many years ago. Indeed, one of the applicants for incorporation is a member of this house, and another a member of the House of Commons.

I want to say further concerning the incorporators of this company, that most of them have been known to me personally for a long time. They are all eminent business

and professional men of the City of Winnipeg and of the area in Manitoba close to that city. I repeat that they have been successful in business and are now branching out into many fields of commercial endeavour, including the business they propose to carry on under this bill, namely, that of a loan, savings and mortgage corporation.

Honourable senators, that is all I have to say in regard to this bill at the present time. If the bill receives second reading I shall propose that it be referred to the Standing Committee on Banking and Commerce for further consideration.

Hon. C. G. Power: May I ask the honourable gentleman a question. I take it that the word "Settlers", in the title of the bill, refers to the avocation of the incorporators, or someone connected with the corporation. In that case, I wonder why it was not sought to incorporate in French under a name more nearly meaning what the incorporators intended by the word "Settlers". I am not quite sure whether my French would be good, but probably the word "colons" would be appropriate under the circumstances rather than an English word, thus mixing the two languages, a combination which I always strenuously object to in titles to bills. "Settlers" does not mean anything in the French language, whereas "les colons" or "pioniers", or some such word, might be appropriate under the circumstances.

Hon. A. K. Hugessen: The sponsor of the bill (Hon. Mr. Thorvaldson) said that one of the applicants for this bill is a member of this chamber, and another a member of the House of Commons. That raised one question in my mind. Is it entirely proper for members of either house to be applicants for incorporation under a bill presented to Parliament? If not, it might be necessary to change the applicants. I ask the question merely as a matter of information.

Hon. Mr. Thorvaldson: In reply to my honourable friend, that very point occurred to me this morning when I was reading the bill, but knowing it had been prepared by a legal firm in Ottawa which has had a great deal of experience in these matters, I took it for granted that it was not inappropriate for these persons to be among the petitioners. I had intended to call the lawyer in this city who drafted the bill and to discuss this point with him. My honourable friend's point may be well taken.

The Hon. the Acting Speaker (Hon. Mr. Beaubien—Provencher): Honourable senators, it has been moved by the Honourable Senator Thorvaldson, seconded by the Honourable Senator Macdonald (Cape Breton), that this bill be now read the second time. Is it your pleasure to adopt the motion?

Hon. Mr. Hugessen: Honourable senators, I wonder whether, under the circumstances my honourable friend described, it might not be advisable to wait until he has received the opinion which he is expecting to get on this really constitutional question, and to adjourn the debate until he has satisfied himself.

Hon. Salter A. Hayden: I do not know that it is necessary to adjourn the debate for that purpose. If the bill goes to a committee and it turns out that one of the promoters or sponsors is not eligible, that would require an amendment, or the bill would not be proceeded with. The committee is the place to make such an amendment. If that were done, possibly the bill would move along and make progress rather than be delayed in the house indefinitely.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Thorvaldson, bill referred to the Standing Committee on Banking and Commerce.

THE BURRARD INLET TUNNEL AND BRIDGE COMPANY—SECOND READING

Hon. Sydney J. Smith moved the second reading of Bill S-47, respecting The Burrard Inlet Tunnel and Bridge Company.

He said: Honourable senators, this is one of the briefest and simplest bills for our consideration, certainly today. It consists of a preamble and one clause, and I will explain it as best I can. The explanatory note outlining the purpose of the bill is very brief. If the measure receives second reading it is my intention to move that it be referred to the Standing Committee on Transport and Communications, at a hearing of which an appropriate officer of the company will be available to give any further information desired.

The purpose of this bill is to grant authority to The Burrard Inlet Tunnel and Bridge Company to wind up its affairs pursuant to the Winding-up Act of Canada.

This company was incorporated by special act of Parliament in 1910 for the purpose of constructing and operating a bridge and railway over the Second Narrows of Burrard Inlet at Vancouver. The company completed construction of the bridge and railway in 1925. In addition to the railway, the bridge served vehicular traffic and pedestrians. This bridge has been known as the Second Narrows Bridge.

In 1960 the Province of British Columbia opened a new six-lane highway bridge across

the Second Narrows, about 200 feet west of the bridge of The Burrard Inlet Tunnel and Bridge Company. This new bridge charged tolls competitive with The Burrard Inlet Tunnel and Bridge Company until March 1963, when they were discontinued. The petitioner's bridge, which had been built before the very great demand for road traffic was envisaged, was two lanes wide and had speed restrictions as low as 15 miles per hour in certain sections. As a result it was not able to compete for vehicular traffic with the new six-lane bridge and was forced to close to road traffic in March 1963.

In November 1962 the petitioner entered into a lease with the Canadian National Railway Company and the Canadian Northern Railway Company for the use of the railway line on the Second Narrows Bridge. The agreement of lease also contained an option to the said railway companies to purchase the bridge. This lease and option to purchase was executed pursuant to parliamentary authority granted to the petitioner by an act of Parliament passed in 1952.

The Canadian National Railway Company, with which the Canadian Northern Railway Company has merged, has exercised its option to purchase the petitioner's bridge and pursuant to an agreement of January 1, 1964, has purchased the Second Narrows Bridge, its approaches and the railway line thereon.

The petitioner owns no other real property nor does it presently have any business undertaking. All of its assets are presently in cash or Dominion of Canada bonds, and bond indebtedness and other debts have been satisfied. The company does not intend to pursue the business for which it was incorporated and, accordingly, wishes to wind up its affairs and distribute its assets to its shareholdrs.

The Burrard Inlet Tunnel and Bridge Company has a capital stock of 8,025 shares, each having a nominal value of 100. Eight thousand of these shares are owned in varying numbers by the District of North Vancouver, the District of West Vancouver, the City of North Vancouver and the City of Vancouver. The remaining 25 shares are owned by private parties. It will be seen that the four municipal corporations control this company.

The special act pursuant to which the petitioner was incorporated in 1910 was made subject to the Railway Act of Canada. By reason of this fact, the company is legally defined as a "railway company" within the meaning of that statute. The Winding-up Act, which is an act of general application to Canadian companies, is excluded from application to a railway company by section 7 thereof, and your petitioner is therefore without legal authority to undertake the winding up of its affairs. The sole purpose of the present act is to grant to the company the authority to wind up pursuant to the Winding-up Act.

Honourable senators might question the propriety of making the Winding-up Act applicable when it is specifically excluded from applying to railway companies. It may be pointed out that the Railway Act makes provision for the sale or merger of railway companies under the supervision of the Board of Transport Commissioners and with the approval of the Governor in Council, but does not provide for the winding up of the corporate entity after sale. In addition, the Exchequer Court Act makes provision for the sale or foreclosure of interprovincial railway companies in certain circumstances. Neither the Railway Act nor the Exchequer Court Act cover the present situation where the whole of the "railway company's" undertaking has been sold, leaving nothing but the corporate shell and liquid assets.

Honourable senators, those are the facts as I know them relating to the application. As I said before, if the bill receives second reading I shall move that it be referred to the Standing Committee on Transport and Communications.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Smith (Kamloops), bill referred to the Standing Committee on Transport and Communications.

THE ROYAL COLLEGE OF DENTISTS OF CANADA—SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Smith (Queens-Shelburne), for the second reading of Bill S-44, to incorporate The Royal College of Dentists of Canada.

Hon. Thomas Vien: Honourable senators, I am glad to be able to state that I have no objection to the second reading of this bill. I have read it with attention and I have received information from reliable sources. As a result I have found that the provisions of this bill do not invade the jurisdiction of the provinces on professional corporations. These provisions are similar to those we find in the charters of the Royal College of Physicians and Surgeons and of the Canadian Bar Association, *mutatis mutandis*.

The objects of the bill are summarized in section 3 on page 2. I suggest we should all be in favour of promoting high standards of specialization in the dental profession; in setting up qualifications and providing for the recognition and designation of properly trained dental specialists; in encouraging the establishment of training programs in the dental specialties in Canadian schools, and

providing for the recognition and designation of dentists who possess special qualifications in areas not recognized as specialties.

I have, therefore, much pleasure in stating that so far as I am concerned, I concur in the motion of honourable Senator Smith for the second reading of this bill.

Hon. Joseph A. Sullivan: Honourable senators, I rise to support fully this bill and in doing so I shall be brief. I regret I was not in the house last evening when Senator Smith (Queens-Shelburne) so ably expounded it. It certainly requires no further explanation from me.

Bill S-44 represents an attempt on the part of the great dental profession, which has made tremendous strides in experimental and clinical research, to improve itself. It is comparable to similar legislation enacted in connection with the Royal College of Physicians and Surgeons of Canada. I assume it is similar to what Senator McCutcheon's bill will do on behalf of the actuaries. And I hope that in the near future we will see legislation coming through to do the same for the legal profession, of which of course I am not a member.

Hon. Orville H. Phillips: Honourable senators, as a practising dentist I should like to say a word or two in support of this bill. I realize that very little remains to be said following Senator Smith's (Queens-Shelburne) discussion of its contents last evening. He mentioned that the dental society had a choice as to who would introduce the bill, and he referred to the fact that there were two dentists in the Senate and two in the House of Commons. When I was a member of the other place in 1958 there were five dentists in that house. That is one of the reasons why I think that House of Commons was much better than the present one. The present House of Commons is not only short on Tories but it is equally short on dentists.

For some time both the Canadian Dental Association and the provincial associations have recognized the need for a body such as is intended to incorporate under Bill S-44. The average member of these bodies was engaged in general practice and quite often did not have the time to do post-graduate studies. Therefore it would be most awkward, indeed almost impossible, for a couple of dentists in general practice to award certification in some specialized field. The Canadian Dental Association at the urging of the provincial associations set up a committee to establish some means of certification. The committee, which incidentally was composed mostly of members of the Quebec College of Dentistry, spent several years finding a satisfactory solution, and approximately a year ago received approval at the annual meeting in Toronto.

The legislation has since been worked out by a committee of the Canadian Dental Association and a group of attorneys, and if some honourable senators became a bit confused over the licensing authority I am sure they will understand that the confusion is because of the lawyers and not the dentists.

I may say in regard to licensing that when a student writes his final examination in dentistry he may write the National Examining Board, which entitles him to apply for licensing from any provincial association, or he may write the examination of the individual provincial association.

As Senator Vien pointed out to you, there is no interference with the provincial authority in issuing licences. Furthermore, there is no interference with the authority of the provincial associations to grant their own certification if they so wish. They may still carry on and establish a board to award their own certification, which would be recognized solely within their own particular province. I would also add that there is no interference with the right of any dentist to limit his practice to any field, such as children's dentistry. You quite often find in this profession that a dentist who is very fond of working with children will probably spend one year, instead of the required three years' post-graduate work, in children's dentistry and then limit his practice to children under the age of sixteen. This act does not interfere with that right at all.

The Hall Commission on health services recommended a greater use of hospitals by dentists, particularly in the field of oral surgery and orthodontia. As honourable senators know, the hospital to be certified must have qualified specialists on its staff, and should the recommendation of the Hall Commission be implemented, this body will be far more important that it appears to be under the outline of the legislation.

As Senator Smith (Queens-Shelburne) mentioned last evening, the members of the committee are willing to appear before the Standing Committee on Banking and Commerce to give any further explanations required. Several senators have asked why this bill is being sent to the Standing Committee on Banking and Commerce instead of to the committee on Public Health and Welfare. I think the main reason is that dentists are so accustomed to going to bankers to get money to buy Cadillacs and other incidentals that they would feel much more at home in the Banking and Commerce Committee. I am sure they will get a very good reception.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Donald Smith, bill referred to Standing Committee on Banking and Commerce.

APPROPRIATION BILL NO. 9, 1964

FIRST READING

The Hon. the Acting Speaker informed the Senate that a message had been received from the House of Commons with Bill C-135, for granting to Her Majesty certain sums of money for the public service for the financial year ending 31st March, 1965.

Bill read first time.

SECOND READING—DEBATE ADJOURNED

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

Hon. T. D'Arcy Leonard: Honourable senators, I propose to ask leave of the Senate to move second reading now, but before doing so perhaps I should give an explanation.

I am prepared at this time to explain this bill, and it is my thought that that explanation might be helpful to the members of this house. Some questions might be raised which, if I cannot answer them this afternoon, I can do so tomorrow. Any necessary discussion can take place today, and then the debate can be adjourned until tomorrow in the expectation that we shall be able to complete second reading then.

If this course meets with the approval of the Senate, I will move second reading now.

Hon. Mr. Brooks: Honourable senators, I see no objection to the procedure suggested by Senator Leonard. If I adjourn the debate after he has given his explanation honourable senators will have an opportunity of studying the bill and thus be prepared to discuss it tomorrow.

Hon. T. D'Arcy Leonard, with leave of the Senate, moved the second reading of the bill.

He said: Honourable senators, in the first place I apologize for the fact that this bill is being presented by somebody other than the honourable Leader of the Government (Honourable Mr. Connolly, Ottawa West), who is unavoidably absent. I shall do my best as his pinch hitter.

Honourable senators will find that copies of Bill C-135 have been distributed and are in their folders. This bill, which is commonly known as an interim supply bill, is cited as Appropriation Act No. 9, 1964, but in point of fact it is only the sixth interim supply bill of this year. Appropriation Acts Nos. 2, 3 and 4 were all applicable to the financial year that ended on March 31, 1964.

I know that when honourable senators are considering interim supply bills they like to have in their minds the whole broad financial picture of Government expenditures and, accordingly, I will mention certain figures. The main estimates for 1964-65, tabled last March, totalled—omitting the final hundreds—$6,812,410,000, of which the amount required to be voted by this Parliament was $3,951,590,000. The balance represented statutory expenditures, that is to say, obligations authorized by previous parliaments and commonly called uncontrollable expenditures, such as interest on the public debt. That balance amounted to $2,860,819,000, and it is not affected by this bill. In its consideration of the main estimates the House of Commons so far has reduced them by $600,000, so the present total of the main estimates is $6,811,810,508.

In addition, Supplementary Estimates (A) totaling $404,691,736, were tabled last June, the main item being that with respect to the Columbia River program. In the last two weeks Supplementary Estimates (B), totalling $61,620,145, were tabled, the main item being for winter works programs. At the present time the grand total of the main and supplementary estimates is $7,277,522,389.

To this date interim supply bills have provided the Government with funds amounting to $2,712,028,509, which is sufficient in the normal process of government for the financial requirements of running the country's affairs up to November 1, 1964. This bill provides for a further appropriation of $740,710,974, which is the estimated amount needed to cover expenses up to December 31, 1964, leaving an amount of $964,562,907 which in due course must be authorized by Parliament either by further interim supply bills or by the ultimate and final approval of the estimates.

At the outset I give the Senate the usual undertaking that the passing of this bill is without prejudice to its right to consider and deal with the estimates on any subsequent occasion as fully and as effectively as if this bill had not been passed. I should say also that the bill is in the usual form of interim supply bills.

This bill authorizes two-twelfths of the major amounts of the estimates or, in other words, roughly two months' supply. There are some items in respect of which only one month's supply or no supply is asked for, and in all cases these are votes of which a larger relative proportion was previously granted. In addition there are several votes of which more than two months' supply is requested.

Parliament is concerned, naturally, with any cases where more than normal supply is requested, and because of this fact special

appropriations are set out in Schedules A, B, C and D. I think it is right and proper that I should give the Senate an explanation of why more than a normal proportion of supply is asked for these items. I say, however, that in no case will the amount exceed eleven-twelfths of any item, so that in no case is a final disposition being made or an item being finally released by this bill.

Schedule A requests accelerated supply as to an item in the estimates of the Department of Public Works, being Vote 70, amounting to $4 million. Two-twelfths of that amount, being $666,666.67, is the accelerated payment. This amount is needed to assist in the construction of an ice control structure on the St. Lawrence River, just upriver from the World's Fair site on St. Helen's Island. This structure is to protect the World's Fair site as well as Verdun and Lachine, and will help also in the maintenance of water levels in Montreal harbour.

Hon. Mr. Isnor: Will that be a permanent structure?

Hon. Mr. Leonard: I would hope so. The fact that it is to protect Verdun and Lachine as well as maintain water levels in Montreal harbour would indicate that. I am also inclined to think, subject to what some honourable senators from Montreal have to say, that the World's Fair site on St. Helen's island is likely to be permanent.

The total estimated cost of this ice control structure is $13,942,000, of which the City of Montreal is to pay $2,500,000 and the Crown $11,442,000; so, its total cost is not in these estimates. This payment has been accelerated because the expenditures are heavy in the summer and fall months before the freeze-up.

Schedule B concerns, first, the Department of Fisheries. The additional proportion of this vote is requested, firstly, because of the seasonal nature of the field services provided by that department and, secondly, because a quarterly payment of 25 per cent of Canada's share of the expenses of the International Commission is due on January 1, 1965. These accelerated payments provide for that. There is also an additional proportion required for the capital vote to meet expenditures anticipated before December 31. Adding in these accelerated payments, the total amount that will have been voted after the passage of this bill will be ten-twelfths of this item in respect of the Department of Fisheries.

The next item is under the heading of "Legislation, The Senate," and is made necessary by the length of the present session. I do not think I need say more than that.

The item with respect to the Dominion Coal Board concerns subventions in connection with the movement of eastern coal. As we all understand, shipments of coal are heaviest in the summer and fall months, and it is for that reason that these accelerated payments are needed.

The item for the Post Office is a reflection of the Christmas rush, and it should remind us to get off our Christmas mail and parcels early.

Honourable senators will be particularly interested in the item for the Department of Public Works, Vote 40, because it concerns the new Macdonald-Cartier bridge between Otawa and Hull. We have all seen it under construction and, remarkably enough, the construction is ahead of schedule and payments are due earlier than expected.

I will explain Schedules C and D together because they deal with the same item, one amount being in the main estimates and the other in the supplementary estimates. These items relate to the widening of the McKay pier for use as the site of various buildings, and as the main transit system approach to the new bridge that will join McKay pier and St. Helen's Island. This work is in connection with the World's Fair. It is anticipated that the widening of this pier will be completed in December, hence the request for acceleration in payment.

That covers the schedules to the bill. They deal with all those cases where accelerated payment is requested. Moving on to clauses 3 and 4, these are the usual provisions in interim supply bills, intended, if I may put it in my own words, to put beyond legal doubt the payments made in interim supply bills, even though the estimates themselves have not been finally passed.

Clause 5 of the bill gives borrowing authority for an additional $750 million, as may be required, for public works and general purposes. I know you would like an explanation of that. As you probably know, the unused borrowing authorities expire at the end of each fiscal year and a new borrowing authority is given. So far, Appropriation Act No. 1 gave borrowing authority up to $1 billion for this year. To date, $430 million of that has been used, and there is still in hand and unused under that borrowing authority $570 million. However, this is the time of year when the savings bond issue puts a strain on the Government's cash position and when additional borrowing power is required. Therefore, the amount specified in clause 5 is requested, bringing the total borrowing authority up to $1,750,000,000. This provides an excess or surplus of borrowing power, I understand; but all senators will agree that

it is desirable, and even necessary, that a government should have always on hand a reasonable reserve of borrowing authority, particularly in times of difficulty with respect to foreign exchange.

I may say that the total of the borrowing authorizations last year was $2 billion; the year before it was $2,500,000,000; in 1961-62 it was $2 billion; and in the preceding two years it was $1,500,000,000 in each year. Therefore, this borrowing authority of $1,750,000,000 is consistent with the past record.

This concludes the explanation I can give at the present time. I am sure there will be questions, which I shall endeavour to answer to the best of my knowledge and information.

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

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, November 5, 1964

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

Prayers.

DOCUMENT TABLED

Hon. Cyrille Vaillancourt tabled:

Report of the Department of Agriculture for the fiscal year ended March 31, 1964, pursuant to section 6 of the Department of Agriculture Act, chapter 66, R.S.C., 1952. (English and French texts).

PRIVATE BILLS

MOUNTAIN PACIFIC PIPELINE LTD.—REPORT OF COMMITTEE ADOPTED

Hon. A. K. Hugessen, Chairman of the Standing Committee on Transport and Communications, reported that the committee had considered Bill S-41, to incorporate Mountain Pacific Pipeline Ltd., and had directed that the bill be reported without amendment.

Report adopted.

THIRD READING

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

Hon. T. D'Arcy Leonard: Honourable senators, with leave of the Senate, I move that the bill be read the third time now.

Motion agreed to and bill read third time and passed.

ASSOCIATION OF UNIVERSITIES AND COLLEGES OF CANADA—THIRD READING

Hon. Donald Cameron, moved the third reading of Bill S-36, to incorporate the Association of Universities and Colleges of Canada.

Motion agreed to and bill read third time and passed.

DIVORCE

RESOLUTIONS ADOPTED

The Senate proceeded to consideration of Resolutions, numbered 510 to 555 inclusive, which were presented on Wednesday, November 4.

Hon. F. W. Gershaw, for Hon. Mr. Roebuck, Chairman of the Standing Committee on Divorce, moved the adoption of the following resolutions:

Resolution 510, for the relief of Marilyn Joy Lowings Pitre.

Resolution 511, for the relief of Marie Rejane Forget Leblanc.

Resolution 512, for the relief of Alyse Leona Lucey Langdale.

Resolution 513, for the relief of Maya Eleanor Ingrid Joosten Verhagen.

Resolution 514, for the relief of Hendrik Jan Willem de Bruin.

Resolution 515, for the relief of Sandra Eastman Milroy.

Resolution 516, for the relief of Roger Andrew Belanger.

Resolution 517, for the relief of Irene Biborosch Pheeney.

Resolution 518, for the relief of Angela Bertha Ilma Szepesi Rhéaume.

Resolution 519, for the relief of Paulette Robert Rioux.

Resolution 520, for the relief of Isabel Gladys Martin Wand.

Resolution 521, for the relief of Murray Hutchison Walker.

Resolution 522, for the relief of Gladys Saunders Sweeney.

Resolution 523, for the relief of Gilles Comeau.

Resolution 524, for the relief of Elisabeth Hildegard Martha Teschner Braendlin.

Resolution 525, for the relief of Shirley Anne Ross Halsey.

Resolution 526, for the relief of Emile Latour.

Resolution 527, for the relief of Helen Giannakouris Sauve.

Resolution 528, for the relief of Louise Comeau Cyr.

Resolution 529, for the relief of Regine Warman Taiblum Melzer.

Resolution 530, for the relief of Catherine Malandrakis Halevelakis.

Resolution 531, for the relief of Bernice Schneiderman Goldenblatt.

Resolution 532, for the relief of Raymond Jean Benard.

Resolution 533, for the relief of Georges Galarneau.

Resolution 534, for the relief of Henry James Scott.

Resolution 535, for the relief of Henri Paul Dumais.

Resolution 536, for the relief of Barbara Essing Pecker.

Resolution 537, for the relief of Ronald Gordon Thacker.

Resolution 538, for the relief of Lorna Jane Foreman Bertram.

Resolution 539, for the relief of Bertha Lilian Deane Rolet.

Resolution 540, for the relief of Gilles Joseph Jean Maille.

Resolution 541, for the relief of Marion Ethel Sheriff Pearson.

Resolution 542, for the relief of Joan Marjorie Gallant Collins.

Resolution 543, for the relief of Paul-Emile Dionne.

Resolution 544, for the relief of Ernst Windisch.

Resolution 545, for the relief of Anne Martindale Brown.

Resolution 546, for the relief of Catherine Barbara Katadotis Xenos.

Resolution 547, for the relief of Pauline Painchaud Gilker.

Resolution 548, for the relief of Ruth Diana Williams Andrews.

Resolution 549, for the relief of James Campbell.

Resolution 550, for the relief of Elizabeth Joan Stewart Harrison.

Resolution 551, for the relief of Margaret Meredith Cape MacDougall.

Resolution 552, for the relief of Gwendolyn Elizabeth Whidden Brooks.

Resolution 553, for the relief of Markie Marie Mervyn Jeffries.

Resolution 554, for the relief of Emmy Luise Bocking Scott.

Resolution 555, for the relief of Agnes Mary Ferland Robert.

He said: Honourable senators, may I point out at this stage that the adoption of these resolutions means that these divorce petitions are granted, provided no objection is raised within the next 30 days.

Resolutions adopted, on division.

APPROPRIATION BILL NO. 9, 1964

SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Leonard, for the second reading of Bill C-135, for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1965.

Hon. A. J. Brooks: Honourable senators, it is becoming quite an old story to be speaking on interim supply. This is the ninth appropriation bill we have had to deal with this session, and the sixth dealing with supply for the financial year 1964-65.

The honourable Senator Leonard, who sponsored the bill yesterday, called attention to the fact that he was "pinch-hitting," as it were, for the Leader of the Government in the Senate (Hon. Mr. Connolly, Ottawa West). We all note the absence of our leader, and of course we know the reason why. I have a press clipping here which is headed, "Senator named special envoy at inauguration." Our honourable leader represented the Canadian Government at the inauguration of the President of Chile on Tuesday last. He is also representing the Prime Minister at the Fifth Inter-American Conference of Business Executives in Lima, Peru. I am satisfied that both Canada and the Prime Minister are well represented at these functions.

Hon. Senators: Hear, hear.

Hon. Mr. Brooks: I am sure we all hope our honourable leader keeps as far away from Bolivia as he can, because it appears to be quite a hot spot at the present time.

May I say how pleased I am to see our good friend Senator Vaillancourt acting as Leader of the Government in the absence of Senator Connolly. I can also say that the Leader of the Government is well represented in this chamber.

Hon. Senators: Hear, hear.

Hon. Mr. Brooks: In explaining this bill yesterday, Senator Leonard made it clear what the interim supply bill calls for. He made an excellent statement, in the preparation of which I am sure he was assisted by the Department of Finance. At this time may I say that in my short experience as Leader of the Government in the Senate I found that the assistance given to me by the various departments of government was most helpful. As Leader of the Opposition I often wish it was also part of their function to assist me in preparing statements.

As I said a moment ago about estimates and interim supply, we have now had nine appropriation bills before us, six of which have dealt with the estimates of this financial year. I understand that there are twenty-three departments whose estimates are to come before Parliament, and of these nine have been passed. It is not necessary for me to point out to honourable senators that at this very late date in the session it is an extraordinary situation that hardly more than one-third of the estimates have been passed. We are on our way, I believe, to having the longest session in the history of Parliament.

Hon. Mr. Molson: It is already the longest.

Hon. Mr. Brooks: I was not sure whether or not during the war there was one which was longer, but I gather this is the longest session we have had.

Hon. Mr. Choquette: And the least work accomplished.

Hon. Mr. Brooks: I am not going to comment on the matter at any great length, but in his speech Senator Leonard mentioned the fact that additional supply had to be voted to the Senate on account of this particularly long session. I think it is a fair comment that never has the Senate done less work and never has it cost so much. Like the sponsor of the bill I shall not assess blame; that is not my purpose. However, I do feel that I am justified in expressing a humble opinion for what it is worth. It is my opinion that a mistake was made in bringing forward in this Parliament contentious and, at the present time, unnecessary legislation, no matter how important it may become at some future date.

Hon. Mr. McCutcheon: Hear, hear.

Hon. Mr. Brooks: It was brought forward by a Government which did not have a majority in the other place—a 50-50 proposition, as it were, or even less—and by a Government which had no popular mandate from the people. I consider that most of the difficulties we have had in this session, and the long delay which has resulted in the matter of passing estimates and enacting legislation, has been due to the fact that legislation which is not necessary at the present time was introduced. I am satisfied that the estimates could have been passed weeks ago and that other necessary legislation could have been attended to had there been, again in my opinion, better judgment shown in introducing this legislation.

Hon. Mr. McCutcheon: Better judgment by the Government in not introducing it at all.

Hon. Mr. Brooks: Yes. As the honourable sponsor of this bill said yesterday, the combined total of the main and supplementary estimates, which is $7,277,522,389, is the largest amount, outside of appropriations during time of war, that Parliament has voted in the history of this country. It is a far cry from the $35 million that was voted in 1870, and even from the $335 million that was voted in 1935.

Our country, of course, has grown to a great extent over the past 100 years, but I wonder if it has grown in the same proportion as has the financial encumbrances. We have gone from $35 million in 1870 to nearly $8 billion in 1964.

It is not my intention, honourable senators, to endeavour to dissect or review the different items of expenditure. In the first place, the amounts are too great and the items too numerous; secondly, I could not do so even if I wanted. I accept Senator Leonard's explanation of the amounts to be voted in the main and supplementary estimates. I know that they have been thoroughly scrutinized by the staff of the Department of Finance which prepared the explanations that were given yesterday. I am also satisfied that under the system we have for spending money in this country the amounts requested by the different departments and for every other activity are needed.

We were told also that the amount to be voted and the statutory expenditures are nearly equal. The total amount to be voted by Parliament in the main and supplementary estimates is $3,951,590,511, and the interest on the public debt is $2,860,819,977. That is the amount we have to pay as interest on our public debt, and it is almost two-thirds of the amount the Government needs to carry on its activities. I shall not comment on that. I would need the eloquence and knowledge of my good friend, the honourable senator from Churchill (Hon. Mr. Crerar) to do so. I am sure he will do justice to that, as he has on so many other occasions.

Hon. Mr. Crerar: May I ask my honourable friend a question?

Hon. Mr. Brooks: Yes.

Hon. Mr. Crerar: Did I understand him to say the interest on the public debt amounts to $2 billion-odd?

Hon. Mr. Brooks: That is what I understand.

Hon. Mr. Crerar: There must be an error there.

Hon. Mr. Leonard: Perhaps I am to blame for that. The honourable senator may have received that impression from what I said yesterday. The figure of over $2 billion that I quoted is the amount of the uncontrollable expenditures, but only part of it is represented by interest on the funded debt. I am looking to see if I have the exact figure—perhaps I shall be allowed to give it later. However, the amount of $2 billion-odd includes a great many items other than interest.

Hon. Mr. Brooks: I rather questioned that myself, and I am glad to have that explanation. The figure did seem to be out of all proportion. There is no doubt, however, but that it is large enough, and no blame can be placed on—

Hon. Mr. Leonard: May I interrupt the honourable leader? I can give the figures now if he would like to have them. This refers to Vote 1 in the estimates of the Department of Finance, "Interest and Annual Amortization of Bonded Discount, Premiums and Commissions," which, for 1964-1965, is $1,035,000,000.

Hon. Mr. Brooks: It is about half.

Hon. Mr. Leonard: Yes.

Hon. Mr. Brooks: As I was about to say, no one government is to blame for this. The trend in this country for some time has been to pay out money for all purposes, no matter what was proposed or from whence the proposition came.

Bill C-135 is like every other interim supply bill, and the explanation given on one could almost do for all such bills. These bills are based on requirements for one month, and in some cases for two months, with special votes for seasonal needs, which usually occur in the Department of Northern Affairs, in Fisheries and other departments, where special work must be done during the summer months.

This bill provides for two months' supply up to December 31. It leaves a substantial amount, about $960 million, to be voted later.

There always are some special items in these interim supply bills. One such item, mentioned yesterday by Senator Leonard, is the estimate for ice control at the World's Fair site on St. Helen's Island, which amounts to $13,942,000. Of this amount, I understand that $2,500,000 is being paid by the City of Montreal. Senator Isnor asked whether this was permanent work, and I understand from the sponsor of the bill that it is.

I should like to ask whether there will be ice-breaking and control operations in the St. Lawrence River, particularly in this area? If so, I hope the operations will be considered as permanent.

Another question relates to Supplementary Estimates (B). We are voting a special amount for coal subventions in the eastern provinces. I notice in Supplementary Estimates (B) that the Dominion Coal Board vote is for $1 only, and I would ask Senator Leonard to explain why that is so. Subventions were paid in the past few years to move coal from Alberta to Vancouver, but I do not see any mention of that here. Possibly it has been dropped. The honourable senator may be able to give some information in that connection.

Other large amounts in Supplementary Estimates (B) occur in the Department of Labour estimates. The main estimate for that department amounts to $114,491,000. The supplementary estimates contain what seems to me to be a very large amount, namely, $50,300,000. I do not understand why it is not possible for that department, when making up its estimates in the spring, to estimate its needs more closely. I would also ask the honourable senator the purpose of this item. I understand it is for winter work, but he may enlarge on that. He may also be able to say how much is to be spent in each province.

The estimates are such that one could ask hundreds of questions on this bill. Some would be pertinent and some quite unnecessary. However, I have touched on the only matters I wish to bring to the attention of the house.

Honourable senators, when I was speaking on the previous interim supply bill on October 7, I made a comment on the Finance Committee. I expressed my pleasure that the committee had been re-activated and was holding meetings. I think four meetings had been held and an outline of future work had been prepared. Some of that work is being carried out now.

At that time we were told that the committee's main study would be the Glassco Report. I am pleased that such a broad study is being made of one general subject. I have often heard questions asked in the Senate regarding small items in the estimates and it always seemed to me that they were very much out of place. I do not think the Senate was ever set up to review the estimates in particular. Reviewing the estimates on broad general questions and problems seems to me to be the real function of the Senate in this respect. I congratulate the Finance Committee on having undertaken this study at this time, as they did on previous occasions.

Although I am a member of the Finance Committee, unfortunately I have not had the time to attend all its meetings; but I attended some and I have read the reports of the others.

The committee has had before it an outstanding list of witnesses. These men are to be congratulated on their knowledge of the matters which they have discussed before this committee. I am sure that all those who attended have found the sittings very instructive and interesting. On listening to the statements of the specialists from the Department of Finance we certainly have a better idea of the preparation and review of estimates before they reach Parliament. It is also helping us greatly with the prodigious report of the Glassco Commission. It would be almost impossible for anyone to make a detailed study of that report, but one can learn a great deal from listening to the remarks of those men who have studied it, particularly in this committee. We certainly get a far better understanding of the proposals and recommendations in the report. I congratulate the chairman of the committee and look forward to the committee's report when it comes before this chamber.

Honourable senators, I have merely touched the outline of matters detailed in the estimates. It is about all one can do, unless we wish to become involved in a very long and detailed argument, and I have no desire for that.

The bill increases the authorization of borrowing powers to $1,750,000,000. I recognize

that borrowing powers are necessary and, as the sponsor told us yesterday, although this amount is large it is not out of line with previous years. He mentioned some of the years, and I have looked up others and have found this amount to be consistent with previous years.

Hon. Gordon B. Isnor: Honourable senators, I have only a brief comment to make on one item.

As you will recall, and as was mentioned by the honourable Leader of the Opposition, I interjected yesterday a question as to whether the ice-control construction was of a permanent nature. Because of that interjection I was given rather full information as to the cost of this structure, which is to be permanent, according to the sponsor of the bill (Hon. Mr. Leonard), who outlined the various items in a businesslike way. He told us that the structure would cost $13,942,000. Of this amount, the City of Montreal would pay $2,500,000, leaving a balance of $11,442,000 to be paid by the Crown, that is, by the taxpayers of Canada.

I do not say this is a subsidy, but, as in the past, the Port of Montreal and those ports on the St. Lawrence are certainly taking advantage of a situation to assist them in making it possible to further increase their trade as against the Atlantic ports of Halifax and Saint John.

I want to bring that to the attention of the honourable Senator Leonard, the sponsor of the bill, but more particularly to the attention of the St. Lawrence Seaway Authority and the Government of Canada. I am sure that anyone who had $2,500,000 to invest, with a return of over $11 million, would be glad to do so. It appears to me that this deal is just that—an investment of $2,500,000 to get a return of a permanent nature of over $11 million. In addition, I think this has a very close connection with the question of tolls on the Welland Canal. There was certainly no objection from the east in respect to the construction of the St. Lawrence Seaway, by reason of the fact that it serves central Canada, but I do not think consideration was given to its possible effect on the Atlantic ports.

The toll charge on the Welland Canal was part of an agreement whereby over a certain period of years of the canal's operation a small toll would be charged to be set up against the debt or the cost of the Seaway. It is now proposed, particularly by Port Arthur and Fort William, to do away with such tolls. I understand that the Port of Toronto has also advocated, by way of a resolution before the Chamber of Commerce at its annual convention, that these tolls be discontinued.

I want to point out to the Government that at the present time there is a debt of approximately $50 million against this particular item. I would hesitate to think that any further steps should be taken to add to what was an agreement whereby over a certain period of years the St. Lawrence Seaway would pay its way.

Honourable senators, I feel justified in bringing this to the attention of the sponsor of the bill. I hope that he and the Government will take note of the matter, to ensure that no effort is made to do away with the toll, thus adding that amount to the bills of the taxpayers, and also operating to the detriment of the Atlantic ports.

Hon. Mr. Lambert: May I ask my honourable friend if he has any information or authoritative figures to show whether or not the ports of Halifax and Saint John have suffered, in comparison with the traffic in and out of those two ports in previous years, particularly during that period since the Seaway has been in operation?

Hon. Mr. Isnor: Anyone following the progress of business, and having the figures before him, would realize the loss of business in that connection.

Hon. Mr. Lambert: May I suggest that is not quite an answer to the question I raised. Has the volume of traffic in and out of these two ports declined since the opening of the St. Lawrence Seaway and, if so, to what extent?

Hon. Mr. Isnor: I did not expect to be asked a question like that, let alone answer in such detail. While we had an increase of one per cent in the traffic at the Port of Halifax last year, I contend we would have had a much greater increase if it had not been for the efforts made by the ports on the St. Lawrence River.

Hon. Mr. Horner: May I say, in connection with what the honourable senator from Halifax-Dartmouth (Hon. Mr. Isnor) has said, I am somewhat in the same position as he is. The Port of Churchill is not getting all the business it should get, because of the question of the payment of tolls. Like my honourable friend, I do not like to see trade carried on to the detriment of our port, which should be doing five times the business it is now doing.

Hon. Mr. Isnor: If the Port of Churchill could get rid of some of its terrible ice conditions, naturally it would increase its business.

Hon. Harold Connolly (Halifax North): Honourable senators, the Leader of the Opposition (Hon. Mr. Brooks) in his remarks

today was, as always, kindly, courteous and well informed. In fact, I doubt if anyone sitting in this chamber has a greater innate kindness than this gentleman, and he would be the last to reflect, directly or otherwise, upon this chamber and its operations. However, because he did not amplify the statement he made, I suggest that inadvertently he has cast a rather serious reflection upon us, for he said that in this session the Senate is being paid more to do less than ever before in its history.

Now that is a dangerous truism, because it lacks the amplification to which I referred a moment ago. The reason this chamber has done less work should be clearly stated, because if the usual newspaper practice continues, this will be the butt around which our discussion will be reported in tomorrow's newspapers. The reason is not because of an unwillingness or an incapacity on the part of the Senate, but because the House of Commons did not make it possible for the Senate to function as diligently and regularly and at the same cost as it normally would.

Honourable senators, lest there be some among us who might be inclined to impute blame to some other body, I say the reason that the Senate has not functioned as diligently this session as in other years is due entirely to the conduct of the House of Commons.

Hon. Mr. Brooks: I thank my honourable friend (Hon. Mr. Connolly, Halifax North) for giving an explanation which probably I should have given. However, my remarks were based on the item in the estimates mentioned yesterday by the sponsor of the bill (Hon. Mr. Leonard), who said that an increased amount had to be put in the supplementary estimates because of the increased length of the present session. I am sure the public must know that the responsibility for this is not on the shoulders of the Senate, and could not possibly be. However, I am very pleased indeed that my honourable friend called attention to what should be obvious.

Hon. T. A. Crerar: Honourable senators, the compulsion is upon me to say something about this supply bill. We have had a number of these bills this session, and, of course, in the working of our public economy it is necessary for Parliament to pass upon and approve the expenditures before the money is spent.

Sometimes I wonder just how valuable that procedure is. Under the previous government, occasionally I expressed my disappointment at the growth of expenditures and of the dangers I felt they constituted to Canada. I am bound to say that I see very little change, if any, which has come about as a result of the change in administration. The growth of our spending, for instance, for the servicing of our debt is shown in our estimates.

I think my good friend the Leader of the Opposition (Hon. Mr. Brooks) was astray, if I understood him aright, when he spoke of the cost of servicing our public debt.

Hon. Mr. Brooks: That is true.

Hon. Mr. Crerar: As a matter of fact, the amount provided in the estimates, which we are covering today in part, is a total of $1,037,893,000. That is not an inconsiderable sum of money. That covers the interest and annual amortization of bond discount, premiums, commissions and so forth, and the cost of servicing and of issuing new loans, which by the way is $2,893,000.

It is interesting to reflect that 27 years ago the total budget of Canada for all purposes was around $550 million. That is, it was about one-half of what we have to appropriate now for interest alone to service our debt. That gives an indication of the growth of our debt.

I do not hold with those economists who say public debt is on the whole a good thing. Their theory is that if the Government spends a lot of money it is distributed all over the country and the economy as a whole benefits from it. There are margins within which that may in a measure be true. But you have to consider that public debt is not different in its application from a debt incurred by an individual. An individual may incur debt for a useful purpose. He may incur it to increase his production, and the production of wealth; and I would not want to be understood as out and out condemning going into debt. However, if we look at the purposes for which we are spending money we find that a great many are not associated with the production of new wealth, and therein lies a very great danger.

We are in a spending mood in Canada today. I shall not endeavour to assess the reasons for that, but our governing bodies, from top to bottom, are spending freely, too freely, with the result that the total obligations of the federal Government, direct and indirect, along with the provinces and municipalities, is now over $40 billion. That is a serious state of affairs. So far we have managed to get along without a great deal of challenge or criticism; but I would point out to this house that the inflation that has taken place in this country has been a pertinent factor in the increase of all these obligations. When we consider that in the last 15 years inflation has increased in this country by almost 37 per cent—that is, we have increased the gross national product over this period of time by almost 37 per cent through

inflation—it is a very shadowy and false foundation upon which to build prosperity.

I say here today that there is no duty more pressing upon Parliament, upon both Houses of Parliament, upon the Government and the Opposition, than to try to maintain stability in the purchasing power of our money. Nothing is more important.

It is not without significance to me that within the last several months some good people have spoken to me about this increase in the cost of living. True, the labour unions try to overcome it by increases in wages. But a person who is living on a fixed income, who is relying on a pension or on the return from investments or savings, is not in that fortunate position and, consequently, this increase in the cost of living is the most dangerous thing facing our economy. It has this further evil, that it hits the very best people we have in this country: it hits those who by saving, industry and hard work have endeavoured to provide for themselves. They find their income eroded year after year, and they do not know where the end will be.

It is of vast importance that in the last 15 years the cost of living has increased on an average of over 2½ per cent a year. If you project that into the future, where are we going to be? The only remedy is to live within our means; there is no doubt about that. Today we regard deficits in government spending as a matter of little or no consequence. We talk about the gross national product, and hope springs eternal that year after year this gross national product will grow and blossom forth, and that we will find there the remedy to the evils from which we suffer. But that will not occur. The increase of inflation is bound to accelerate in the conditions under which we are operating today. Therefore, I say to this house that there is nothing more important for a government, for an opposition in Parliament, for both Houses of Parliament to do, than to give consideration to this vital question, because if history teaches any lesson it is that inflation in the end almost inevitably brings revolution. Time after time in history it has been proved that if you are going to keep your people contented, if you are going to avoid political disturbance, if you are going to avoid disturbances of other kinds, you must deal fairly with them.

When the citizens of this country send us to Parliament to represent them, this is the kind of job they expect us to do. If we fail to do it, I say frankly that we are failing in our responsibility to the Canadian people. And I will add this: there are no finer people anywhere in the world than the Canadian people. They deserve the very best that we, as legislators, can give them, and this problem is one which will not solve itself.

I repeat to my colleagues in this house that there is nothing more important for us and for Parliament to do than to try to search out the reasons why this is taking place, and take the necessary steps to stop it now and prevent its happening in the future.

The Hon. the Speaker: I must inform honourable senators that if the honourable Senator Leonard speaks now it will have the effect of closing the debate.

Hon. T. D'Arcy Leonard: Honourable senators, in the first place may I express my appreciation of the debate that has taken place on this bill? In particular, I would like to comment on the remarks of the honourable Leader of the Opposition (Hon. Mr. Brooks). As Senator Connolly (Halifax North) said, he is always kindly, courteous and well informed; indeed, he demonstrated that in his remarks today.

The interim supply bill has really two purposes. Of course, its roots are deep in British parliamentary history, going back to the time when Parliament wrested control from the executive over the spending of money, so that today before a government can spend any money at all it must come before Parliament and say how it proposes to spend its money, account for every dollar of it, and receive the approval of Parliament. These expenditures have now reached such proportions that it takes quite some time before approval can be obtained for every dollar spent. As it is necessary in the meantime to carry on the business of government, interim supply bills are brought before Parliament, so that in effect Parliament says to the Government, "We will advance you one month's supply or two months' supply so that you can carry on the business of government until such time as you receive our stamp of approval for your proposed expenditures."

When these interim supply bills come before us we have an opportunity to deal with the estimates themselves and the items and figures contained therein. There is a second aspect to them, namely, the opportunity to criticize the Government that is asking for this money.

Senator Brooks dealt with both these aspects. In the first place he raised some questions with respect to the estimates themselves, and with those questions I now propose to deal to the best of my knowledge. First of all he mentioned, in introducing some further remarks of his, the "extra money" as he called it going to the Senate. I should explain that this is not in fact extra money; this is simply an acceleration of the payment of

money provided in the main estimates. There is no supplementary estimate with respect to this. It arises simply because we have been sitting through the summer and this amount of money is due somewhat ahead of time. But having said that I should go on further and say that if we continue to sit, there may well be extra money involved in supplementary estimates. In the meantime, however, this is merely an acceleration of the item in the main estimates.

Before going on to the next question he raised, which was in respect of the Dominion Coal Board, I might at this stage put on record that the interest on the public debt is $1,035,000,000. That is the figure in the main estimates.

Now, dealing with the Dominion Coal Board, there were two questions, the first one as to why there is an amount of $1 shown in supplementary estimates (B). If you read this item you will see that it authorizes annual payments not exceeding $18 million in each of the five fiscal years commencing on the first day of April 1965. That is for the next five years. Therefore there is a vote of $1 to record that there is a commitment to pay amounts up to but not exceeding $18 million for the next five years.

Hon. Mr. Brooks: May I ask why it should appear in these estimates if it is for future payments?

Hon. Mr. Leonard: In the main estimates in Vote 70 for Mines and Technical Surveys there is an item for subventions. The amount of subventions for this year is $14,465,000. Representations have been made to the Government that it is desirable to give some assurance that these subventions are not going to stop at the end of this fiscal year, and that the industry needs some assurance of the stability of the subventions so that it can make plans accordingly. That seems to be a perfectly right and proper thing to do. Rather than voting this particular amount each year it has been decided to put this item in the estimates for this year, to indicate that this commitment is proposed to be entered into whereby for the next five years a subvention will be paid.

Senator Brooks also asked about subsidies in respect of moving coal from Alberta to Vancouver. I have no information on that and all I can say is that I shall see whether I can ascertain any further information. I do not think any pertinent information appears in the estimates. There is a further item of $200,000 in Vote 70, being subsidy payments under an act to place Canadian coal used in the manufacture of iron and steel on a basis of equality with imported coal, but I do not know if that applies to the coal to which you refer.

Hon. Mr. Brooks: I think it has been suspended.

Hon. Mr. Leonard: Referring to your question in connection with ice-breaking operations, I have no information on that. However, it may be possible to have that information given to us in the Standing Committee on Finance.

Hon. Mr. Smith (Queens-Shelburne): May I ask a question at this point? It is my understanding that this is a result of the decision to establish the World's Fair site on St. Helen's Island and has nothing to do with navigation on the St. Lawrence system. Is that correct?

Hon. Mr. Leonard: The reason given was that it was to protect the World's Fair site, to protect Verdun and Lachine and to maintain water levels. That is as much as I know.

Hon. Mr. Smith (Queens-Shelburne): And since the island is going to be permanent this will be a permanent feature too.

Hon. Mr. Leonard: I think that makes it clear that no ice-breaking is connected with it. Senator Brooks' question was as to whether any provision was being made for ice-breaking, and I have no information on that. I would assume nothing is being done about it at the present time, but I can find out more about it.

Hon. Mr. Cameron: I happen to have had an opportunity of discussing this with the engineers who are working on it. It is intended to be a permanent protection by diverting the waters around the island. It has nothing to do with ice-breaking.

Hon. Mr. Leonard: Thank you, Senator Cameron.

Senator Brooks also asked about the Labour estimate of $50 million and why this could not have appeared in the main estimates since it was such a large sum. This is intended to be set aside for the winter works program. There are two aspects to this program, the first one being the grants to municipalities for work they are going to do during the wintertime. The second deals with the grant of $500 to each person building a house during the wintertime. Until a decision had been made to operate the winter works program again this winter, this item could not be included in the main estimates. Because that decision has now been made and because it is now known the extent to which such program would be carried on, the amount now appears in the supplementary estimates. The $35 million in respect of grants to municipalities is the same

sum as in the preceding year. The $15 million to cover the grant of $500 for each house built during wintertime is $5 million less than the $20 million grant of a year ago.

I should also express my thanks to Senator Brooks for his comments about the meetings of the Standing Committee on Finance, and I assure him that we propose to continue these with a view to finding the answers to any questions concerning the estimates.

Senator Brooks went on to avail himself of what I would call the second aspect of an interim supply bill, that is, to voice some criticism of the Government. While I do not necessarily agree, and may in fact disagree with what he said, nevertheless I do respect his right to make this criticism. It seems to me that this is a proper exercise of the right to debate an interim supply bill.

This is one of the privileges and rights that Parliament has when the Government comes seeking interim supply. But, I would add also that while that right or privilege can be properly used, it can also be abused, as can other privileges. While pointing out that it has been correctly used in this chamber, I would suggest that honourable senators might be interested in reading the debates of the House of Commons over the last ten days on this bill.

Senator Isnor raised the question of the effect of some of this work at Montreal on navigation in the harbours of Halifax and Saint John. As I come from Toronto I shall not enter into a debate as between the needs of the harbour at Montreal and harbours in the Maritimes, but I do think that this is a subject that might be pursued at a meeting of the Standing Committee on Finance, at which time we can obtain further information.

We have always listened with great interest to Senator Crerar, and it is good to have the benefit of his wisdom and long experience in the public life of Canada. He voices the feelings of us all when he speaks of inflation. I have the same strong feelings on this subject as he has, although I am not quite so concerned, perhaps, about the total amount of the public debt. It is true that the figure of $40 billion is a large one, and it is also true that a large part of it does not represent productive assets. Perhaps that test is one of the better ones to apply to the public debt. However, this year the gross national production of Canada should run to $46 billion, and that has to be compared with the gross public debt of all levels of government of $40 billion.

To put this in terms of an ordinary person —I know this is not a proper comparison, but it is, nevertheless, a comparison that may occur to anyone—a man owing a total amount of money that is less than his annual income would not be considered to be heavily in debt. That is one comment I have to make. I know it does not answer in full Senator Crerar's argument, but if you were to go back over the history of government financing in Canada you would find many occasions on which the gross public debt in comparison to the gross national production has been at a higher ratio than it is at present. I qualify that statement by saying that I am not a proponent of greater public debt. I am saying simply that there are other factors to be taken into consideration when dealing with it.

Honourable senators, I think I have dealt with the questions that have been asked. As I have said, I shall endeavour to obtain information with respect to those I cannot answer, and that information will be available at the meeting of the Standing Committee on Finance next Tuesday.

Hon. Mr. Crerar: May I ask Senator Leonard a question? Would he agree that the degree of inflation we have produced during the last 15 years has been an important factor in the increase of our gross national product?

Hon. Mr. Leonard: Yes, I agree with that.

Hon. Mr. Smith (Queens-Shelburne): The same factor has been important in respect to the greater public debt.

Hon. Mr. Leonard: Yes, you have to put the same factor against the increase in the public debt, if you are going to talk about real production. The comparison is still between $40 billion and $46 billion.

Motion agreed to and bill read second time.

THIRD READING

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

Hon. Mr. Leonard: A glance at our Order Paper will indicate to honourable senators that there is very little, if anything, left on it. We have had a debate on this bill, and if it meets the convenience of the Senate I move, with leave, that the bill be given third reading now.

Hon. Senators: Agreed.

Motion agreed to and bill read third time and passed.

ROYAL ASSENT

NOTICE

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

GOVERNMENT HOUSE

Ottawa

5th November 1964

Sir,

I have the honour to inform you that the Hon. Robert Taschereau, P.C., Chief Justice of Canada, acting as Deputy to His Excellency the Governor General, will proceed to the Senate Chamber today, the 5th November, at 5.45 p.m., for the purpose of giving royal assent to certain Bills.

I have the honour to be,
Sir,
Your obedient servant,

A. G. Cherrier
Assistant Secretary
to the Governor General.

The Honourable
The Speaker of the Senate.

ADJOURNMENT

Leave having been given to revert to the order for Notices of Motions:

Hon. Cyrille Vaillancourt: Honourable senators, I move, seconded by honourable Senator Lambert, that when the Senate adjourns today it do stand adjourned until Tuesday, November 24 at 8 o'clock in the evening.

I am moving that the Senate do adjourn until November 24 on the understanding that there is no business before it. This afternoon I received notice of committee meetings next week, and I point out that while the Senate is adjourned certain committees will be at work. The Joint Committee on Consumer Credit is meeting next Tuesday morning, and the Standing Committee on Finance is meeting in the afternoon. Although the Senate may not be in session, the members are finding plenty of work to do for the country.

Hon. Mr. Crerar: Honourable senators, I am not opposing this motion, but I do think it would be better if we adjourned until December 1. That is one week later than November 24. My reason for suggesting this is that the Order Paper of the House of Commons seems to indicate it is pretty certain that if we return on November 24 we shall find ourselves again with little or nothing to do.

The honourable Acting Leader of the Government (Hon. Mr. Vaillancourt) has stated that committees will be sitting. That is true, but in the light of the fact that His Honour the Speaker has the power to call us back earlier should there be business to place before the Senate, I would personally much prefer to have the Senate adjourn until December 1. In saying that I am not challenging my good friend Senator Vaillancourt, who has discharged his responsibilities, as he always does, very well indeed.

Hon. Mr. Vaillancourt: I am in the hands of honourable senators.

An Hon. Senator: Let us adjourn until November 24.

Hon. Jacques Flynn: If the honourable Acting Leader of the Government agrees with the remarks of the honourable senator from Churchill (Hon. Mr. Crerar), then I suggest we adjourn until December 1 on the understanding that we may be called back on November 24 if the House of Commons passes some of the items on its Order Paper.

Hon. M. Grattan O'Leary: Honourable senators, may I, as a junior member of the Senate, make a suggestion? Would it be possible to have a notice sent to the press that the Senate is adjourning to the call of the Chair. Tomorrow it will be stated in the press all over Canada that the Senate has adjourned until November 24, and people will say: "Well, there's the dear old Senate again." This appears every day in the Canadian Press summary on Parliament: "Senate stands adjourned," giving a certain date. Is it possible under the rules to have it go out merely that the Senate stands adjourned at the call of the Chair and that the call of the Chair could come next week. At least, that would give the impression that we might do something.

Hon. Mr. Lambert: It would be convenient if we could adopt that easy solution of the problem. Actually, it is only fair to say that the date, November 24, was suggested after some inquiry in connection with the proceedings in the other house as well as here. Having arrived at that estimate, I do not see that we can do anything further about it at the present time. If we have to come back then and adjourn again, we will have to accept that as part of the trials and tribulations of this overworked body.

Hon. Mr. Vaillancourt: Honourable senators, according to the law and the rules of Parliament, it is necessary to fix a date; but we may be summoned to meet before that date.

Hon. Mr. Choquette: We cannot extend the time.

Hon. Mr. Vaillancourt: Let us leave it as November 24.

Motion agreed to.

HON. W. ROSS MACDONALD, P.C.

FELICITATIONS ON APPOINTMENT AS CHANCELLOR OF WATERLOO LUTHERAN UNIVERSITY

Hon. Cyrille Vaillancourt: Honourable senators, before we adjourn I wish to present my felicitations and congratulations to one of the ablest members of this chamber, Senator Ross Macdonald. Our distinguished colleague has been appointed to succeed the late Senator Euler as Chancellor of Waterloo Lutheran University. I wish to present, on your behalf and on my own, my best felicitations to Senator Macdonald.

Hon. Senators: Hear, hear.

The Senate adjourned during pleasure.

At 5.45 p.m. the sitting was resumed.

The Senate adjourned during pleasure.

ROYAL ASSENT

The Honourable Robert Taschereau, P.C., Chief Justice of Canada, Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned, and being come with their Speaker:

The Honourable Alan A. Macnaughton, Speaker of the House of Commons, then addressed the Honourable the Deputy of His Excellency the Governor General as follows:

May it please Your Honour:

The Commons of Canada have voted certain supplies required to enable the Government to defray the expenses of the public service.

In the name of the Commons, I present to Your Honour the following bill:

An Act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1965.

To which bill I humbly request Your Honour's assent.

The Honourable the Deputy of His Excellency the Governor General was pleased to give the royal assent to the said bill.

The House of Commons withdrew.

The Honourable the Deputy of His Excellency the Governor General was pleased to retire.

The sitting of the Senate was resumed.

The Senate adjourned until Tuesday, November 24, at 8 p.m.

THE SENATE

Wednesday, November 18, 1964

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

Prayers.

NEW SENATOR

The Hon. the Speaker informed the Senate that the Clerk had received a certificate from the Secretary of State of Canada showing that John Black Aird, Esquire, had been summoned to the Senate.

NEW SENATOR INTRODUCED

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

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

Hon. John Black Aird, of the City of Toronto, in the Province of Ontario, introduced between Hon. Mr. Connolly (Ottawa West) and Hon. Mr. Hayden.

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

HER MAJESTY THE QUEEN

ACKNOWLEDGMENT OF JOINT ADDRESS FOLLOWING VISIT

The Hon. the Speaker: Honourable senators, I have the honour to inform the Senate that the following message has been received from Her Majesty the Queen:

> I have received with heartfelt pleasure the Joint Address which the Senate and the House of Commons of Canada have sent me.
>
> It has been a source of profound satisfaction to me and to my husband to be in Canada during the Centennial Celebrations of the first meetings of the Fathers of Confederation at Charlottetown and Quebec City.
>
> We both deeply appreciate the kind and loyal sentiments which you have expressed and we send you our sincere good wishes.
>
> Elizabeth R.
>
> 30th October, 1964.

CANADA PENSION PLAN BILL

MESSAGE FROM COMMONS PROPOSING APPOINTMENT OF JOINT COMMITTEE

The Hon. the Speaker: Honourable senators, I have the honour to inform the Senate that the following message has been received from the House of Commons:

> Resolved: That a joint committee of the Senate and House of Commons be appointed to consider Bill C-136, to establish a comprehensive program of old age pensions and supplementary benefits in Canada payable to and in respect of contributors;
>
> That twenty-four members of the House of Commons, to be designated by the House at a later date, be members of the joint committee, and that Standing Order 67(1) of the House of Commons be suspended in relation thereto;
>
> That the said committee have power to call for persons, papers and records and examine witnesses; and to report from time to time and print such papers and evidence from day to day as may be ordered by the committee and that Standing Order 66 be suspended in relation thereto; and
>
> Ordered: That a Message be sent to the Senate requesting that House to unite with this House for the above purpose, and to select, if the Senate deems it advisable, some of its members to act on the proposed joint committee.
>
> Attest
>
> Léon-J. Raymond
>
> The Clerk of the House of Commons.

Honourable senators, when shall this message be taken into consideration?

Hon. John J. Connolly: With leave of the Senate, I move that the message be taken into consideration now.

Motion agreed to.

MOTION FOR APPOINTMENT OF SENATE MEMBERS OF JOINT COMMITTEE

Hon. Mr. Connolly (Ottawa West), with leave of the Senate, moved:

> That the Senate do unite with the House of Commons in the appointment of a joint committee of both houses of Parliament to consider Bill C-136, intituled: "An Act to establish a comprehensive program of old age pensions and supplementary benefits in Canada payable to and in respect of contributors";
>
> That twelve members of the Senate be designated by the Senate at a later date to be members of the joint committee;

That the said committee have power to call for persons, papers and records and to examine witnesses, to report from time to time and to print such papers and evidence from day to day as may be ordered by the committee and to sit during sittings and adjournments of the Senate; and

That a message be sent to the House of Commons to inform that House accordingly.

He said: Honourable senators, a few days ago there was an all-party agreement in the House of Commons to the effect that when the item on the Order Paper of that house dealing with the Canada Pension Plan was reached the debate would be limited to three days, Monday, Tuesday and Wednesday of this week, during ordinary sittings. This means that by agreement of all parties in the House of Commons a motion for the approval of this measure in principle and its reference to a committee will be put to that house before the time of adjournment this evening.

As honourable senators know, for some time it has been contemplated that this bill, which is voluminous and intricate, should receive the attention of a special committee, and it is felt by the Government that that committee should be a joint committee of the Senate and the House of Commons. It will consist of 36 members, of which this house is to appoint 12. The House of Commons has already agreed to the setting up of this committee although it has not as yet named its members. In order that a vehicle be available to which that house may refer the bill this afternoon, it is necessary that the Senate consider this motion today.

All honourable senators will agree, I think, that it is highly desirable not to duplicate the studies in committee that must be made of this bill. The appointment of a joint committee will make for a great saving of parliamentary time. The joint committee will also provide honourable senators with an opportunity to consider the bill, to hear the explanations that will be given of it, and to hear the representations that will be made to the committee by outside bodies.

It is highly appropriate, therefore, that we nominate 12 of our members to sit upon that joint committee. Indeed, this procedure has been followed on other occasions by joint agreement of the two Houses of Parliament. The resolution that we pass must also provide that if this joint committee sits when the Senate is not in session, or indeed when the Senate is in session, its members who represent this house should be entitled to be there as of right.

That is an explanation of the general principle involved in this motion. All honourable senators are familiar with this kind of measure, as such measures have come before us on many occasions.

Honourable senators, may I take this opportunity to say I am sorry that the notice recalling the Senate could not have been sent sooner. This could not be done because its dispatch depended upon the arrangement made by all parties in the other house; it went out, after consultation with our honourable Speaker, as quickly as it possibly could after I received the firm information.

In the event that some honourable senators might have difficulty in getting seats on aircraft, I should like to inform the house that I telephoned the President of Air Canada and asked him particularly to facilitate any applications by honourable senators to return to Ottawa for today. I do not know if anyone had difficulty getting reservations, but the president promised to do what he could. It is most gratifying to all of us to see so many senators here.

An Hon. Senator: What about the fog?

Hon. Mr. Connolly (Ottawa West): The fog I could not disperse, and snow in the Maritimes I could not deal with.

Hon. M. Wallace McCutcheon: Honourable senators, I am sure that all honourable senators will welcome the setting up of this joint committee, the purpose of which has been described by the Leader of the Government in the Senate. It is an important committee.

Some honourable senators here will recall a similar joint committee which was set up in, I believe, 1951 to consider the whole question of old age pensions in so far as the federal Government is concerned. Its deliberations extended over some months and its report was the foundation on which was based the present Old Age Security legislation, viz. the flat rate categorical old age pension. In passing, it is interesting to note that two of the witnesses who appeared before that committee are now sitting on the treasury benches in another place.

It is 17 months since there was first introduced into another place a resolution authorizing the consideration of an act to establish a comprehensive program of old age pensions. There have been two other resolutions since that time, two other bills, and today we have before us Bill C-136, which was distributed only on Thursday of last week.

We have the minister's speech, which she has distributed to honourable senators, of some 26 pages. We have press reports indicating that several other ministers have spoken at length on this matter. We also have

the actuarial report which was tabled yesterday afternoon, which honourable senators can see is not double spaced, is in foolscap size and contains 23 pages.

Hon. Mr. Connolly (Ottawa West): And the White Paper.

Hon. Mr. McCutcheon: I was about to add that I could not put my hands on the White Paper, to complete the volume. There is another document we have not got as yet —the Economic Report. Why the minister was not prepared to table it and make it public at this stage, I do not know. It will be available to members of the committee, but if there is to be intelligent discussion before the committee it must be available also to people who wish to make representations to the committee, and under circumstances in which they can have a reasonable time to develop their views and present their arguments.

Honourable senators, I am supporting the motion. I have nothing more to say than that the proposals in this bill are of great economic importance and may be of great social importance. Therefore, honourable senators who are subsequently appointed to this committee will have a heavy responsibility to see that all persons who wish to make representations are given an opportunity to do so, that serious consideration be given to those representations, and that the members of the committee apply their minds to developing the best possible report.

I merely insert a caveat, which probably is quite unnecessary. The Leader of the Government (Hon. Mr. Connolly (Ottawa West), said that in the setting up of the joint committee we would avoid duplication, and that it was important there should not be duplication. I agree that that is important. On the other hand, many bills are reviewed in both the Banking and Commerce Committee in the other place and in the Banking and Commerce Committee of the Senate. I would not want it to be assumed that I was accepting the fact that because we shall be associating with members of the other house in a joint committee that would preclude us from a thorough study of the matter in a committee of this house.

Hon. Mr. Connolly (Ottawa West): Honourable senators, I am most grateful to the honourable Senator McCutcheon for the remarks he has made.

First, I should say it is the intention of the Government that there shall be a thorough study of this extremely intricate measure. Indeed, I think the volume of material which has already been made available indicates that if a study is to have any meaning at all it must be thorough. Much work has already been done, and reports upon various aspects of the bill have been made. Frankly, these will take a great deal of understanding, because there are questions of financial commitments, matters of judgment, and mathematical aspects. A great deal of time will have to be spent before judgment can be passed as to how sound or unsound are some of the proposals. This is the task of the legislator, the man or woman who will sit on this joint committee.

May I say in passing that even though we appoint only 12 members of the Senate to the committee, it will of course be open to any honourable senator to attend the meetings of the committee. I am sure there will be no difficulty arranging for any questions to be asked, should any honourable senators desire information not otherwise made available to the committee through the mouths of witnesses or from other sources.

In answer to the other point raised by Senator McCutcheon, so far as I am concerned—and I am sure so far as the Government is concerned—what is done by the joint committee will not tie the hands of the Senate. The Senate has to take its own responsibility with respect to this measure, and after it has been dealt with in the other place and comes to the Senate for consideration, we will cross the bridge at that time—and we in this chamber are pretty good at crossing bridges in our own provident way.

Hon. Mr. Brooks: I wonder if I might ask the honourable leader what proportion in numbers from either side of this house will be represented on the joint committee? As the honourable leader pointed out, this will be an important committee, and I think we should have that information as soon as possible.

Hon. Mr. Connolly (Ottawa West): In similar situations I think the approximate proportion of about two to one was applied. It might be appropriate if we had eight from this side of the house and four from the other side. However, perhaps the honourable Leader of the Opposition and I can discuss this question; in any event, we shall have a consultation before a motion is made actually naming the senators concerned.

Motion agreed to.

ELECTORAL BOUNDARIES READJUSTMENT BILL

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-72, to provide for the establishment of electoral boundaries commissions to report upon the readjustment

of the representation of the provinces in the House of Commons and to provide for the readjustment of such representation in accordance therewith.

Bill read first time.

Hon. Mr. Connolly (Ottawa West) moved that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

THE LATE SENATOR BLAIS

TRIBUTES

Hon. John J. Connolly: Honourable senators, before the routine proceedings are called, I rise to say how very sad I am sure we all felt when we heard that our distinguished colleague, the Honourable Aristide Blais, died on Tuesday, November 10 last. Perhaps it was significant that Senator Blais should have died on the eve of Armistice Day, having served in World War I in the Medical Corps as a surgeon. He carried the rank of major for most of the war, and was subsequently promoted to lieutenant-colonel.

Senator Blais was appointed to the Senate in 1940. He served all but a quarter of a century. I am sure that I speak for all honourable senators when I say that he was highly respected and dearly beloved in the Senate.

Senator Blais was born in the County of Montmagny in the Province of Quebec. He studied medicine and graduated from Laval, Canada's oldest university. He did graduate work in surgery in Paris. He went to Western Canada just after the turn of the century. He settled in Edmonton and there practised his profession, in which he achieved a reputation of great distinction. People who knew him in those days have remarked about the high regard for his professional competence. They have also testified to the respect to which he was held by people in all parts of his home community.

Senator Blais' life exemplifies a fine Canadianism. Speaking in the Senate on one occasion in 1942, he reflected upon this aspect of his life without drawing a conclusion. It is for us to draw the conclusion now. This I think we can do very well from the remarks he then made. He said:

> It has been my privilege to live in Edmonton for the last forty-two years. When I went there in 1901 I was made very welcome by my English compatriots. The French-Canadian population was then very small, and my practice soon began to develop amongst my English-speaking fellow citizens. At that time, to my great sorrow, I could hardly speak English, but I knew enough of the language to appreciate their hospitality and their great qualities of mind and heart. I have learned a lot from them in many ways but first of all I have learned to love them. Today some of my best friends are English-speaking citizens, with whom I can discuss in complete frankness all problems confronting Canada. I have always lived in harmony with them without surrendering any of the principles which underlie our faith and our traditions. I often feel that if most of my compatriots in Quebec were given a similar opportunity a better understanding would prevail among us.
>
> What is dividing us? It is the lack of a common medium of exchange—language. That is why I have always advocated, indeed urged, that English language and literature should be made compulsory subjects in our universities, especially for those who will be our leaders in the future. I am confident that if we knew each other better, all obstacles would soon disappear. We could benefit enormously by a knowledge of our respective cultures. Mutual esteem would unite two great forces, and these forces pulling together would accomplish a miracle and make this Canada of ours a veritable Promised Land.

These are remarkable words, uttered more than 20 years ago.

When Senator Dan Riley died in 1948, Senator Blais, with his capacity for friendship, told of Senator Riley's great personal qualities and particularly of the regard in which he was held, especially by the Indian tribes of southern Alberta. He said on that occasion:

> No Calgary stampede was a success if Senator Riley was not seen riding in a parade at the head of the Indian tribes who had gathered there for that occasion.

It seems to me that this man, born in Montmagny County, Quebec, through these few phrases delivered in the Senate, somehow epitomized the spirit of the west.

We shall miss his friendship, honourable senators. We shall miss his great courtesy. We shall be consoled with the thought that he died full of years and invested with much honour by his colleagues here.

Hon. A. J. Brooks: Honourable senators, as has been well said by Senator Connolly (Ottawa West), we have been greatly saddened by the recent death of one of our oldest and most respected fellow senators.

I did not have the opportunity or the honour of knowing Senator Blais very well, for he was ill most of the time I have been a member of this house, but I knew him well

enough to understand that it was not necessary to know him long to be able to recognize his great qualities of kindness, courtesy, chivalry and cheerfulness, even during the last few years when, as you all know, he was suffering from an incurable disease.

I often thought of Senator Blais as one who belonged to that class of fine and perhaps older gentlemen whose numbers, I am sorry to say, seem to be becoming fewer.

Senator Connolly has spoken of our late colleague's splendid war record. Those who served in the First World War knew of his commendable war service. Reference was also made to his civilian record, which I am also sure is well known to everyone in the Senate and almost everyone in Canada.

Senator Blais was always anxious to assist others. I recall a number of occasions on which he made representations to me for assistance for veterans, men who had served with him or who had applied to him for assistance in pension matters. He worked assiduously for them. I remember one particular occasion when he spoke about something that he thought was possibly his due, and he was shy and almost apologetic in asking for consideration for himself when, under our veterans' legislation and from every standpoint he was entitled to far more than he asked for or expected to receive.

Senator Connolly has also mentioned the fact that Senator Blais came from eastern Canada, from the Province of Quebec. He was one of thousands who went from eastern Canada, from Quebec and the Maritime provinces, to the west in former days and made a wonderful contribution to the development of that particular part of Canada. I join with Senator Connolly in saying that it does not matter whether a man comes from Quebec, the Maritime provinces, or anywhere else; if he has the qualifications and the right attitude he can go anywhere in this great country of ours and make a worthwhile contribution. To his great credit, this Senator Blais did. He exemplified the spirit of the many men who left eastern Canada and went to help build up that great part of Canada which we call the west today.

I wish to endorse everything the honourable Leader of the Government in the Senate has said, and extend to Senator Blais' family the sincere sympathy of us all in his passing.

He lived to a ripe old age; he accomplished all that could be expected in his life span; and I am sure that in his latter days he had no regrets, that he was well satisfied with the life he had lived and what he had accomplished.

Hon. F. W. Gershaw: Honourable senators, Senator Blais was a practitioner of medicine in the Province of Alberta, and I think it appropriate that I should pay a brief tribute to his memory and express our sympathy to his wife and daughters.

The late senator practised medicine generously and kindly, and so endeared himself to his patients. He rose to fill a high place in the district in which he lived; he was honoured for the work he did in his military capacity during the First Great War, and he was most appreciated by those who knew him best. However, he suffered a serious accident in later years and was not able to participate to any great extent in the deliberations of this chamber, but the quotations that have been uttered today show where his heart was. His whole record illustrates the truth of that old poem which says:

> The glories of our blood and state
> Are shadows, not substantial things;
> There is no armour against fate;
> Death lays his icy hand on kings.

Hon. R. B. Horner: Honourable senators, coming as I do from western Canada I feel I should say a word or two about Senator Blais, but first I must congratulate the Leader of the Government on his most appropriate remarks.

Senator Blais was a remarkable man. Travelling about Edmonton, I do not know of a man who would not be delighted to say a good word about him. I remember at a sale in southern Alberta not long ago a lady asked me if I knew him. She told me what a wonderful man he was, about his driving in the earlier days in a horse and buggy out to St. Albert. Edmonton was not very large then. Everyone spoke highly of him as a man, a humanitarian and a gentleman. He has been in many ways my ideal, and he was a powerful exponent of the method by which the two races in this country can get along together. He was greatly missed when he gave up his immense practice in Edmonton.

I wish to express my sympathy to his widow and his two daughters.

Hon. Arthur L. Beaubien: Honourable senators, I think that no member of the Senate was more intimate with Senator Blais than I was, especially during the last few years when he was so ill.

Senator Blais and I were appointed on January 29, 1940. I had known him before and in time we became very, very fast friends. He was one of those medical men who kept himself up to date in matters concerning his profession. Every brochure or pamphlet printed concerning medicine or surgery was to be found either in his office or in his home, and he was continually reading such publications to keep himself up to date.

I was instrumental last June in inducing Senator Blais to move to Vancouver. There

were two reasons for this: one was the milder climate and the second was the fact that he had a daughter living there whom he cherished dearly. On going to Vancouver he entered the Shaughnessy Hospital, where he died a short time ago.

Many senators here today and indeed many who have gone before were frequently in Dr. Blais' room on the first floor consulting him on their various ailments. He was always kind, thorough, and gave them the best advice any medical man could give.

I know both his daughters, one of whom is now living in Pasadena, married to a doctor, and the second living in New Westminster. On my own behalf and on behalf of my wife I wish to extend my deepest sympathy to our late colleague's dear widow and daughters on their sad bereavement.

(Translation):

Hon. Jean-François Pouliot: Honourable colleagues, as a French Canadian from the province of Quebec, I wish to join with those who paid well-deserved tributes to the late Senator Blais, whose first name was Aristide. It was a predestined name, because he was a just man.

(Text):

I was just saying in French that the first name of the late Senator Blais was Aristide which is symbolic of a man who is just. Aristides was a Greek, well known for his spirit of justice.

(Translation):

Honourable colleagues, I met the late Senator Blais here in the Senate. I admired his punctuality. Despite the infirmities which afflicted him during his last years, he regularly attended the meetings of the Senate to show his sense of duty and to prove that he was interested in the matters we were discussing.

One of the most intimate friends of the late Senator Blais was the Right Honourable Ernest Lapointe who was his university classmate—there was only one year's difference in their ages—and who told me that he had the deepest admiration for the late Senator Blais.

Born in the small parish of Berthier, in the county of Montmagny, the late Senator Blais, at the beginning of his career, conquered the province of Alberta where he practised medicine and surgery with selfless devotion and a wonderful spirit of charity, which were recalled by our colleague, Senator Gershaw. He was the physician to the poor. He treated them with the same devotion as he would treat his wealthiest patients.

I shall never forget Senator Blais' wonderful smile. Whenever I met him, he wore a kind and gracious smile. He liked to recall his experiences in the West and was quite fond of his adopted land, the Province of Alberta.

It is always a moving experience to attend sittings like this one, where we pay tribute to the departed. I have listened to many final tributes and each one conjured up deep memories.

We all spend our time together here under the same roof. We have our difficulties, our problems. Our views often differ. But each one of us is trying to do his best, and that is what has been recalled by all those who have so eloquently spoken of the late Senator Blais.

In passing, may I say that one of our colleagues in particular did a great deal to help Senator Blais before he died. I am talking about Senator Arthur Beaubien who looked after him like a brother and helped him in many ways. It was a gesture of good fellowship. It is a worthy example I am happy to mention, even at the risk of disclosing a secret.

Honourable senators, I join with all those who spoke before me to extend my wife's deepest condolences and mine to Mrs. Blais, widow of the late senator, and to his daughter, in their sad bereavement.

(Text):

Hon. T. A. Crerar: Honourable senators, as a representative of the vast prairie country in which Dr. Blais spent the greater part of his life and service, I wish briefly to pay tribute to his memory. The late Dr. Blais belonged to a generation that has gone; he was a friend of Sir Wilfrid Laurier, and Sir Wilfrid died more than 45 years ago. Our late colleague was among the first to enlist in the medical service during the World War of 1914-1918, and he distinguished himself, as the leader on this side of the house (Hon. Mr. Connolly, Ottawa West) so eloquently pointed out in his remarks. He ended his career in the service as a lieutenant-colonel in charge of a clearing station where the men broken in battle were first treated and looked after. That was one of the most honourable posts in which a medical officer could serve.

Senator Blais was a man of great charm. He belonged to a generation that valued highly grace, charm and courtesy and all those amenities that mean so much in life. He was a distinguished surgeon. I recall an occasion 40 years ago in Alberta when his name was mentioned to me as that of the leading surgeon at that time in the City of Edmonton.

He served in the war. He served humanity in his profession. He was a fine and honourable citizen who in his way admirably served his country. We can all agree that his passing leaves us a little bit poorer than we were.

DOCUMENTS TABLED

Hon. John J. Connolly tabled:

Consolidated Index and Table of Statutory Orders and Regulations published in the *Canada Gazette*, Part II, for the period January 1, 1955 to September 30, 1964. (English and French texts).

Statements showing Classification of Loans and Deposit Liabilities in Canadian Currency of the Chartered Banks of Canada as at September 30, 1964, pursuant to section 119(1) of the Bank Act, chapter 48, Statutes of 1953-54. (English and French texts).

Report on the Quinquennial Actuarial Examination on the state of the Superannuation Account in the Consolidated Revenue Fund as at December 31, 1962, pursuant to Part I of the Public Service Superannuation Act, section 33, chapter 47, Statutes of Canada, 1952-53. (English and French texts).

Report on the Quinquennial Actuarial Examination on the state of the Regular Forces Death Benefit Account in the Consolidated Revenue Fund as at December 31, 1960, pursuant to Part II of the Public Service Superannuation Act, section 48, chapter 64, Statutes of Canada, 1953-54. (English and French texts).

Report on the Quinquennial Actuarial Examination on the state of the Public Service Death Benefit Account in the Consolidated Revenue Fund as at December 31, 1962, pursuant to Part II of the Public Service Superannuation Act, section 48, chapter 64, Statutes of Canada, 1953-54. (English and French texts).

Canada Pension Plan Actuarial Report, dated November 6, 1964. (English text).

Statutory Orders and Regulations published in the *Canada Gazette*, Part II, of Wednesday, November 11, 1964, pursuant to section 7 of the Regulations Act, chapter 235, R.S.C., 1952. (English and French texts).

Communiqué issued following a meeting of military experts to consider the technical aspects of United Nations peacekeeping operations, held at Ottawa, November 2-6, 1964. (English and French texts).

MONUMENTS ON PARLIAMENT HILL

INQUIRY RE SUGGESTED UNVEILING

On the Order for Notices of Inquiries:

Hon. Jean-François Pouliot: Honourable senators, the question that I am about to ask is not for an immediate answer. I shall be satisfied if I receive an answer next week. I referred to the subject matter of my question earlier in the session. It is a public matter, and is known by all. My inquiry concerns the Baldwin-Lafontaine monument on this hill, which has been standing, exposed to all the elements—rain, snow, hail, wind and storm—for 50 years. This year is the 100th anniversary of the death of Louis Hippolyte Lafontaine, who was a prime minister of Canada and a chief justice of King's Bench in the Province of Quebec.

My question is this: Will that monument be unveiled by a person of note—the Governor General, or the Chief Justice of the Supreme Court of Canada, or the Speaker of the Senate, or the Speaker of the House of Commons—before the end of the centennial year of the death of Lafontaine? If the Government waits until 1965 to unveil that monument, people will ask, why have they waited so long to do something that should have been done 50 years ago?

REPUBLIC OF CHILE

REPORT ON INAUGURATON OF PRESIDENT

On the Orders of the Day:

Hon. John J. Connolly: Honourable senators, before the Orders of the Day are called, and in view of the fact that at the time of the last sitting of the Senate I was not present, perhaps I should take this occasion to explain my absence. As honourable senators know, I have been in South America, representing the Government of Canada at two functions.

My first mission was in Chile. In the September elections the Christian Democrats of that country won a rather overwhelming victory, and Eduardo Frei assumed office as president of the Republic of Chile on November 3. It is fair to say, I think, that generally throughout the Americas, and generally too in the Western world, President Frei's victory is regarded as most significant.

The election was orderly. It was thoroughly democratic, and the transition from the old to the new regime was carried out with dignity and smoothness.

President Frei received some 56 per cent of the popular vote. In this election the vote of women was counted separately, and it was overwhelmingly on the side of Frei.

Frei's chief opponent in the election was Alliende, the leader of the Socialist-Marxist coalition. The principles upon which Frei's party are founded are democratic, and while they are basically Christian they have no denominational slant or aspect. They are opposed on the left to extreme socialism and communism, both of which are factors in the

political life of Latin America. They are opposed on the right to harsh materialistic capitalism, which too has been a factor in their social structure.

Some 60 countries, from the Americas, Europe, Asia, Africa and Australia, were represented at this inauguration. Canadians were seated alongside the delegation from the United States, and this provided me with many opportunities to talk with the very distinguished leader of the United States group, Mr. Adlai Stevenson. I may say that our talk was especially interesting on November 4, the day after the election in the United States. I cannot help but think that if the same circumstances had prevailed at other times Mr. Stevenson might well have been "Mr. President."

Lord Shackleton was the head of the delegation from the United Kingdom. He is the Minister of State for Air in the Wilson Government. Many honourable senators have known him—Senator Aseltine, particularly—at meetings of NATO parliamentarians, where he played a prominent part at all times. He is a famous son of a famous Antarctic explorer, and there was a special interest among Chileans in him because of the collaboration given his father by Chile in years gone by. I may say that Lord Shackleton showed more than ordinary interest in the current parliamentary process in Canada, particularly that in the House of Commons, but I would like to assure honourable senators that in our discussions I was as objective and non-partisan as I possibly could be.

Hon. Mr. McCutcheon: You are not placing that on very high ground.

Hon. Mr. Connolly (Ottawa West): It was on very high ground, senator.

Chile's liberator and her national hero is Bernardo O'Higgins, whose career, including an early retirement after his work was completed, continues to inspire them. On his monument is inscribed one of his sayings: Vivir con honor o morir con gloria, which means: Live with honour or die gloriously. I was rather proud to stand with Mr. Kelly, the Australian representative, at the O'Higgins monument when a wreath was placed there on behalf of all foreign missions. Mr. Kelly and I agreed it was another great day for the Irish.

France too sent a special delegation under the leadership of M. Jacquinot, one of her Ministers of State, who has quite recently been in Canada.

I need say little of the ceremony of the inauguration in the National Assembly. President Frei and the members of his cabinet were all sworn in by the President of the Chilean Senate. The occasion was both impressive and informal. The retiring President Alessandri and his cabinet were roundly applauded by the crowded galleries when they entered the chamber. Alessandri was a respected president. I think Chileans believe that nothing became his occupation of the office like the dignity of his leaving it. Alessandri was president for six years. He was an independent. The new regime was welcomed with an enthusiasm which approached a din. The contagion of these high spirits carried out onto the crowded streets and into office buildings.

Everyone at the inauguration then proceeded on foot to the 400-year-old cathedral where the most distinguished and progressive Cardinal de Silva Enriquez presided at a Te Deum ceremony in the high Christian tradition.

The City of Santiago that day had the air of a Roman holiday. I rode with the Canadian Ambassador, Mr. Bernard Summers, who comes from Newfoundland. As we moved along, and as the people realized we were from Canada because the flag was on the front of the car, through many successive blocks, they crowded the car, which was travelling at about three miles an hour, calling "Canada, Canada" and cheering. They wanted not only to shake hands, but they lifted the little children so that they too could shake hands. Honourable senators, to say that this was a moving experience is to put it in a very low key.

I watched the reception given the new president at a military review one beautiful afternoon. I saw him on television as he received his party supporters from all parts of Chile on the night of the inaugural. It was most impressive. I was privileged to have a private talk with him in his office before I left Santiago. While he has never been to Canada, he knows many Canadians and he, like so many other Chileans, is most friendly to the people of this country. He expressed the hope that, as years go by, Canada would take a greater part in Latin American affairs. He said that, with our practical experience in industry, in economics and in world affairs, he thought we could have a profound influence for good in matters affecting all the Americas. Mr. Frei is a young, intelligent, well-informed man devoted to his country and to its people. He impresses one with his sincerity as well as with his friendliness. He holds out great promise for the future of Chile and probably too for leadership in Latin American affairs.

I talked to many Chileans—retired ministers, new ministers, professional people, businessmen—but I should like to refer especially to one. He is Señor Horacio Walker Larrain, a distinguished lawyer, a former foreign minister, a former member of the National Congress, and one of the founders of the

Christian Democratic Party in Chile. He spoke warmly of President Frei, of the men around him, of their struggle, of their capacity and of their ultimate success. I think it fair to say also that responsible people throughout Chile feel greatly relieved that Frei and his Christian Democratic Party were ready and able to win office at this critical time in the life of that country. I think, too, that many Chileans are somewhat surprised that the movement should have achieved success so quickly. They are both pleased and relieved that the needed party organization was available when quite obviously a strong subversive apparatus was in being.

Honourable senators, modern Chileans face many problems. In this they are not unique. Education is perhaps first and with it can come orderly social and economic progress, even more than they have it to date. A fine new start has been made. The desire is there and the ideas are there. Probably there will be mistakes. However, there is no question of the value of the goal they have set themselves.

At this time of year Chile is a delightful place. It is spring. The green in the Santiago Valley is refreshing. The fields and the vineyards are alive. The trees and the shrubs are in bloom. The people are friendly. Their music, their singing, their dancing, the colours of their folk costumes and customs, all impress visitors most favourably.

Honourable senators, may I say also how proud we can be of the Canadian representation in Santiago. I have already mentioned Mr. Bernard Summers, the Ambassador. I must also refer to Mr. J. Y. Grenon, Mr. Z. W. Burianyk, Mr. R. E. Gravel and Mr. Maurice Hendrick. What they did for Mrs. Connolly and myself, and what their wives did, made a very strenuous program a great delight.

I should like also to have on the record of this house the fact that I am most indebted to two Chileans whom the government put at my disposal to help me carry out the program, a rather strenuous one, which they set out. One was Señor Clemente Perez Zanartu, a distinguished lawyer of Santiago, a personal friend of the new president and one of the men who had much to do with the success of the Christian Democratic Party in the election.

I would also like to thank Señor Francisco Ignacio Ossa, a secretary in the Department of External Affairs of his country, who will go a long way, I am sure, in the foreign affairs of Chile.

Honourable senators, I was also invited to address a meeting of the Inter-American Conference of Business Executives in Lima, Peru. This meeting was opened by the Honourable Fernando Belaunde Terry, Constitutional President of the Republic of Peru. President Belaunde spoke with a deep knowledge of conditions in his country, with a deep love and an intimate knowledge of the people of his country. He was one of the most impressive people I met when I was away.

On the day I spoke, I was preceded by a former President of Peru, Señor Bustamante, who is now a member of the World Court at The Hague. Señor Bustamante made a speech in which he talked about important developments to be expected in the field of international law, as a result of the development of the idea of the Common Market in Europe and of the two other trade areas set up in Latin America, in which they are all interested. He was talking to business executives from the Americas and he received a very attractive hearing. Most of the 400 people at the meeting, although speaking Spanish as their first language, did me the compliment of listening to the English rather than using the ear phones. Perhaps this explains why they all said very politely that I made a good speech.

I should report also that I had a very warm interview with the Peruvian Minister of External Affairs, with the President of the Chamber of Deputies and especially with the President of the Senate. He invited me to address the Senate from the floor of their chamber. I need not say how honoured I felt on behalf of this chamber. I regret, however, that because I had an engagement to see the President of the Republic, I could not do this. However, I was rather amused, if I may interject this, at the fact that one of their problems in the Senate in Peru is to make sure that at all times they have a quorum for the transaction of business.

The President of Peru is a true friend of Canada. The Ambassador arranged for a five-minute interview for me, but the President protracted this to over a half hour. He asked many searching questions about this country. The dynamic society of Latin America is bound to be of increasing importance in the Western World. The total population of Latin America is now more than 200 million. This is about the same as the combined populations of Canada and the United States. I am informed that projections to the end of this century indicate that then Latin America may have a population of 600 million, while the population of North America may not exceed 300 million at that time. This tremendous increase will present problems not only for Latin America but for the world at large, particularly for the West at large. Great economic growth will undoubtedly result but social and economic problems will also flow from this great increase in the numbers of

people. In the light of these facts, when the late President Kennedy stated that he regarded Latin America as the most critical area in the world, I think he was right.

Canada's trade with the area in 1963 was valued at about $650 million. More than two-thirds of this represents Canadian purchases from the region. A very large part of our imports from South America, of course, is made up of petroleum products originating in Venezuela. The sad fact is that only four or five per cent of Canada's world trade is with the countries of Latin America, and Canada is the fourth largest trading nation in the world.

Without repeating all the matters I mentioned in my speech, I told my audience in Lima that day that we too have watched with interest the "development of the Latin American Free Trade Association and the Central American Common Market. Both have been patterned on the concept of the European Common Market. They are bold and progressive steps. We wish you well with them," I said, "because we believe they can do much to strengthen economies, open new markets, develop efficiency of production and raise standards of living." But I added, "We would hope, however, that these associations would look outward, as well as inward, as indeed we hope the European Common Market will do. Otherwise they can defeat their purpose."

I also added that I hoped my coming to the meeting would perhaps be another small token of the interest Canada has in the development of Latin America. I said that we would like to be associated with them as they move forward, as their economies expand, as their population grows, and as their countries become greater—because they are dynamic countries which are becoming greater.

Honourable senators, there is another matter to which I would especially like to refer. Outside of Peru, there is a settlement called Pampa de Comas. This is a mission operated by the Oblate Fathers. It is under the direction of Father Birch in Ottawa. The Director on the site is Father Godin. There are a couple of hundred thousand Peruvian people living in this settlement. They have come out of the hills, attracted by job opportunities in Lima. They live in adobe huts without sanitation, water or power. The land is very dry.

The mission runs a chapel, school, a trade school, and clinic. There may be some 30 Canadians. Some are priests, some nuns, some lay brothers teaching in the school; but there are quite a number of laymen and laywomen. There are German technicians, a few American nurses, a few Peruvian doctors, and they are training Peruvians to carry on the social service work there, providing for this extremely destitute community on the outskirts of Lima. In addition to the drugs the get from Canadian sources free for their clinic, they have to spend, in these most discouraging circumstances, about $800 each month on pharmaceuticals alone.

Honourable senators, I consider this work to be of an heroic character. These people give two, three or four years of their lives to it, because the Peruvians have not the trained people to do the work. Most of these Canadians are French-speaking from the Province of Quebec, and receive extremely low pay for what they do.

It seems to me—I could not help think at the time, and have thought so since—that as we in Canada plan our external aid, we might give serious consideration to establishing even a minor program of help for projects of this kind. It is technical aid in the very real sense, and it is urgently needed.

When I was in Santiago the ambassador there held a reception, to which some 60 Canadians working in Chile were invited. As was the case in Peru, some of them were clerics, but many of them were laymen and laywomen. They, too, are working in the field of social service, and they are rendering this service for low salaries, and have done so for a number of years.

As I have said, this is technical aid, voluntarily provided to countries which need this kind of assistance. They are teachers, social workers and scientists of various kinds. I believe that the image of Canada is higher in each of these countries because of the work these people do.

In many of the places I visited representatives of the press came to see me. Invariably, they asked whether Canada was considering joining the Organization of American States, and in every case I replied that Canadian membership is likely to come in time, if it is desired by the other members. However, if it comes, Canadian public opinion must be more conscious than it now is of conditions in Latin America and of the extent of Canadian interests in that region. I went on to emphasize, however, that even if Canada is not now a member of O.A.S., this fact does not prevent the development of closer ties between Canada and these countries—ties of an economic, a political and of a cultural character. Already they are developing. A good foundation, even if it is modest, is now being laid, and the prospects for the future are promising. It will not only be for the Government, but for the business community as well and for people engaged in cultural activities of all kinds, to develop initiative in this respect.

In conclusion, may I pay a very special tribute to the Ambassador of Canada in Lima,

Mr. Freiman Tovell—perhaps many honourable senators know him—and his very attractive and able wife. I should like also to say how much their planning added to my visit to Peru. Mr. Tovell is in charge of a fine staff which includes Mr. G. Choquette, from Quebec City, and Mr. D. J. McEachran, from Vancouver.

Finally, perhaps I should add that on the same day that I left Santiago I played golf, and badly, because I was tired, for the schedule had been trying. I played on one of the most beautiful courses I have ever seen, and one which reminded me very much of the course at Banff, under the shade of the Rockies. This one was under the shade of the Andes.

On the Sunday afternoon, I had the pleasure of witnessing six most interesting bull fights in the ring at Lima. The following Saturday afternoon I attended one of the most exciting Canadian football games I have ever seen. It was an athletic weekend to wind up an extremely interesting trip.

BUSINESS OF THE SENATE

Hon. Mr. Brooks: Honourable senators, before the honourable leader moves the adjournment of the house, could he give us some idea of the business this chamber will be required to deal with for the next few days or weeks?

Before the honourable leader replies, I should like to congratulate him on the comprehensive and interesting report of his trip to South America. Before he left for South America, I had already stated that Canada would be well represented there. After listening to his report today, one needs no further proof of that fact.

May I also take this opportunity—I do not feel it is out of place for me to do it now—to congratulate the new member of the Senate, Senator Aird. I have not had the opportunity of meeting Senator Aird, but I am sure he will enjoy the Senate, the companionship that he will find here, and that he will make a great contribution to the deliberations of this chamber. I wish heartily to congratulate him on his appointment.

Now, if the honourable Leader of the Government will tell us what the business is for the next few days or the next week, we shall be grateful.

Hon. John J. Connolly: Honourable senators, tomorrow we shall debate second reading of the bill respecting redistribution. If the debate is concluded tomorrow and the bill passes, we could have royal assent tomorrow evening.

Tomorrow the Senate will be receiving a report from the Standing Committee on Banking and Commerce in respect of the Companies Act amendments. It is not proposed to debate this tomorrow. I do not know whether the chairman of the committee intends to give any explanation tomorrow; I gather not.

The proposal then would be that we reassemble probably on Tuesday evening to deal with the amendments to the Companies Act, and the following day consider the private bills that are now before the Standing Committee on Banking and Commerce. If these matters are dealt with by the middle of next week we may then adjourn because I understand the other place will be dealing with the Estimates for some considerable time. However, may I enter a caveat and say that I am advised this is the program, but it is subject to change, just as the Senate when it is adjourned is always subject to recall.

Hon. Mr. Brooks: May I ask what private bills are to be considered by the Banking and Commerce Committee?

Hon. Mr. Connolly (Ottawa West): I would say any bills that have already been referred to the committee—I understand there are three or four.

Hon. Mr. Brooks: What are they?

Hon. Mr. Hayden: There is the bill respecting actuaries, the bill to incorporate Settlers Savings and Mortgage Corporation—

Hon. Mr. Brooks: Will the bill to incorporate the Bank of British Columbia be under consideration?

Hon. Mr. Hayden: There are three on the list for hearing.

Hon. Mr. Croll: What bills are before the Banking and Commerce Committee for hearing?

Hon. Mr. Hayden: The bill to incorporate Canadian Institute of Actuaries, the bill to incorporate Settlers Savings and Mortgage Corporation, the bill to incorporate the Royal College of Dentists of Canada, and the bill to incorporate the Bank of British Columbia.

Hon. Mr. Connolly (Ottawa West): Senator Hugessen also reminds me that there are two bills before the Standing Committee on Transport and Communications, and notices will be going out for the meeting of that committee as well.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, November 19, 1964

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

Prayers.

CANADA PENSION PLAN BILL

JOINT COMMITTEE—COMMONS MEMBERS

The Hon. the Speaker informed the Senate that the following message had been received from the House of Commons:

> Ordered: That the Members of the House of Commons on the Joint Committee of the Senate and the House of Commons to consider Bill C-136, approved November 16, 1964, be Messrs. Aiken, Basford, Cameron (High Park), Cantelon, Cashin, Chatterton, Cote (Longueuil), Francis, Gray, Gundlock, Klein, Knowles, Laverdiere, Lloyd, Macaluso, McCutcheon, Monteith, Moreau, Munro, Olson, Paul, Perron, Rheaume and Scott.
>
> Ordered: That a Message be sent to the Senate to acquaint their Honours thereof.

Ordered, that the message do lie on the Table.

DOCUMENT TABLED

Hon. John J. Connolly tabled:

> Report on Activities under the Prairie Farm Assistance Act for the Crop Year 1963-64, pursuant to section 12 of the said act, chapter 213, R.S.C., 1952. (English and French texts).

TRANSPORT AND COMMUNICATIONS COMMITTEE

NOTICE OF MEETING

Hon. A. K. Hugessen: Honourable senators, before petitions are presented may I be allowed to say a word with respect to the notice of meetings of committees which appears on the last page of our Order Paper?

We had convened a meeting of the committee on Transport and Communications to sit on Thursday next to consider two bills of relatively minor importance, Bill S-43 respecting Canadian-Montana Pipe Line Company, and Bill S-47 respecting The Burrard Inlet Tunnel and Bridge Company. The meeting was arranged for next Thursday on the assumption that the Senate would be sitting at that time. However, I understand now that that is not to be the case, and arrangements have been made to hold a meeting of the committee tomorrow morning at 10.30, in lieu of the original time and date. The sponsors have been advised, and have informed us that they will be ready and willing to proceed tomorrow morning. Perhaps honourable senators who are members of the committee would be good enough to accept this as notice of the meeting.

Hon. Mr. Brooks: There will be no inconvenience on the part of anybody?

Hon. Mr. Hugessen: No. I made sure the sponsors were advised as early as possible and they said they would be here in support of their bills.

COMPANIES ACT

BILL TO AMEND—REPORT OF COMMITTEE

Hon. T. D'Arcy Leonard, for Hon. Mr. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill S-22, to amend the Companies Act, and had directed that the bill be reported with certain amendments.

For text of report see appendix, p. 1091-7.

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

Hon. Mr. Leonard: I move that the report be placed on the Orders of the Day for consideration on Tuesday next.

Motion agreed to.

DIVORCE

REPORTS OF COMMITTEE PRESENTED

Hon. F. W. Gershaw, for Hon. Mr. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 579 to 608, inclusive, and moved that the said reports be taken into consideration at the next sitting.

Motion agreed to.

CANADIAN NATIONAL RAIWAYS

PASSENGER SERVICE AT RIVIERE DU LOUP —INQUIRY

Hon. Jean-François Pouliot: Honourable senators, I have a few questions to ask, and they are written in French. I shall explain what they are about. This book that I am holding represents the station at Riviere du Loup, and to give you an idea of where the train stops, I shall say it would be in the anteroom of the Senate. Passengers who come to the station have to walk one-third of a mile in order to board their train.

Instead of stopping the train in front of the station, then disconnecting the engine to take oil at the tanks and connecting it afterwards, they take the whole train far away

from the station. There are poor women with children, with parcels and luggage, who have to walk such a long distance. This is an absurd situation, and the question I ask is this:

(Translation):

> Why does the C.N.R. stop its passenger trains, at the scheduled time, a quarter of a mile west of the Rivière du Loup station?

(Text):

That is my first question, and it is easy to understand after the illustration I have given.

[*Later:*]

Hon. Mr. Choquette: Is the Rivière du Loup station the one you obtained after years of effort in the other place?

Hon. Mr. Pouliot: Well, I did not obtain a new station, but I had it repaired at such a cost that it was equivalent to the building of a new one.

Hon. Mr. Flynn: It provided more jobs.

Hon. Mr. Stambaugh: Honourable senators, I know that many people in the Province of Quebec think that we in the West get a lot better treatment than they get in Quebec. However, we have two beautiful trains running through the town where I live, the Supercontinental and the Panorama. We would be pleased if those trains would even stop within 200 yards, so that we would only have to walk to them. But they do not stop at all, and I have to go all the way to Edmonton, 75 miles, to get either one of them. I think the people of Quebec are treated just as well as we are, perhaps even better.

PUBLICITY RE "THE SCOTIAN"—INQUIRY

Hon. Jean-François Pouliot: My second question has to do with extending to the train known as the Scotian, which runs between Halifax and Montreal, the publicity given regarding the Champlain train between Montreal and Quebec.

For a time the Scotian was badly equipped —there was scarcely sleeping accommodation on it. Now it is a crack train, a beautiful train. However, it is for the most part empty because the people remember the bad service formerly on that train. It is now a very good train and needs to be publicized more often than I do it.

My question is this:

(Translation):

> Why does the C.N.R. not publicize the "Scotian" which runs between Halifax and Montreal, as much as the "Champlain" which runs between Quebec and Montreal?

(Text):

Hon. Mr. Stambaugh: What is your question, anyway?

Hon. Mr. Pouliot: It is this:

> Why does not the Canadian National publicize the Scotian, which runs between Halifax and Montreal, as much as the Champlain, which runs between Quebec and Montreal?

There is nothing that pleases me more than to oblige my colleagues, especially my neighbour.

CANADIAN BROADCASTING CORPORATION

PRONUNCIATION OF "NOËL" BY FRENCH ANNOUNCERS—INQUIRY

Hon. Jean-François Pouliot: I have another question about the C.B.C. It is written in French, but I will translate it for the benefit of my colleagues. It is a bilingual question—written in French and spoken in English. It is this:

> When will the management of the C.B.C. give definite instructions to its announcers and commentators, of French language, to follow the example of their English-speaking compatriots, to pronounce correctly the word "Noël"?

If I ask anyone of my English-speaking colleagues how the word "Noël" is pronounced, he will say "Noh-ell," and he will speak of "Noh-ell," the great feast of Christmas. But the commentators pronounce it "Na-hel". It is a French word which is correctly pronounced by all Englishmen, and always mispronounced in French over the C.B.C. and the other stations. I have complained about it in the Senate, but, like certain sermons, one has to repeat it. The first time I mentioned it there was an improvement of 50 per cent. I hope now it will be 100 per cent; and that Mr. Ouimet and all the members of the staff of C.B.C. who are very well paid, will not distort the French language when they speak of the great feast of Christmas, in French.

It is unfortunate, because there are many announcements for the Christmas sales, yet they speak of "vente Na-hel". It is silly—and they are so conceited and pretentious.

CANADA COUNCIL

NAME, DATE OF APPOINTMENT AND QUALIFICATIONS OF PRESIDENT —INQUIRY

Hon. Jean-François Pouliot: Honourable senators, I have two more questions, if you would permit me, and then I shall sit down. Shall I read this one in English?

Hon. Mr. Brooks: If you please.

An Hon. Senator: No, in French.

Hon. Mr. Pouliot: I am embarrassed. I may not read it at all, and you will be disappointed. Listen to this:

> What is the name of the president of the Canada Council and when was he appointed?

I will say it in French:

(Translation):

> 1. What is the name of the president of the Canada Council and when was he appointed?
>
> 2. Is he a man of letters? If so, what are the titles of his books, and where and when were they published?
>
> 3. Is he a painter? If so, in what city and when was his first exhibition held?
>
> 4. Is he a sculptor? If so, to what school does he belong and where are his works displayed?
>
> 5. Is he a musician? If so, what instrument does he play?
>
> 6. In what cities and when did he give concerts?
>
> 7. Does he make records and where can they be bought?

And I could add:

> And at what price?
>
> 8. Is he chartered accountant or an auditor? If so, what are his qualifications and where did he obtain them?
>
> 9. What was his business, or his job or profession at the time of his appointment?
>
> 10. If he was neither a man of letters, nor a painter, nor a sculptor, nor a musician, nor a chartered accountant, why was he appointed rather than an artist?

(Text):

CAPITAL PUNISHMENT

COMMUTATION OF DEATH SENTENCES —INQUIRY

Hon. Jean-François Pouliot: Honourable colleagues, now I must relate to you a very sad matter. Last week a tragedy occurred to a young family living in the lower part of a duplex dwelling in Quebec City. On this occasion the mother left her three months' old baby in the charge of the lady upstairs, whose husband was the master of a lioness cub which he kept as a pet. This, of course, was a careless thing for the mother to do, and the lioness mauled the baby so badly that the infant died. Afterwards, the lioness was treated as a vicious animal should be treated—a provincial policeman came and shot it.

Now I come to my question:

(Translation):

> Over the past ten years, how many death sentences have been commuted in the case of individuals found guilty of (a) murder, and (b) rape and murder, and on what date was each of those commutations decided?

I will not make any comments, but I am putting these questions on the order paper in the hope that the government will answer them in due course.

(Text):

ELECTORAL BOUNDARIES READJUSTMENT BILL

SECOND READING

Hon. C. G. Power moved the second reading of Bill C-72, to provide for the establishment of electoral boundaries commissions to report upon the readjustment of the representation of the provinces in the House of Commons and to provide for the readjustment of such representation in accordance therewith.

He said: Honourable senators, notwithstanding its long and somewhat involved title, this bill is a comparatively simple one. The aim and object of it is that Parliament dispense with the function, which since Confederation it has exercised, of allocating the boundaries of ridings within each province, and hand over to bodies of a less partisan nature the duty of making this redistribution. Generally speaking, I think this object meets with pretty general agreement and even with a substantial measure of acclaim.

Before going into the details of the sections of this bill, I would like to explain in a broad and general way how it is proposed to go about reaching this objective. It is proposed to constitute ten commissions, one for each province, which, after having been given the number of the population of the province, shall divide that population into the number of districts allotted to the province under section 51, of the British North America Act. Each commission will sit in the province to which it is allocated, will hear representations and, after its study has been completed, will draft a representation order which will in due course go to the Parliament of Canada, to the House of Commons, and be discussed there to ascertain whether there are any objections to it. After that it is to be returned to the commission, and a representation order is to be issued, followed by a proclamation which brings into force and effect the redistribution effected, after the Parliament during which time this work has been done has been dissolved. In a few words, that is what it is proposed to do under this bill.

To go to the sections of the bill, section 11 really provides for the beginning of the work. It says:

> As soon as possible after the completion of any decennial census, or—

And, this is the case at the present time, because we are dealing with the census of 1961.

> —in the case of the census taken in the year 1961 forthwith after the coming into force of this Act, the Dominion Statistician shall prepare and send to the Secretary of State and to the Representation Commissioner a return certified by him showing the population of Canada and of each of the provinces and the population of Canada by electoral districts...

As soon as possible thereafter the commission is set up. It is composed of four members, one of whom, in the case of each of the ten commissions, is the Representation Commissioner. The other commissioners are appointed in the following manner: one, the chairman, by the chief justice of the province from among the judges of the court over which he presides; and the other two by the Speaker of the House of Commons. Therefore, of the four commissioners, one is the Representation Commissioner *ex officio,* so to speak, on every commission, two are persons residing in the province concerned, appointed by the Speaker of the House of Commons, and one is a judge appointed by the chief justice of the province concerned.

Then, the commission having been set up, the Representation Commissioner computes or calculates the number of members of the House of Commons to be assigned to his province under the provisions of section 51 of the British North America Act; and the commission thereupon proceeds to do the work allocated to it.

Under the provisions of this bill each commission is to receive instructions as to the matters which it must take into consideration in dealing with the redistribution of ridings. First of all, they

> ...shall proceed on the basis that the population of each electoral district in the province... shall correspond as nearly as may be to the electoral quota for the province, that is to say, the quotient obtained by dividing the population of the province as ascertained by the census by the number of members of the House of Commons to be assigned to the province as calculated by the Representation Commissioner under section 12.

That is the first and essential principle.

Each commission may depart from the strict application of the rules by taking into consideration certain factors, such as, geographic considerations, including in particular the sparsity, density or relative rate of growth of population of various regions, the accessibility of such regions, and any special community or diversity of interests of the inhabitants of various regions of the province. It goes on to say:

> ...but in no case...shall the population of any electoral district in the province as a result thereof depart from the electoral quota for that province to a greater extent than twenty-five per cent more or twenty-five per cent less.

So, the tolerance established by this act is 25 per cent.

While I am on that point, perhaps it has not been generally understood by the public and, I think, by people connected with Parliament, that while discrepancy exists at the present time between rural and urban districts with respect to population and the number of voters on the lists, a discrepency also exists to a certain extent as between urban divisions themselves.

I have noted here, in order to show this, that in the Province of Ontario you have Bruce with an electoral population—that is to say, number of electors on the list—of 17,382, according to the 1963 general election. You have Wellington-Huron with 18,440 electors on the list. Then, as against that, in the same province, in the urban constituency of York-Scarborough you have 162,950 and in York Centre 106,741. Then we have Renfrew South with 19,760. However, at the moment I am looking for some of the Toronto ridings. There we have one riding, Trinity, with 26,543 as against York-Scarborough with 162,950. The point I wish to make is that there are vast discrepancies even between two urban constituencies.

In the Province of Quebec there are of course some very small rural constituencies, including Îles-de-la-Madeleine with a voting population of 5,684, and Kamouraska with 17,000. We have Lotbinière with 18,000 and then, even in the City of Quebec or the surrounding district we have the constituency of Quebec West with 33,000 and Quebec South with 36,000. Then we have Quebec-Montmorency, which is a suburban constituency with double the number of either of the two previous constituencies, namely 76,000. On the Island of Montreal, in the city—and I am not sure whether these are suburban or city constituencies—we have Cartier in the centre with 19,944, and Laval, which is more or less suburban rather than entirely urban with 112,822.

Hon. Mr. Denis: Are you speaking now of population or the number of electors?

Hon. Mr. Power: Voting population. We have St. Ann in the city with 19,601 and we have Mercier with 120,083.

So, honourable senators, you will see that the discrepancy is not entirely as between urban and rural constituencies. Even within

urban constituencies there are discrepencies, but not perhaps to the same extent. Nevertheless there are large discrepancies.

The commission may hold as many sittings as they deem desirable, but they must have at least one public hearing at which persons who have objections may attend and set them forth. This hearing must be advertised in the *Canada Gazette* and in the press. A person wishing to make a complaint must give a certain number of days' notice to the commission that he or she will appear and make representations.

Each commission shall complete its report not later than a year after the receipt by the chairman of the copy of the return of the last census. When the report has been completed a draft representation order is forwarded to the Speaker of the House of Commons, and if 10 members of that house, irrespective of the provinces from which they come, file objections with the Speaker the matter is then debated in that house and the representations, objections, and the discussions in the House of Commons are forwarded to the representation commission in question. That representation commission deals with these representations and objections and in due course, when they have been dealt with, a final representation order is made by the commission in question and forwarded to the Secretary of State, who issues the proclamation bringing the representation order into effect. As I said, this is to take effect after dissolution of the Parliament during which the work has been done.

Those are the essential points of this bill which I commend to your consideration.

Hon. Mr. Flynn: May I ask a question of honourable Senator Power? First, with regard to the appointment of the commissions, in clause 6 it is stated that the chairman shall be appointed by the chief justice of the province. I am not entirely clear on that. For instance, in Quebec should it be the Chief Justice of the Appeal Court or the Chief Justice of the Superior Court?

Hon. Mr. Power: I am not clear on that either.

Hon. Mr. Flynn: My second question is with reference to paragraph (b) of clause 13. I would have liked the honourable senator to comment upon the principle or the rule which is inserted there and which would indicate that dual ridings may be continued in the existing two cases, but not otherwise. I was wondering whether this is a sound principle. If it is good it should be extended to other places and if it is not good it should be abolished.

Hon. Mr. Power: I wonder if my honourable friend thinks it is for us to declare whether a principle contained in the bill, after an amendment had been proposed at the last moment, is good or bad. Does my honourable friend think it is part of my function as sponsor of the bill to comment on that? An amendment was made to the bill in the other place at the very last moment, whereby dual constituencies were permitted. I remember on one occasion when I was chairman of a redistribution committee of the other house we brought in a report doing away with dual constituencies. However, if I am not mistaken, it was my honourable friend Senator Isnor in the House of Commons who insisted that dual constituencies should be retained, and there was not very much objection to that. I think there are only two such ridings left, Halifax and Queens. Apparently the persons who are interested in these constituencies have reasons to believe that dual constituencies should continue.

Hon. Mr. Choquette: I see no mention in the bill of the Chief Electoral Officer.

Hon. Mr. Power: He is the Representation Commissioner.

Hon. Mr. Choquette: Will he play a role in this?

Hon. Mr. Power: Actually, Mr. Castonguay is both. As far as I know there is no reference in the bill to the Chief Electoral Officer as such.

Hon. Mr. Brooks: He is the Representation Commissioner.

Hon. Mr. Power: Actually, he is the Representation Commissioner, and if I remember correctly the act which constituted the Representation Commissioner made the Chief Electoral Officer, as such, the Representation Commissioner. I do not think it specifically named Mr. Castonguay. I think it stated that the person who was Chief Electoral Officer should automatically be the Representation Commissioner.

Hon. A. J. Brooks: Honourable senators, it is not my intention to comment to any great extent on this bill. There is not much to be said regarding Bill C-72. By that I do not mean that it is not important. Very much to the contrary, I consider this is one of the most important bills that we have had before Parliament in quite a number of years. It is important because it concerns everyone in Canada, dealing as it does with the matter of voting and the election of members of Parliament, which is a most important subject.

When I say there is not much to be said about this bill, I mean there is not much left to be said because it has been studied very carefully for a long time in the other place by the people who are most concerned, namely, the members of the House of Com-

mons. As we all know, the original bill has been changed. Compromises have been reached between the different parties, and there is now general agreement. This, I am sure, is a great accomplishment in respect of a measure of this kind. It was brought about by the determination on the part of all members of the House of Commons to produce as far as possible a redistribution bill that was as fair and nonpolitical as possible.

We shall have to wait, of course, to see how this legislation works out in practice, but the least we can say about it at present is that it makes a splendid start.

I congratulate Senator Power on his explanation of this bill. I know of no one better versed in matters of this kind. He has had the practical experience of running in more elections than anyone else in Parliament at the present time.

Hon. Mr. Connolly (Ottawa West): And, successfully.

Hon. Mr. Brooks: Yes, he has been very successful. He saw that there was proper distribution.

I remember when, in 1952, he had much to do with piloting the redistribution bill of that time through the House of Commons, and I was interested enough to look up the speech he made on March 13, 1952. At page 421 of the *Debates of the House of Commons* of that year he is reported as saying:

> . . . the suspicion exists in the public mind that those redistributions (in the past) had for their primary motive political advantage or personal political interests.

That is exactly what this bill is designed to prevent.

> It seems to me that the time has now come when the members of this house should endeavour to dissipate that suspicion that exists in the minds of the public.

I do not think the act passed in 1952 successfully achieved that purpose.

I found it very interesting to read on in Senator Power's speech of that time. On the same page I find these words:

> As my friends and associates from Quebec know well—

And I include those from other parts of Canada as well.

> —I have never been a white-plumed Sir Galahad constantly seeking the Holy Grail of electoral purity.

That is very beautiful language, and it is also true.

Hon. Mr. Powers: Thank you.

Hon. Mr. Brooks: I should like to give honourable senators a short history of this bill. At the outset I point out that there is no senator on this side of the house who opposes it. It is well known that Canada's Constitution states that after each national census representation in the House of Commons must be adjusted to compensate for shifts in the population, but this has not always, if ever, been done. The last census was taken in 1961. Thus, approximately three years have passed before Parliament is asked to give authority for the drawing up of new constituency boundaries. In the meantime we have had two federal elections based on the old distribution, and some even say that we may have a third before the electoral boundaries are readjusted.

In 1962 the previous Government introduced a redistribution bill, but that was withdrawn because the census figures were not available until June of 1962 and, as we know, there was a general election on June 10. The same Government introduced the bill again in 1963, but the general election of 1963 prevented new legislation. It was late in 1963 that the present Government introduced a redistribution bill, but that session ended without any action upon it. In March of 1964 the bill was introduced again, and debated for three days, but was then withdrawn by the Government until April. When the Prime Minister drew up his list of legislation having priority before the beginning of the flag debate, consideration of this bill was omitted. I might say that this surprised many members of Parliament and also the public in general, because this legislation was very important and urgent, and it was felt that it should have been dealt with at that time.

In April the bill was discussed for five or six days, and then we heard about it briefly again in September and October. The House of Commons began its consideration of it in earnest on November 10, and it is now before this house. Only after these weeks and months of procrastination are we finally considering it.

Some particular points in this bill have already been mentioned. The constituencies as drawn up after the 1951 census heavily favoured the rural vote. The honourable sponsor of the bill (Hon. Mr. Power) has pointed out that there were not only discrepancies between the rural and urban centres as such, but there were discrepancies —although I imagine comparatively few—in the urban constituencies as well. We all know that since the Second World War there has been a tremendous growth in the urban centres of this country. The population of cities such as Montreal, Toronto, Hamilton, Calgary and Vancouver has increased to a great extent. Many immigrants have come to this country since that time, most of whom have gone to the cities, and people who were

living in rural districts have moved into the cities. The farming population has been decreasing because fewer people are required on the farms. The result of all this is that the city constituencies have become overcrowded, and the population of the rural constituencies has become smaller and smaller.

The redistribution carried out by the Government of the Right Honourable Mr. St. Laurent, and previous redistributions, have never been satisfactory to both major parties because they were handled by politicians. As Senator Power said, the aim is to get this matter as far away from politics as possible.

It is generally conceded, I think, that Mr. Diefenbaker, when taking up the problem again in 1962, proposed a principle in this field which had genuine historical importance. That principle was that questions of redistribution should be taken out of political hands and placed in those of impartial people. This was his idea, and the idea contained in the legislation that he proposed. That principle still holds today, as is reflected in this bill.

In the past, the party in power, with its majority on the redistribution committee, could, and often did, juggle the constituency boundaries to suit its particular desires. This was not true of any one particular party; it was true, as we all know, of the different political parties at different times. Politicians are human, and the parties are made up of human beings.

This present bill was introduced in the House of Commons on March 2 of this year. Second reading was moved on March 9, and the bill was read the second time and sent to the committee on April 15. The report of the committee was made on Monday, November 16, and the Commons passed the bill.

When it was originally introduced the bill contained two important departures from the past which proved to be stumbling blocks preventing earlier passage in the House of Commons. First, the bill proposed that a latitude or tolerance of 20 per cent be allowed on each side of the average population of a constituency. The basic constituency population is 65,000, and a population of 70,000 is envisioned except for the Province of Prince Edward Island which has four ridings, each with an average population of approximately 26,000.

The Opposition party's stand on this point was a demand for a tolerance of one-third, or 33⅓ per cent. Honourable senators will recall that a compromise was agreed to by all parties, and the bill now provides for a tolerance of 25 per cent. I think this is very sound. Despite the fact that there are these very large city constituencies, the rural constituency is entitled to great consideration.

For instance, in my province, in the constituency of Charlotte, the people are interested in fishing, farming, forestry and such activities, relating to many departments of Government. These are matters in which the man living in the city has no particular interest. There is the matter of rural mails to be dealt with. The representatives of rural constituencies have to travel many miles to see their constituents, whereas a few blocks may contain all the members of a constituency in a city.

The bill also proposed that the work should be done by 10 independent commissions, with one for each province. There was reluctant but general agreement on this proposal, as opposed to the alternative suggestion of one committee for the whole country. A basic argument in favour of the Government's proposal was that 10 separate commissions would save time in doing the job. No doubt this is true and it will be particularly necessary at this time, where so much time has been lost in making the redistribution.

The original bill also provided that the Representation Commissioner should sit on each four-man commission. That would be the Chief Electoral Officer, as we know him at the present time. It proposed also that one of the other members of each committee should be a senior judge nominated by the provincial chief justice and that he would act as chairman. It also provided that the Prime Minister and the Leader of the Opposition each would appoint one man to each provincial commission. This was in the original bill but, as the sponsor of the present bill has pointed out, this point was changed in the bill we have before us now.

In the other place, the New Democratic Party moved an amendment, subsequently accepted by the Government, that would eliminate the proposed activity by the Prime Minister and the Leader of the Opposition, by putting the power of appointment in the hands of the provincial chief justice. The amendment did not come to a vote, however, until November 12, and it was defeated. In the interim, the Government and the official Opposition came to an agreement whereby the honourable Speaker of the house was given the responsibility of appointment as originally intended for the Prime Minister and the Leader of the Opposition. The final vote for appointment by the Speaker was carried 92 to 11. This seemed the best possible solution. It may not be an ideal one, but there is more to be said in favour of it than against it. Thus each group in each province would have the responsibility of redrawing their respective provincial constituencies.

Honourable senators, may I say here that this was the idea which the honourable Leader of the then Government had in 1962.

As explained by the sponsor of the bill, it provides two months for the establishment of the commission, a year in which they must do their work, 60 days in which to resolve doubts over their recommendations. This in all represents 14 months. Honourable senators will see that it will take a long time to effect this redistribution.

On the basis of 25 per cent tolerance, experts tell us that virtually every riding in Canada will be changed. We can see what a tremendous task lies ahead for party organizations, for candidates, and for others to adapt themselves to a totally different constituency map. Estimates of the time required to perform this task range from three months to six months. The latter period mentioned may seem close to a minimum.

The work of the commissions will not be completed, taking the present redistribution, until about mid-March 1966. When the political parties have completed their adaptation to the new boundaries, it will be mid-September 1966 before the country will be ready to hold an election based on this redistribution bill. If a general election is held before then, one wonders if the country will be receiving fair representation based on the population distribution of Canada as returned in the 1951 census and 1952 electoral map.

The bill reduces to a minimum the possible gerrymandering which has been mentioned several times, both by the sponsor of the bill and by myself. This is a most desirable improvement. There is, no doubt, a lack of enthusiasm among some members, not because gerrymandering is reduced to a minimum but because some members of the House of Commons see their constituencies absolutely disappearing under this new arrangement, and this would naturally make them quite disturbed and unhappy.

The sponsor of the bill has mentioned a glaring contrast in city populations. He mentioned the Magdalen Islands, as we call them, with a population of only 13,000, and compared that with York-Scarborough with 267,000 persons. Of course, when you look at populations, there is no comparison at all. We must remember that the Magdalens are little islands far out in the Gulf of St. Lawrence and they have many problems that York-Scarborough never dreamed of. Nevertheless, there is too much discrepancy and it will have to be changed.

Honourable senators, I have more notes here, but I shall not weary you by further comments. There has been general agreement on this bill by practically all members of the House of Commons. In this chamber, there is no objection on our side of the house. Furthermore, as far as I can see, there is no reason why this bill should be sent to a committee, in view of that general agreement.

Hon. Jacques Flynn: Honourable senators, I have very little to say because, as my Leader has already mentioned, practically everything has been said, if not here, at least in the other place.

We are in agreement with the three main principles involved in this bill, the first being to put an end to gerrymandering which has taken place in previous redistributions; the second, to keep for Parliament, and especially for the House of Commons, a certain control over this problem of redistribution; the third, to apply as far as feasible the principle of equal representation for every vote.

It is not the fault of any particular party or government if this bill is not passed until three years after the 1961 census has been completed, with the result that the new redistribution or the new electoral map will come into force only at the end of 1966. However, this may point to some weakness in our system. If another election should take place before the new electoral map comes into being, the consequence could be that the distribution based on the 1961 census would not serve during the 10 years between 1961 and 1971. In such a case the new electoral map could serve only for an election in 1971, right at a time when, in practice, we would be taking another census.

I am wondering, therefore, if some study should not be given to a method which would be more efficient and quicker. I have been wondering whether one year is not too long, and if we could not provide for a shorter delay than one year for each provincial commission to report. In fact, each commission will have all the elements to work with right from the beginning. There will be no delay, for everything has been prepared by the Bureau of Statistics and by the electoral commissioner. Some time could be saved in that way.

Honourable senators, I merely point out that under circumstances like this, which have prevailed since the end of the 1961 census, what we are proposing to do here may not have any practical result, and may really not serve the purpose before it is time to take another census and perhaps another electoral map.

I have already mentioned—and this is a question of detail—that section 6 of the bill does not make it clear who is going to appoint the chairman of each provincial commission, and the sponsor of the bill (Hon. Mr. Power) does not know.

Hon. Mr. Power: Although I know something of the difficulties which exist in Quebec with respect to the protocol about this matter,

it has been pointed out to me that there is really one Chief Justice of the Superior Court of Quebec, and one Chief Justice of the Appeal Court. I have never attempted to resolve the question of precedence as between the two, and I do not know that the act has done so, either.

Hon. Mr. Flynn: I do not know. I have not had the time to examine the acts which could settle the problem. However, there is no doubt that in Quebec the chief justice of the province usually has been considered as being the Chief Justice of the Appeal Court. He is called the chief justice of the province. My colleague will remember that usually he is the one who acts as the administrator of the province, because he is considered as the senior member of the judiciary.

Hon. Mr. Connolly (Ottawa West): I would think, for what the remark is worth, that the language in the statute is used by design, because I understand that the office in each province is designated in the words that are used in section 6. Perhaps that might resolve the problem.

Hon. Mr. Flynn: I suppose the designation of "chief justice" will be found in the Judicature Act.

Hon. Mr. Connolly (Ottawa West): I think the language is precise.

Hon. Mr. Flynn: The way it is expressed in this bill leaves it open to interpretation.

Finally, honourable senators, as I have said, I am not fully convinced of the purport of paragraph (b) of section 13. I have no personal opinion as to whether or not the system of dual ridings is good. It may be that in large cities dual ridings might be a good thing, but if such is the case, why restrict the power of the commissions to the only two existing ridings? Would it not be a good idea to ask the commissions to recommend—

Hon. Mr. Isnor: The commissions may recommend dual ridings, or otherwise, but not that they must do so.

Hon. Mr. Flynn: I am sorry, but I think if we read the wording of the bill correctly, it will be found that it applies only to the continuation of the two existing dual ridings. The provision applies only to the commission for Prince Edward Island and to the commission for Nova Scotia.

Paragraph (b) states:

> where, immediately before this Act was assented to, provision was made for any electoral district in the province to be represented by two members of the House of Commons, the commission may—

That applies only in these two cases. Therefore, if it were found to be a good thing to establish other dual ridings, commissions could not do it elsewhere than in Nova Scotia and Prince Edward Island, and only with respect to the continuation of the two presently existing dual ridings.

Those are two comments which I submit to the Senate, and possibly to the special attention of the Leader of the Government (Hon. Mr. Connolly, Ottawa West). I merely wish to say that we are all in agreement with the principles, and, as was said by my leader (Hon. Mr. Brooks), I thank the sponsor of the bill (Hon. Mr. Power) who certainly has shown his very wide experience in this field. He has explained the changes which would be brought into the system which has prevailed until now. A bill having the same principle was before the House of Commons in March 1962 and another early in 1963, sponsored by the former government, which shows clearly that we are all unanimous in wanting to apply definitely the principles of fairness which should govern the redistribution of our electoral ridings.

Hon. T. A. Crerar: Honourable senators, the first thing I wish to say is that we are indebted to Senator Power for a lucid explanation of this bill. Without any question, this measure is a march forward from the existing method of apportioning our federal constituencies, and a substantial step in advance of some of the methods which hitherto existed in arriving at constituency boundaries.

In the democratic system of representative government it is always open to us to make progress, and I think it is satisfying that as the years pass we appear to be arriving at sounder principles of establishing our federal constituencies.

There was a time in British history when they had what was known as the "rotten boroughs". The rotten borough was usually a territory that was under the control of some titled nobleman, and his selection for a candidate of Parliament at Westminster was always elected, or almost always. Occasionally his authority was challenged, but only occasionally. In this country we left the job to the Parliament of Canada. There have been occasions in the past, as I think Senator Power will agree, when both the old parties were tempted to indulge in unfair practices in drawing constituency boundaries, and they would endeavour to hive the supporters of one party, if possible, in one constituency, and leave it open to another one or two constituencies, perhaps, to be favoured by the opposite party. That, of course, is scarcely

in accord with our theory of free representative government.

The proposals in the bill now before us really afford, for the first time, I think, a good opportunity—perhaps not a perfect opportunity, but a very good one—to get away from that unsound practice.

There is one point only upon which I have any reservation, and that is in bringing the Speaker of the House of Commons into the matter of making appointments to these commissions.

The Speaker of the House of Commons, by long tradition—certainly in the Mother of Parliaments at Westminster, and we have been moving steadily toward it in this country—should be someone who is always above the party battles. It will be interesting to see how this works out, but I would regret very much indeed if the Speaker, with the best intentions in the world, became the object of criticism by any political party because of the appointments he had made to these various provincial commissions. That would be most regrettable. However, probably this is the only way out of the dilemma at the present time. I have no doubt that the Speaker, irrespective of what party he belongs to, will try to do a thorough job in regard to these appointments and that, as far as he can, he will get men who will approach their responsibility with the high purpose with which they should meet it.

There were two other points. The tolerance between constituencies is probably a sound basis. Certainly, Senator Power gave illustrations of the wide discrepancies that exist, not only between rural and urban but between urban constituencies as well, discrepancies that certainly call for remedial action. But how is the unit of representation arrived at?

Under our constitution, Quebec was given a fixed number of constituencies—that has been altered since—and the total population of the country was divided by that number of seats, which happened for years to be 65, so that the total population in Canada divided by 65 gave the unit of representation. Then, with that unit as a base, there were, of course, the wide tolerances that not infrequently but very frequently arose. So my first question is: How is the unit of representation arrived at?

Then there is a second matter, that if the unit of representation is, say for illustration, 40,000, how will that affect a province like Prince Edward Island? If that basis were strictly adhered to, Prince Edward Island would lose a seat. Is there a provision in this bill comparable to the old provision in the B.N.A. Act that the representation of a province in the House of Commons cannot drop below its representation in the Senate?

Hon. Mr. Power: Section 52 of the British North America Act says:

> The Number of Members of the House of Commons may be from Time to Time increased by the Parliament of Canada, provided the proportionate Representation of the Provinces prescribed by this Act is not thereby disturbed.

Section 51A says:

> Notwithstanding anything in this Act a province shall always be entitled to a number of members in the House of Commons not less than the number of senators representing such province.

Hon. Mr. Crerar: That answers my question. To sum up very briefly, I think this is a forward step. It may be experimental in some respects, but it is by the process of trial and error in matters of this kind that we ultimately reach perfection. As far as I am concerned, I am very glad to see that this progressive step has been taken in effecting the redistribution of our federal constituencies.

Hon. Walter M. Aseltine: Honourable senators, I am rather disturbed concerning the effect this bill might have on the representation from the Province of Saskatchewan. We now have 17 constituencies, many of which are very large. For example, in central Saskatchewan the Rosetown-Biggar constituency is 100 miles square. When redistribution takes place, and we are probably obliged to take in all of Kindersley in order to have the required population in that area to constitute a seat, the new constituency will be 150 miles long and 100 miles wide. In the northern part of Saskatchewan the constituencies extend as far as the 60th parallel of latitude. In some cases that is a distance of 200 miles.

Can the sponsor of the bill tell us exactly what is going to happen in a case of that kind, where the distances are so great? Will the geography of the country be taken into consideration?

Hon. Mr. Power: All I can do is quote section 13(c)(i) of the bill itself, which says that if

> special geographic considerations, including in particular the sparsity, density or relative rate of growth of population of various regions of the province, the accessibility of such regions or the size or shape thereof, appear to the commission to render such a departure necessary or desirable,

That is, from the general rule of equal representation—then the commission may depart from the strict application of the rules.

Hon. Mr. Aseltine: It appears such circumstances will be taken into consideration.

Hon. Mr. Power: Yes, by the commission.

Hon. Mr. Aseltine: In any event, I have read and heard it stated that in Saskatchewan we will lose—

Hon. Mr. Power: Three seats.

Hon. Mr. Aseltine: —under this new distribution at least four seats, which will bring the number of seats down to 14 or even 13.

Hon. Mr. Power: As far as I know, it is three seats, and that will reduce the number from 17 to 14.

Hon. Mr. Aseltine: We would lose three seats?

Hon. Mr. Power: Yes, you would lose three seats.

Hon. Mr. Burchill: May I ask the sponsor of the bill a question for the purpose of clarification? When the number of members to represent each province is established and this tolerance of 25 per cent as between the rural and urban constituencies comes into effect, does that mean the commission will have to keep within that 25 per cent in designating the boundaries of a constituency?

Hon. Mr. Power: Twenty-five per cent, up or down. I have not done the figuring myself, but I have figures taken from a newspaper that, for instance, in New Brunswick the highest maximum would be 74,000 and the minimum 44,000.

Hon. Mr. Burchill: And each constituency has to conform to that?

Hon. Mr. Power: Yes, exactly—within 25 per cent.

The Hon. the Speaker: I must inform honourable senators that if the honourable Senator Power speaks now it will have the effect of closing the debate.

Hon. C. G. Power: If I may be permitted at this time, perhaps with respect to the questions asked by my honourable friend and successor in the House of Commons, Senator Flynn—

Hon. Mr. Flynn: For a very short time!

Hon. Mr. Connolly (Ottawa West): We are all glad he followed you here.

Hon. Mr. Power: —perhaps I could simply say that I am just as embarrassed as I can be with respect to the Chief Justice of the Province of Quebec. I do not know the answer to that question.

With respect to the tolerances spoken of by my honourable friend Senator Crerar, he was a little doubtful about the nomination of the Speaker of the House of Commons to make the appointments. May I say generally as to this bill, that I do not think perfection was obtained. Nearly all the do-gooders, who are glad to get something they seem to like, played with it and did their darndest to make the bill so perfect it almost did not go through the House. So, like a good many others, I am satisfied that one has to put up with a slight amount of imperfection in order to get the general principle of the bill through. It is for that reason I support it very strongly.

With regard to the appointment of the two extra commissioners other than the Representation Commissioner and the judge, there was considerable discussion. Personally, I think I would have favoured the appointment of two politicians by the Leader of the Government and the Leader of the Opposition, because I firmly believe it is not a disgrace to be a politician. After reading the debates and the discussions in the newspapers about this, I began to feel as if I were almost a gangster or a goon, and that anybody who was in politics throughout his life was to be sneered at and condemned. In matters of this kind, which are purely political, I feel that the commissioners should not all be judges. In fact, one judge said to me yesterday, "An ordinary judge does not know anything about this business, and, if he does know anything about it, then he should not be a judge." In my view it would be far better that somebody who knows something of the feelings, the sentiments and the ideas of the people, and the interests involved in each constituency and each province, should be appointed. That is my own view, but I take it that the general opinion in the other place, arrived at perhaps by compromise, was that the Speaker of the House should appoint them. I am satisfied with this because it helped to get the bill through.

Now, if I may become garrulous in my old age and talk about something that has not much to do with all this but which may serve as an explanation: In 1882, when the first great gerrymander was brought about by Sir John Macdonald, I do not think the people of the country objected to it very much. They thought it was part of the game. Sir John was a great man and he did much for Canada, and the Grits who complained were only yelping at him and were not worthy to be listened to in matters of this kind. I think the people of the country felt that Sir John was a good Prime Minister and that he should stay there. If he took some devious way of staying there, then so much the better for him.

Hon. Mr. Brooks: Those were the good old days.

Hon. Mr. Power: It shows the tendency of the people. As time went on people began to think there should be some fairer play as between the political parties. The minority Grits' howling began to get stronger. As time

went on it was felt that the two parties should have a fair share of redistribution. When we came to the time of Sir Wilfrid himself, and afterwards Mackenzie King, this distribution had been shared between the parties, and as a result of the good feelings between the parties, Mr. Mackenzie King, in 1934 I think it was, and later on in the forties, had one of the smallest constituencies in Canada, the constituency of Glengarry which by all normal rules for constituencies should have been wiped out, or could very well have been covered or encompassed in some other constituency. But in the house it was Mr. John MacNicol, a leading Tory from Toronto, who moved that the constituency should be left untouched. That is an indication that the parties were agreed, by a kind of chivalrous argeement, to divide the constituencies among themselves.

As time went on the conviction grew throughout the country that redistributions were not for the benefit of the particular persons or parties, but for the electors. And so we have come to the point now where the general opinion in the country is that the electors must have a fair deal rather than any particularly popular leader or political party. The electors must have equal representation or the nearest thing to it.

I know my honourable friend, Senator O'Leary (Carleton), was at one time a candidate in the county of Gaspé which at that time contained within its boundaries the Madeleine Islands. I do not know whether during the course of his campaign he had time to go there, although it was an important part of the Gaspé constituency.

Over half a century ago, in 1912, I went to the Madeleine Islands in connection with a provincial by-election. Perhaps there has been a change since then, but at that time there was every reason for making it a separate constituency. It had no connection whatever with the Province of Quebec. Religiously—and they are very religious people there—the population was under the jurisdiction of the Archbishop of Charlottetown. They were miles away from anywhere. There were no airplanes at that time. You could not get there at all during the wintertime, as far as I know. Commercially, the Madeleine Islands belonged to Newfoundland years ago, and the property was owned by a British admiral and his descendants in Montreal. In trade, such as it was, importing was carried on from Halifax, and it was mostly liquor—and not very good liquor at that, as well I know. The export trade was with an American concern from Gloucester in the United States which purchased all the cod, lobster and herring. There was no sound reason why the Madeleine Islands should belong to Canada at all, as far as I know. Their interests were entirely different.

I also remember that at that time in Quebec we talked during the campaign about James Bay, and we might as well have talked about the Uganda railroad, as far as these people were concerned. There was a question of a Canadian navy, and most of the population of Quebec were against it. But these people, being surrounded by the sea, felt they would like nothing better than to get jobs in a navy.

I know that to two or three redistribution committees the Madeleine Islands posed a problem. They did not want to belong to Gaspé, and with all due respect to the "Madeleineos," Gaspé did not want them either. There was a suggestion that they should be joined to Bonaventure but that did not go. There was also a suggestion, because they had similar trading habits and interests to those of the people of the north shore of the St. Lawrence where many people were fishermen, that the islands should be joined to Saguenay, several hundred miles away. There was no geographical connection whatever but merely some similarity of interests.

It is very well to say there are great discrepancies, but where are you with a situation like the Madeleines? That is one of the problems which one of the commissions will have to settle, and frankly I would not like to have to do it.

Hon. Mr. Brooks: I would suggest that Prince Edward Island take them over.

Hon. Mr. Power: I remember before the war you could only get to the Madeleines by taking a Canadian National train to Pictou and then by boat to Prince Edward Island and to the Madeleines. Now you can get there by air.

As I said, this is one of the difficulties that will face this commission and one which it will have to settle satisfactorily. It is my hope that they will find some means of doing it to the satisfaction of some of the people.

Most of the questions that have been asked I cannot answer except by telling you a story about something else. I do not think I have anything further to say with respect to this bill, honourable senators, but I should like to point out for purposes of information only, that the Manitoba legislation dealing with the division of the province into electoral constituencies provided that that work was to be carried out by a commission composed of the Chief Justice of Manitoba, the President of the University of Manitoba and the Chief Electoral Officer of the province. The report of that commission, except for one single exception, was adopted, and received general acclaim. I mention this to indicate that this sort of thing has been done, and successfully done, at least once in Canada.

I recommend again this bill for the approval of this house.

Motion agreed to and bill read second time.

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

Hon. Mr. Connolly (Ottawa West) moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

The Senate adjourned until tomorrow at 3 p.m.

APPENDIX

(*See Page 1078.*)

COMPANIES ACT

REPORT OF COMMITTEE

Thursday, November 19, 1964

The Standing Committee on Banking and Commerce to which was referred the Bill S-22, intituled: "An Act to amend the Companies Act", has in obedience to the order of reference of May 20, 1964, examined the said bill and now reports the same with the following amendments:

1. Page 1: Clause 3 is amended by adding thereto after sub-clause (2) the following:

"(3) Section 3 of the said Act is further amended by inserting immediately after paragraph (i) thereof the following:

'(ia) "officer" means president, chairman of the board of directors, vice-president, secretary, assistant secretary, treasurer, assistant treasurer, or any other person designated an officer by by-law or by a resolution of the directors.'

(4) Section 3 of the said Act is further amended by deleting from paragraph (n) thereof the following:

', a subscriber to the memorandum of agreement.' "

2. Page 2: Strike out subclause (2) of clause 5 and substitute therefor the following:

"(2) Subsection (3) of section 5 of the said Act is repealed and the following substituted therefor:

'(3) Nothing in this Part shall be construed to authorize the company to issue any promissory note intended to be circulated as money or as the note of a bank or to engage in the business of banking or insurance.' "

"(3) Subsection (4) of section 5 of the said Act is repealed and the following substituted therefor:

'(4) Where a company

(a) carries on a business that is not within the scope of the objects set forth in its letters patent or supplementary letters patent,

(b) exercises or professes to exercise any powers that are not truly ancillary or reasonably incidental to the objects set forth in its letters patent or supplementary letters patent,

(c) exercises or professes to exercise any powers expressly excluded by its letters patent or supplementary letters patent,

the company is liable to be wound up and dissolved under the Winding-up Act upon the application of the Attorney General of Canada to a court of competent jurisdiction for an order that the company be wound up under that Act, which application may be made upon receipt by the Attorney General of Canada of a certificate of the Secretary of State setting forth his opinion that any of the circumstances described in paragraphs (a) to (c) apply to that company.

(5) In any application to the court under subsection (4) the court shall determine whether the costs of the winding up shall be borne by the company or personally by any or all of the directors of the company who knowingly and wilfully were responsible for the noncompliance with the requirements outlined in subsection (4) above.' "

3. Page 6, line 6: Immediately after "may" insert ", with the consent of such applicants or their authorized representative or agent,".

4. Page 6, line 10: Immediately after "patent" insert "or supplementary letters patent".

5. Page 6, line 12: Immediately after "patent" insert "or supplementary letters patent".

6. Page 6, line 15: Immediately after "patent" insert "or supplementary letters patent".

7. Page 6, line 17: Immediately after "patent" insert "or supplementary letters patent".

8. Pages 6 to 8: Strike out clause 10 and substitute therefor the following:

"10. (1) Subsection (1) of section 12 of the said Act is repealed and the following substituted therefor:

'12. (1) The letters patent or supplementary letters patent of a company may provide for shares of more than one class and for any preferred, deferred or other special rights, restrictions, conditions or limitations attaching to any class of shares: Provided that such letters patent or supplementary letters patent shall not provide for shares subject to redemption or purchase for cancellation out of capital unless they are preferred shares having a par value and the price at which such redemption or purchase for cancellation may take place is not more than the par value of the shares plus a premium of not more than twenty per cent of such par value; and provided further that no such redemption or purchase for cancellation shall take place when the company is insolvent or when such redemption or purchase for cancellation would render it insolvent. If any class of shares has attached thereto preferred rights as to dividend, the letters patent or supplementary letters patent may authorize the issuance, from time to time, in one or more series, of the shares of any such class, and may authorize the directors to fix, from time to time before issuance, the designation, special rights, restrictions, conditions or

limitations attaching to the shares of each series of such class."

(2) Subsection (6) of section 12 of the said Act is repealed and the following substituted therefor:

'(6) All or any part of the authorized capital of a company, except shares having priority as to capital or being subject to redemption or purchases for cancellation, may consist of shares without nominal or par value.'

9. Page 8: Strike out clause 11 and substitute therefor the following:

"11. The said Act is further amended by adding, immediately after section 12 thereof the following:

'12A. (1) In this Act "mutual fund share" means a participating interest in a fund administered by a company, with conditions attaching to the said interest which include a condition providing for the acceptance for surrender thereof by the company on the demand of the holder at a price determined and payable in accordance with such conditions; and, in relation to mutual fund shares, the words, "redemption or purchase for cancellation" in any letters patent or supplementary letters patent shall be deemed to mean acceptance for surrender.

(2) If the only undertaking of the company consists in the administration of such a fund, the letters patent or supplementary letters patent may provide for the issuing of mutual fund shares, and for the conditions governing the acceptance for surrender by the company, on the demand of the holder thereof, of such mutual fund shares, or fractions or parts thereof, that are fully paid, at prices determined and payable in accordance with the conditions set out in such letters patent or supplementary letters patent.

(3) Any mutual fund shares, or fractions or parts thereof, surrendered to the company pursuant to the conditions attached thereto shall be deemed to be no longer outstanding and shall not be re-issued by the company.' "

10. Page 10, line 14: Immediately after "section" in sert "or on the date on which it became a subsidiary".

11. Page 10, line 44: Immediately before "capital" insert "authorized".

12. Pages 11 to 14: Renumber clauses 15 to 19 as clauses 16 to 20 and insert the following as clause 15:

"15. Subsection (3) of section 21 of the said Act is repealed and the following substituted therefor:

'(3) No by-law for the said purposes is valid or shall be acted upon until it is sanctioned by at least two-thirds of the votes cast at a special general meeting of the shareholders duly called for considering the by-law.

(4) A copy of the by-law certified under the seal of the company shall be forthwith filed with the Secretary of State and published in the Canada Gazette.' "

13. Page 12, line 11: Immediately after "name" insert "or shall have two seals, each of equal authenticity, one showing the French and the other the English form of its name".

14. Page 12: Strike out lines 25 to 29, both inclusive, and substitute therefor the following:

"(a) that the company has no assets and that, if it had any assets immediately prior to the application for leave to surrender its charter, such assets have been divided rateably among its shareholders or members, and either,".

15. Page 13: Strike out lines 25 to 31, both inclusive, and substitute therefor the following:

"(4) Where a company has more than one class of shares, the preferences, rights, conditions, restrictions, limitations or prohibitions attaching to any class of shares shall be stated or endorsed, in legible characters, on every share certificate representing that class of shares or by a writing permanently attached to the share certificate, or there shall be inscribed on each such share certificate, in legible characters, a statement that there are preferences, rights, conditions, restrictions, limitations or prohibitions attaching to such class of shares, the full text of which is obtainable on demand, and without fee, from the secretary of the company. Where such a statement is inscribed on the share certificate, the secretary of the company shall furnish, without fee, to the shareholder on demand the full text of any preferences, rights, conditions, restrictions, limitations or prohibitions attaching to such class of shares."

16. Page 14, line 25: Immediately after "affected;" add "or".

17. Page 15, line 9: Strike out "auditor" and substitute therefor "authorized officer of the company".

18. Pages 14 to 18: Renumber clauses 20 to 30 as clauses 22 to 32, and insert the following as clause 21:

"21. Section 49 of the said Act is amended by adding the following as subsection (3):

'(3) Notwithstanding anything contained in this section, where pursuant to subsection (1) of section 12 preferred shares are issued providing for redemption or purchase for cancellation out of capital, and such shares are so redeemed or purchased for cancellation, then, upon the filing of notice thereof with the Secretary of State pursuant to section 62, they are thereupon cancelled, and the authorized and the issued capital of the company shall be thereby decreased.' "

19. Page 16: Strike out lines 15 to 19, both inclusive.

20. Page 16, line 20: Strike out "(4)" and substitute therefor "(3)".

21. Page 16, line 24: Strike out "(5)" and substitute therefor "(4)".

22. Page 16: Strike out lines 30 to 39, both inclusive, and substitute therefor the following:

"28(1) Section 62 of the said Act is repealed and the following substituted therefor:

62. 'When any class of shares is created or becomes subject to redemption or purchase for cancellation or conversion into any other class, and such redemption or purchase for cancellation or conversion is effected in any month, notice thereof, setting forth the number of shares of the class redeemed or purchased for cancellation or converted and the number of shares and the class into which conversion is made in that month, and also setting forth whether and the extent to which any such redemption or purchase for cancellation was made out of capital, shall be filed with the Secretary of State before the end of the following month.' "

(2) The said Act is further amended by adding thereto, immediately after section 62 thereof, the following section:

"62A. When a company has issued any class of mutual fund shares the company shall each month file with the Department of the Secretary of State a statement giving the number of each class of such mutual fund shares which have been accepted for surrender during the preceding month."

23. Page 17, line 14: Immediately after "public," insert the following:

"or where such an offer may be made to the public in any such jurisdiction without the filing of a prospectus or similar document,".

24. Page 17, line 26: Immediately after "authority," insert the following:

"or by an officer of the company, together with a statement of the date and place of filing,".

25. Page 18: Renumber clause 31 as clause 34 and insert the following as clause 33:

"33. Subsection (3) of section 83 of the said Act is repealed and the following substituted therefor:

'(3) For the amount of any dividend that the directors may lawfully declare payable in money they may issue therefor shares of the company as fully paid up, or they may credit the amount of such dividend on the shares of the company already issued but not fully paid up, and the liability of the holders of such shares thereon shall be reduced by the amount of such dividend.' "

26. Page 18: Renumber clauses 32 to 37 as clauses 37 to 42 and insert the following as clauses 35 and 36:

"35. Section 86 of the said Act is amended by adding thereto the following as subsection (5):

'(5) Notwithstanding any provisions in subparagraphs (1) to (4) inclusive of this section, a person may become a director of a company if he becomes a shareholder within ten days after his election or appointment as a director, but, if he fails to become a shareholder within such ten days, he thereupon ceases to be a director and shall not be re-elected or re-appointed unless he is a shareholder of the company.'

36. Subsection (3) of section 87 of the said Act is repealed and the following substituted therefor:

"(3) A copy of the by-law certified under the seal of the company shall be forthwith filed with the Secretary of State, and such copy shall be open for inspection without fee, during normal office hours."

27. Page 18, lines 31 and 32: Strike out "within thirty days of any such purchase or sale" and substitute therefor "before the end of the month following that in which such purchase or sale took place".

28. Page 18, line 39: Immediately after "hours." add the following:

"The secretary of the company shall also, within thirty days of its receipt by him, furnish to the Secretary of State a copy of each statement, and the Secretary of State shall make such statements available for inspection by any shareholder of the company at any time during usual office hours."

29. Page 18, line 40: Strike out "present" and substitute therefor "disclose".

30. Page 19, line 6: Strike out "make" and substitute therefor "furnish to the secretary of the company".

31. Page 19: Strike out line 35 and substitute therefor the following:

'by proxy whether or not such proxy is himself a shareholder'.

32. Page 19: Strike out lines 40 to 45, both inclusive, and substitute therefor:

"115. (1) Every company shall cause to be kept proper accounting records with respect to all financial and other transactions of the company, and, without limiting the generality of the foregoing, shall cause records to be kept of".

33. Page 20: Strike out lines 8 to 45, both inclusive, and substitute therefor:

"(2) The accounting records shall be kept at the head office of the company or at such other place in Canada as the directors think fit, and shall at all times be open to inspection by the directors.

(3) In case the operating accounts of the company are kept at some place outside Canada, there shall be kept at the head office of the company such comprehensive records as shall enable the directors to ascertain with reasonable accuracy the financial position of the company at the end of each three months' period."

34. Page 21: Immediately after line 27, add the following:

"(4) Each year, with the consent in writing of all shareholders, a private company which is not a subsidiary of a foreign or public company may dispense with the requirements under sections 117 to 121A, both inclusive, of this Act, in respect of any particular financial statement specified in the consent, except that the financial statement shall be drawn up so as to present fairly the results of the operation of the company for the period covered by the statement."

35. Page 21, line 37: Immediately after "situated," insert "or a judge of such court designated by either of them,".

36. Page 22: Strike out lines 13 to 15, both inclusive, and substitute therefor:

"(g) the provision made for depreciation and obsolescence, and separately for depletion;".

37. Page 22, line 29: Strike out ", contributions to pension funds".

38. Page 24, line 15: Immediately after "nature" insert "and cost".

39. Page 24: Strike out line 21 and substitute therefor:

"those of the company, stating the cost and basis of".

40. Page 24, line 30: Strike out "1963" and substitute "1960".

41. Page 24: Strike out lines 40 and 41 and substitute therefor:

"respect of depreciation and obsolescence, and separately in respect of depletion".

42. Page 25, line 10: Strike out "1963" and substitute "1960".

43. Page 26, line 31: Immediately before "affects" insert "materially".

44. Page 32: Strike out lines 16 to 18, both inclusive, and substitute therefor:

"subsection (1) that have most recently been made available to the shareholders prior to such demand."

45. Page 32, line 33: Strike out the period and add:

", or by a judge of the said court designated by either of them."

46. Page 35, line 5: Immediately after "received" insert ", unless waived by such auditor,".

47. Page 35: Strike out lines 8 and 9 and substitute therefor:

"(6) A company, upon receipt, not less than seven days before a meeting of shareholders, of a written".

48. Page 35, line 28: Immediately after "which" insert "and the place where".

49. Page 35, line 39: Strike out "and by the auditor".

50. Page 36, line 31: Strike out "ordinary" and substitute "registered".

51. Page 37: Strike out lines 4 to 9, both inclusive, and substitute therefor:

"125A. (1) The Secretary of State may at any time by notice require any private company to make a return upon any subject that a public company has to report to its shareholders pursuant to sections 115 to 122.

(2) Documents filed with the Secretary of State pursuant to this section shall not be open for public inspection except upon the written direction of the Secretary of State given upon the recommendation of the chief justice or acting chief justice of the court of the province in which the head office of the company concerned is situated, or by a judge of the said court designated by either of them."

52. Page 37: Strike out clause 37 (renumbered as clause 42) and substitute therefor the following:

"42. The said Act is further amended by adding thereto, immediately after section 128 thereof, the following heading and sections:

AMALGAMATION

128A. (1) Any two or more companies incorporated under this Act, including holding and subsidiary companies, may amalgamate and continue as one company.

(2) Companies proposing to amalgamate may enter into an agreement for the amalgamation prescribing its terms and conditions and the mode of carrying the amalgamation into effect.

(3) The amalgamation agreement shall further set out

(a) the name of the amalgamated company;

(b) the objects of the amalgamated company;

(c) the amount of its authorized capital, the division thereof into shares and the rights, restrictions, conditions or limitations attaching to any class of shares;

(d) the place within Canada at which the head office of the amalgamated company is to be situated;

(e) the names, callings and postal addresses of the first directors thereof;

(f) when the subsequent directors are to be elected;

(g) whether or not the by-laws of the amalgamated company are to be those of one of

the amalgamating companies and, if not, a copy of the proposed by-laws; and

(h) such other details as may be necessary to perfect the amalgamation and to provide for the subsequent management and working of the amalgamated company and the manner of converting the authorized and issued capital of each of the companies into that of the amalgamated company as determined pursuant to paragraph (c) above.

(4) The amalgamation agreement shall be submitted to the shareholders of each class of shares of each of the amalgamating companies at general meetings thereof called for the purpose of considering the agreement, and, if three-fourths of the votes of each class of shares cast at each meeting are in favour of the amalgamation agreement, the secretary of each of the amalgamating companies shall certify that fact upon the agreement under the corporate seal thereof; and thereafter the agreement shall be deemed to have been adopted by each of the amalgamating companies unless the amalgamation agreement is annulled in accordance with the procedure outlined in the following subsections.

(5) Within seven days of the final vote on the amalgamation agreement, any shareholder or shareholders holding at least ten per cent of the shares of any class of shares in any of the amalgamating companies may apply to the chief justice or acting chief justice of the court of the province in which the head office of the company is situated, or a judge of the said court designated by either of them, for an order annulling the amalgamation agreement: Provided that such application may be made only by a shareholder or shareholders whose dissent was recorded at a meeting of any class of shareholders called to consider the amalgamation agreement.

(6) The said judge shall fix a time and place for consideration of the application for the order annulling the amalgamation agreement, which time shall be within fifteen days of the making of such application, and notice thereof shall be given to each of the amalgamating companies, and to the Secretary of State, in such manner as the said judge may direct.

(7) The said judge shall hear and determine the matters raised in the application and shall issue an order annulling the amalgamation agreement, or dismissing the application, which order shall not be subject to appeal. Where an annulling order is issued the amalgamation agreement is annulled and has no force or effect whatsoever.

(8) Where a reduction of capital may result from an amalgamation agreement, the provision of sections 51, 52, 53, 54, 55 and 57 of the Act shall apply, *mutatis mutandis*, as if the amalgamation agreement represented an application for supplementary letters patent confirming a by-law reducing the capital stock of the company.

(9) The amalgamating companies shall, within six months of the date of the final vote on the amalgamation agreement, jointly file with the Secretary of State the amalgamation agreement together with a certificate from the secretary of each of the amalgamating companies establishing the percentage of those who voted in favour of the agreement and the percentage of dissentient shareholders, in respect of each class of shares.

(10) (a) Not less than eight days following the final vote on the amalgamation agreement and upon receipt of evidence that no application was made to a judge for the annulment of the amalgamation agreement or that the applicant was dismissed, the Secretary of State may issue letters patent confirming the agreement: Provided that the requirement of eight days' delay may be dispensed with if the amalgamation agreement has received the approval of more than ninety per cent of the votes of each class of shares cast at each meeting of the amalgamating companies.

(b) Notice of the granting of such letters patent shall be forthwith given by the Secretary of State in the *Canada Gazette*.

(11) Upon the issue of the said letters patent, the amalgamation agreement shall have full force and effect, and

(a) the amalgamating companies are amalgamated and are continued as one company (in this section called the "amalgamated company") under the name and having the authorized capital and objects specified in the amalgamation agreement; and

(b) the amalgamated company possesses all the property, assets, privileges and franchises, and is subject to all the contracts, liabilities, debts and obligations of each of the amalgamating companies.

(12) All rights of creditors against the property, rights, assets, privileges and franchises of a company amalgamated under this section and all liens upon its property, rights, assets, privileges and franchises are unimpaired by the amalgamation, and all debts, contracts, liabilities and duties of the company thenceforth attach to the amalgamated company and may be enforced against it.

128B. (1) A company incorporated under this Act, including a holding or subsidiary company, may amalgamate with any other company (in this section hereinafter referred to as "the provincial company") having the same or similar objects and incorporated under the provisions of any general Act (in this section hereinafter referred to as "the provincial Act") relating to corporations or companies, heretofore or hereafter enacted by the legislature of a province, under which

provincial Act such as amalgamation may be authorized; and, if the conditions hereinafter set forth are complied with, such companies may thereafter continue as one company.

(2) The companies proposing to amalgamate may enter into an amalgamation agreement as hereinafter provided, and in so doing shall comply with the provisions of subsections (2) to (10), both inclusive, of section 128A. In addition, the amalgamation agreement shall stipulate whether the amalgamated company is to continue under this Act or under the provincial Act.

(3) The provincial company shall provide the Secretary of State with a certificate signed by the Lieutenant-Governor, Provincial Treasurer or such other body or person as may be authorized to confirm the amalgamation agreement under the provincial Act, to the effect that all of the requirements of the said Act have been satisfied, and that he is prepared to confirm the amalgamation agreement, by letters patent or otherwise, as provided for by the said Act.

(4) The Secretary of State may, if he is satisfied that the foregoing provisions have been complied with, issue letters patent confirming the amalgamation agreement.

(5) Upon the issue of the said letters patent by the Secretary of State and subsequent confirmation by the body or person authorized by the provincial Act to confirm the amalgamation agreement,

(a) the amalgamation agreement shall have full force and effect;

(b) the amalgamating companies are amalgamated and continued as one company (in this section called "the amalgamated company") under the name and having the authorized capital and objects specified in the amalgamation agreement;

(c) the amalgamated company shall possess all the property, assets, privileges and franchises, and be subject to all the contracts, liabilities, debts and obligations of each of the amalgamating companies; and

(d) the amalgamated company shall be deemed to be a company incorporated under this Act, and, subject to the amalgamation agreement, shall have all the powers, privileges and immunities conferred by and be subject to all the limitations, liabilities and provisions of this Act: Provided that, if the amalgamation agreement stipulates that the amalgamated company is to continue as a provincial company, it shall be deemed to be a company incorporated under the provincial Act, and, subject to the amalgamation agreement, shall have all the powers, privileges and immunities conferred by, and be subject to all the limitations, liabilities and provisions of the provincial Act.

(6) All rights of creditors against the property, rights, assets, privileges and franchises of a company amalgamated under this section and all liens upon its property, rights, assets, privileges and franchises are unimpaired by the amalgamation, and all debts, contracts, liabilities and duties of the company thenceforth attach to the amalgamated company and may be enforced against it.' "

53. Page 39: Strike out clause 38.

54. Page 39: Renumber clauses 39 to 42 as clauses 44 to 47, and insert the following as clause 43:

"43. The said Act is further amended by adding thereto, immediately after section 140, the following section:

'140A. (1) Notwithstanding any other provisions in this Act where a company

(a) fails for two or more consecutive years to hold an annual meeting of its shareholders,

(b) fails to comply with the requirements of section 121E or 121F, or

(c) defaults in complying for six months or more with any requirement of section 125, the company is liable to be wound up and dissolved under the Winding-Up Act upon the application of the Attorney General of Canada to a court of competent jurisdiction for an order that the company be wound up under that Act, which application may be made upon receipt by the Attorney General of Canada of a certificate of the Secretary of State setting forth his opinion that any of the circumstances described in paragraphs (a) to (c) apply to that company.

(2) In any application to the court under subsection (1) the court shall determine whether the costs of the winding up shall be borne by the company or personally by any or all of the directors of the company who knowingly and wilfully was or were responsible for the non-compliance with the requirement outlined in subsection (1) above.' "

55. Page 40: Strike out lines 32 and 33 and substitute therefore the following:

"(e) Sections 110, 111, and 113 to 115, sections 122 to 125A, and sections 129 to 142."

56. Page 41: Strike out ", and 125A" and substitute therefore ", 125A and 140A".

57. Pages 41 and 42: Renumber clauses 43 to 45 as clauses 50 to 52 and insert the following as clauses 48 and 49:

"48. Subsection (1) of section 149 of the said Act is repealed, and the following substituted therefor:

'(1) Sections 66 to 82, sections 96 and 97, sections 112 and 125, and section 100 of Part I apply to companies to which this Part applies, except those loan companies and trust companies to which this Part continues to apply.'

49. Section 153 of the said Act is repealed and the following substituted therefor:

'153. The affairs of the company shall be managed by a board of not less than three directors.' "

58. Page 42: Strike out lines 15 to 19, both inclusive, and substitute therefor the following:

"(5) The provisions set out in paragraph (b) of subsection (3) of section 22 apply in respect of any body corporate provided with a French or English form of its corporate name pursuant to this section.

(6) This section does not apply to a company incorporated under any of the Acts mentioned in paragraph (b), (c) or (d) of subsection (1) of section 5 or to a company carrying on a business described in paragraph (a) of subsection (1) of that section."

All which is respectfully submitted.

Salter A. Hayden,
Chairman.

20224—70

THE SENATE

Friday, November 20, 1964

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

Prayers.

DOCUMENT TABLED

Hon. A. K. Hugessen, for Hon. Mr. Connolly (Ottawa West), tabled:

Revised Capital Budget of the St. Lawrence Seaway Authority for the year ending December 31, 1964, pursuant to section 80 (2) of the Financial Administration Act, chapter 116, R.S.C., 1952, together with a copy of Order in Council P.C. 1964-1726, dated November 5, 1964, approving same. (English text).

PRIVATE BILLS

CANADIAN-MONTANA PIPE LINE COMPANY—REPORTS OF COMMITTEE ADOPTED

Hon. A. K. Hugessen, Chairman of the Standing Committee on Transport and Communications, reported that the committee had considered Bill S-43, respecting Canadian-Montana Pipe Line Company, and had directed that the bill be reported without amendment.

Report adopted.

THIRD READING

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

Hon. J. Wesley Stambaugh: Honourable senators, with leave of the Senate, I move that the bill be read the third time now.

Motion agreed to and bill read third time and passed.

THE BURRARD INLET TUNNEL AND BRIDGE COMPANY—REPORT OF COMMITTEE ADOPTED

Hon. Mr. Hugessen, Chairman of the Standing Committee on Transport and Communications, reported that the committee had considered Bill S-47, respecting The Burrard Inlet Tunnel and Bridge Company, and had directed that the bill be reported without amendment.

Report adopted.

THIRD READING

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

Hon. Sydney J. Smith: Honourable senators, with leave, I move that this bill be read the third time now.

Motion agreed to and bill read third time and passed.

DIVORCE

REPORTS OF COMMITTEE PRESENTED

Hon. F. W. Gershaw, Acting Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 609 to 644, inclusive, and moved that the said reports be taken into consideration at the next sitting.

Motion agreed to.

CANADA PENSION PLAN BILL

APPOINTMENT OF SENATE MEMBERS TO JOINT COMMITTEE

Hon. A. K. Hugessen: Honourable senators, with leave, I move, seconded by Senator Brooks:

That the following senators be appointed to act on behalf of the Senate on the Joint Committee of the Senate and House of Commons appointed to consider Bill C-136, intituled: "An Act to establish a comprehensive program of old age pensions and supplementary benefits in Canada payable to and in respect of contributors", namely, the honourable Senators Blois, Boucher, Croll, Denis, Fergusson, Flynn, Lang, Lefrançois, McCutcheon, Smith (Queens-Shelburne), Stambaugh and Thorvaldson; and

That a message be sent to the House of Commons to inform that house accordingly.

Honourable senators, this nomination by the Senate of 12 members of this house completes the personnel of the joint committee which is to deal with this important subject. I might add that, having read the names of the 12 members of the Senate who will represent us, I am perfectly certain that this house will be exceedingly well represented.

Hon. Mr. Brooks: Can the honourable senator give any idea as to when sittings of the joint committee will commence?

Hon. Mr. Hugessen: I am told they will begin on Wednesday next.

Motion agreed to.

ELECTORAL BOUNDARIES READJUSTMENT BILL

THIRD READING

Hon. C. G. Power moved the third reading of Bill C-72, to provide for the establishment

of electoral boundaries commissions to report upon the readjustment of the representation of the provinces in the House of Commons and to provide for the readjustment of such representation in accordance therewith.

Motion agreed to and bill read third time and passed.

ROYAL ASSENT

NOTICE

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

GOVERNMENT HOUSE

Ottawa

20 November 1964

Sir,

I have the honour to inform you that the Hon. Robert Taschereau, P.C., Chief Justice of Canada, acting as Deputy to His Excellency the Governor General, will proceed to the Senate Chamber today, the 20th November, at 5.45 p.m., for the purpose of giving Royal Assent to certain bills.

I have the honour to be,
Sir,

Your obedient servant,
A. G. Cherrier,
Assistant Secretary to
the Governor General.

The Honourable
The Speaker of the Senate.

DIVORCE

REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of reports of the Standing Committee on Divorce Nos. 579 to 608, inclusive, which were presented yesterday.

On motion of Hon. Mr. Gershaw, for Hon. Mr. Roebuck, Chairman of the Standing Committee on Divorce, reports adopted on division.

RESOLUTIONS PRESENTED

Leave having been given to revert to the order of Presentation of Petitions:

Hon. Mr. Gershaw, for Hon. Mr. Roebuck, Chairman of the Standing Committee on Divorce, presented the following resolutions:

Resolution 556, for the relief of Lois Margaret Jamieson Poirier.

Resolution 557, for the relief of Jeannette Slabosky Druick.

Resolution 558, for the relief of Nora Belle Doherty Cagliesi.

Resolution 559, for the relief of John Franklin Spencer.

Resolution 560, for the relief of Rosalia Berenyi Vitek, otherwise known as Rosalia Berenyi Weisz.

Resolution 561, for the relief of Claire Roy Bournival.

Resolution 562, for the relief of Otti Elizabeth Arons Jarislowsky.

Resolution 563, for the relief of Flora Beatrice McDonald Stewart.

Resolution 564, for the relief of Diane Bulloch Dufresne.

Resolution 565, for the relief of Walter Simek.

Resolution 566, for the relief of Rudolph Waldemar Hofmann.

Resolution 567, for the relief of Arnold Hoffman.

Resolution 568, for the relief of Margaret Elinor Anderson Hafner.

Resolution 569, for the relief of Fernand Cote.

Resolution 570, for the relief of David Gilbert.

Resolution 571, for the relief of Joan Campbell Wood.

Resolution 572, for the relief of John Lawrence Tarrant.

Resolution 573, for the relief of Michael Hooper Joynt.

Resolution 574, for the relief of Vincenza Rossetti Cyr.

Resolution 575, for the relief of Rene Lorion.

Resolution 576, for the relief of Phyllis Marie Walsh Lessard.

Resolution 577, for the relief of Gilles Lamoureux.

Resolution 578, for the relief of George Edgar Campbell.

Resolution 579, for the relief of Raymond Alain Giraud.

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

Hon. Mr. Gershaw: Honourable senators, I move that these resolutions be considered at the next sitting.

Motion agreed to.

ADJOURNMENT

Leave having been given to revert to the order for Notices of Motions:

Hon. A. K. Hugessen: Honourable senators, with leave, I move, that when the Senate adjourns today it do stand adjourned until Tuesday next, November 24, at 8 o'clock in the evening.

Hon. Mr. Brooks: Honourable senators, I would like to ask the honourable Acting Leader (Hon. Mr. Hugessen) on what he bases the particular date, Tuesday next, November 24, to which he suggests we adjourn. I am sure we all recognize the great difficulty involved in setting the length of recesses, but our return must be based on a cogent reason that we will have legislation before us at that time with which to deal.

My understanding is that the other place will be discussing the Estimates for the balance of today and probably all next week, and that after the Estimates have been disposed of they will resume the flag debate. If such is the case, it would seem to me that there would not be very much business for us to attend to if we return on Tuesday next. It also occurs to me that if such is the case, and it being possible to recall us at any time —honourable senators have every opportunity to know what is going on by following the news—we could set a later date and be called back sooner if necessary. But if we adjourn only until next Tuesday, then we must resume whether there is any business to attend to or not.

Therefore, I would ask the honourable Acting Leader if he knows what business will be before us at that time and the reasons for adjourning our sittings to that date.

Hon. Mr. Hugessen: Honourable senators, I am not sure whether my honourable friend the leader on the other side recalls, but we have an extremely important report from the Standing Committee on Banking and Commerce, containing a large number of proposed amendments to the Companies Act, to deal with on Tuesday evening. I imagine the discussion on that will take most of the evening and perhaps part of the next day.

I would also draw his attention to the fact that the Standing Committee on Banking and Commerce has been summoned to meet next Wednesday morning to deal with a number of bills. They are: the Bank of British Columbia bill; the Canadian Institute of Actuaries bill, which received second reading last week; and the Royal College of Dentists of Canada bill. I think it is altogether likely that one or two of those bills will be ready to be reported back to the Senate on Wednesday afternoon.

I am not in the confidence of the Government or the leader on this side, but I think the idea of adjourning until Tuesday next, rather than until December 1st or 8th, was to try to clear up the business we have before us. I imagine that when that has been done there will be a fairly long adjournment if, as the leader on the other side says, the House of Commons is to discuss the Estimates all next week, followed by the resumption of the flag debate.

Hon. Mr. Choquette: Honourable senators, I see no reason for urgency in dealing with the report of the Banking and Commerce Committee on the Companies Act. As we all know, there was a subcommittee appointed to study and review the bill section by section. The subcommittee's report, running to some twenty typewritten pages, was presented to the standing committee on Wednesday last, and every one seemed to be satisfied with the proposed amendments. That bill has been before us for several months, and I think its further consideration could wait; I see no special urgency about it. I believe its consideration is the main reason we are being asked to sit on Tuesday evening next.

With regard to the other bills, I can see no reason for urgency in dealing with them on Wednesday next. I support fully the proposition made by my leader.

Hon. Mr. Thorvaldson: Honourable senators, generally I do not do so, but on this occasion I must disagree with the views of my colleagues sitting in front of me in regard to next week's sittings.

I do so because I am the sponsor of the bill to incorporate Settlers Savings and Mortgage Corporation, which is now scheduled to come before the Standing Committee on Banking and Commerce on Wednesday morning next. I know that some of the interested parties who reside in Winnipeg have made plans to come to Ottawa next Wednesday to appear before the committee, and I would not like to see consideration of that bill adjourned because I know these individuals are anxious to have this legislation move ahead.

I am sure that Senator McCutcheon is in a similar position with regard to his bill concerning the Canadian Institute of Actuaries. Consequently, I hope that the plans for meeting next week will be carried out as proposed by the Acting Leader of the Government (Hon. Mr. Hugessen).

Hon. Mr. Smith (Queens-Shelburne): May I add that I am in the same position as Senator Thorvaldson. I would be extremely pleased if we were to adopt the motion proposed by the honourable the Acting Leader.

Motion agreed to.

The Senate adjourned during pleasure.

At 5.45 the sitting was resumed.

The Senate adjourned during pleasure.

ROYAL ASSENT

The Honourable Robert Taschereau, P.C., Chief Justice of Canada, Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned and being come with their Speaker, the Honourable the Deputy of His Excellency the Governor General was pleased to give royal assent to the following bills:

An Act to provide for the Establishment of Harbour Commissions.

An Act to repeal certain Acts of the Province of Newfoundland respecting Harbours and Pilotage.

An Act to provide for the establishment of Electoral Boundaries Commissions to report upon the Readjustment of the Representation of the Provinces in the House of Commons and to provide for the Readjustment of such Representation in accordance therewith.

The House of Commons withdrew.

The Honourable the Deputy of His Excellency the Governor General was pleased to retire.

The sitting of the Senate was resumed.

The Senate adjourned until Tuesday, November 24, at 8 p.m.

THE SENATE

Tuesday, November 24, 1964

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

Prayers.

CONSUMER CREDIT

JOINT COMMITTEE—CHANGE IN COMMONS MEMBERS

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons stating that the name of Mr. Saltsman has been substituted for that of Mr. Orlikow on the Joint Committee of the Senate and House of Commons on Consumer Credit.

DOCUMENT TABLED

Hon. John J. Connolly tabled:

Supplementary Estimates (C) for the fiscal year ending March 31, 1965. (English and French texts).

CANADA PENSION PLAN BILL

FIRST REPORT OF JOINT COMMITTEE

Hon. Muriel McQ. Fergusson, Joint Chairman of the Joint Committee of the Senate and the House of Commons appointed to consider Bill C-136, to establish a comprehensive program of old age pensions and supplementary benefits in Canada payable to and in respect of contributors, presented the first report of the committee:

Your committee recommends that its quorum be reduced to twelve (12) members, provided that both houses are represented.

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

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

Hon. A. J. Brooks: Honourable senators, first, I should like to congratulate the honourable Senator Fergusson on her appointment as co-chairman of this committee. I would like also to ask her who the other co-chairman is, when and how often the committee proposes to sit, and why it is recommended that the quorum be 12 and not a larger number.

Hon. Mrs. Fergusson: The other co-chairman is Mr. A. J. P. Cameron of Toronto. No final decision has been reached as to how often the committee will sit. The next meeting will take place tomorrow afternoon at 3.45. It is hoped to have meetings on three days per week, with usually two meetings in one day.

As to the reason for the reduction in the quorum, it was thought that this would be a reasonable number of members to expect to attend in view of the large number of committees meeting at the same time. Of course, both houses must be represented at the meetings. Originally the quorum was fixed at 20 members, but the committee decided to ask that this be reduced to 12, as it was thought it would be easier to get the attendance of that number rather than the larger number.

Hon. Mr. Brooks: It is a very important committee.

Hon. John J. Connolly: Honourable senators, if the Leader of the Opposition (Hon. Mr. Brooks) had not been so agile on his feet —he is younger than I am, and much more able to rise quickly—I would certainly have preceded him. I rise now primarily to say that I am sure all honourable senators are gratified that one of our number, and particularly one of our ladies, should have been selected by a very important committee to be one of its co-chairmen.

Hon. Mr. Brooks: And also one from New Brunswick.

Hon. Mr. Connolly (Ottawa West): The Leader of the Opposition is beating me to the punch every time this evening. Certainly, the fact that Senator Fergusson comes from the Atlantic region is important, and the fact that she comes from the very green province of New Brunswick is of great significance. I am sure we all wish her, and the other members of the Senate who are on this committee, success in the work they will carry out.

On the point as to the reduced quorum, may I add, without in any way wishing to embellish what Senator Fergusson has said, the normal practice on joint committees has been—and I recall the one that sat in connection with the affairs of the National Capital Commission a number of years ago—to reduce the quorum to ensure that the work of the committee can continue. However, I think, and this should be on record, that the attendance on the part of representatives from both houses at these important committee meetings is usually extremely good. In the case of emergencies, however, when representatives are called to their respective houses or to other committees, it is the part of prudence to have a smaller quorum so that the work of the committee can continue.

I simply conclude by saying that I hope Senator Fergusson and her colleagues from

the Senate will enjoy a successful and pleasant experience on the committee.

Report adopted.

PASSENGER SERVICE AT RIVIERE DU LOUP

REPLY TO QUESTION

Hon. Jean-François Pouliot: Honourable senators, when a question is asked in this chamber it should be answered as fully as possible in this chamber. On Thursday last my honourable colleague, Senator Choquette, asked me this question—I now read the question and the comments following it:

> Hon. Mr. CHOQUETTE: Is the Rivière du Loup station the one you obtained after years of effort in the other place?
>
> Hon. Mr. POULIOT: Well, I did not obtain a new station, but I had it repaired at such a cost that it was equivalent to the building of a new one.
>
> Hon. Mr. FLYNN: It provided more jobs.

I have some gifts for my esteemed colleague, Senator Choquette, who is well liked by all of us for his intelligence and his great heart. The first is a copy of a speech made in the House of Commons on July 21, 1931. I do not have a copy of the *Hansard* available, but the full text of that speech was published in *Le Soleil* of Quebec and I am pleased to send it to my honourable friend with my compliments.

I have another gift for him; it is an editorial of the Toronto *Globe* of February 11, 1932 entitled "Monsieur Pouliot Wins," and I have an excerpt from *Hansard* of February 9 of that year, in which a full page is devoted to the Rivière du Loup station. Now may I tell you in one or two words what happened?

Sir Henry Thornton, who was a great diplomat, called for tenders on the basis of plans which had been drafted by the engineering division of the railway. The cost had been included in the estimates of the railway and had been approved by the old railway commission, and everything was ready for tender. However, the tenders were called in such a way that the first notice appeared just on the eve of the election, and the other notices appeared after the election when Mr. Bennett had been elected. A Conservative had tendered at a price which was $38,000 higher than the lowest tender received. This lowest tender was by a Liberal. A delegation came to Ottawa to have the contract awarded to the higher Conservative bidder, and since it was not possible to do this the whole project to build a new station was cancelled. I had worked hard to have that station rebuilt. Instead of doing it, the Bennett government repaired the old station at a cost higher than that of the contract.

I have a final gift for my honourable colleague. It is an editorial from the old Toronto *Globe*, the Newspaper founded by George Brown, dated February 10, 1932. The headline is in French. This was a great honour, since such a thing had happened only twice in the history of that paper. The first time was for Marshal Joffre—the victor of the Battle of the Marne, at the beginning of the First World War—when he came here after the war; and the second heading speaks for itself in these words:

VIVE J.-F. POULIOT!
VIVE LA BELLE GARE
A RIVIERE DU LOUP!

Et Vive la Presse, Qui,
Dit-il, a Gagne Cette
Grande Victoire!

Mais Surtout le Globe

I have another question to answer. It was put by my deskmate, whom I like very much. When I went to Rivière du Loup my friends asked me who the senator was who made these remarks in the Senate:

> I know that many people in the Province of Quebec think that we in the West get a lot better treatment than they get in Quebec. However, we have two beautiful trains running through the town where I live, the Supercontinental and the Panorama. We would be pleased if those trains would even stop within 200 yards, so that we would only have to walk to them. But they do not stop at all, and I have to go all the way to Edmonton, 75 miles, to get either one of them. I think the people of Quebec are treated just as well as we are, perhaps even better.

I told them that Senator Stambaugh is my deskmate, that he is the best Liberal in the Senate, and that we are very good friends. With respect to his question I telephoned the Dominion Bureau of Statistics and I was informed that Bruce Township, 48R14 west of the 14th meridian—the whole township—had a population in 1961 of 342 people, and that the unincorporated Village of Bruce had a population of 171. If the crack trains of the C.N.R., and even of the C.P.R., have to stop at every village with a population of less than 200 people, I wonder if we shall ever have fast trains in this country.

My second answer to my honourable friend is that he does not have to travel 60 or 70 miles from Bruce to Edmonton, or to Wainwright, to catch a fast train, because

when the Senate does not sit he lives in the City of Edmonton.

COMPANIES ACT

BILL TO AMEND—REPORT REFERRED BACK TO COMMITTEE

On the Order:

Consideration of the Report of the Standing Committee on Banking and Commerce with respect to Bill S-22, intituled: "An Act to amend the Companies Act".—(Honourable Senator Hayden).

Hon. Salter A. Hayden: Honourable senators, I have an unusual motion as chairman of the committee. I move:

That the report of the Standing Committee on Banking and Commerce be not now adopted, but that it be referred back to the Standing Committee on Banking and Commerce for further consideration.

When the motion is put I will give my reasons for making it.

The Hon. the Speaker: Honourable senators, it is moved by Hon. Senator Hayden, seconded by Hon. Senator Crerar, that the report of the Standing Committee on Banking and Commerce be not now adopted, but that it be referred back to the Standing Committee on Banking and Commerce for further consideration.

Is it your pleasure to adopt the motion?

Hon. Mr. Hayden: Honourable senators, the portion of this report dealing with the proposed new section 128B which the committee is proposing, appears to involve serious constitutional questions. The purpose of this section is to lead the way in company law to provide for an amalgamation and procedures for amalgamation between a federally incorporated company and a provincially incorporated company.

There are two things covered by Bill S-22 in respect of which this report relates. One is to put an amalgamation procedure in the federal act, providing for the amalgamation of two or more federal companies. That does not present any problem. The procedures we outlined by way of amendment are important, I think, and at the proper time I shall give an explanation of them. But, with respect to the other section we inserted, we received some submissions from organizations that appeared before us to the effect that when we were considering amalgamation we should consider it in its entirety and try to deal with the situation in regard to amalgamations involving one or more federal and one or more provincial companies.

We did that, but since the publication of the report questions have been raised which point to the fact that we are operating in what the constitutional lawyers like to call a grey area, in which the law is not too clear. I would say that in one aspect of what we are doing the law may be clear enough, but in its entirety I think I would have to agree that it is not absolutely clear. I felt that this question should be specifically considered by the committee before we finally put it forward, if indeed we are going to insist that it go forward as part of this report, and as part of this bill, which ultimately will go from this house to the House of Commons.

There are many good features in this bill, and particularly in the amendments that we have proposed, which would give a modern, up-to-date and more flexible federal statute. I would hate to think that we might imperil all of that by provoking a constitutional debate—we have had enough of those, and it looks as though some more are in the offing. The real merit of this bill, with the many provisions it makes by way of amendment, might get lost. I feel that instead of going ahead with the report at this time, in view of the fact that these questions have been raised, and seriously raised, the committee should be reconvened. Therefore, I am proposing that the committee reconvene this evening when the Senate rises, because we have not a great deal before us on the Order Paper. There we can consider this aspect, and also whether in the circumstances we should insist that this particular provision be incorporated in the amendments. That is my reason, after giving the matter full consideration, for making the motion I have made this evening.

We shall not delay consideration of this report. I am sure we can deal with the matter this evening, and present an amended report, if necessary, tomorrow afternoon and debate it.

There are times, particularly in presenting amendments in the legislative field, when one likes to pause and give a little more consideration to a situation if there is a feeling that within reason you may be provoking legal considerations and constitutional aspects that may be upsetting to business and corporate relationships. It is for this reason that I make this motion.

Hon. Jean-François Pouliot: Honourable senators, I congratulate honourable Senator Hayden for his caution in dealing with this legislation. As a member of the Standing Committee on Banking and Commerce I have found that he is an ideal chairman. I congratulate him wholeheartedly for the excellent work he does in that capacity.

Honourable colleagues, the provisions of this bill, after it is adopted, will become part of the Revised Statutes of Canada of some future

year, after being studied by the commissioners who will be in charge of the revision of the Statutes. Many months ago, in March, a bill was passed by this chamber for the revision of the Statutes of Canada of 1952. It passed three readings in two sittings. That bill was explained very well by honourable Senator Choquette, with the clarity of a lawyer of great experience. We passed the bill, and since that time it has been one of the gems of the jewel box of the Orders of the Day of the House of Commons. I understand that precious stones are indestructible—they are everlasting. But I cannot conceive why a bill passed at two sittings of the Senate should still lie there for such a long time without having been adopted by the House of Commons. There seems to be no reason for it.

Honourable senators, it is important to appoint a commission for the revision of the statutes. The bill now before the Senate will be the object of the study of those who will have the duty of revising the whole statute book. I wonder if the gentlemen appointed to perform that work will use a chain saw and a big axe to cut all the deadwood to be found in the statute book. That would be a useful work.

I remember distinctly that some 30 years ago, in 1934, Mr. C. H. Cahan, then Secretary of State, sponsored a new Companies Act. That act is still in force and has not been amended for 30 years. That legislation was fully discussed in the House of Commons and in this chamber. It was far from perfect, but it lay in the statute book for 30 years without amendment. A few amendments are proposed now, probably to lower the water stock level and perhaps to evaporate it entirely, which would be a good thing.

Honourable senators, the only reason I give my limited support to this legislation is that, by an amendment, provision is being made for the approval of a judge, in the case of amalgamation. That is a wise course.

We will await the discussion in committee on this proposed legislation. I have high confidence in those honourable senators who sat on the subcommittee, as well as in all my colleagues who are members of the committee. I hope that we will have good company law, which can be understood by everyone and not by chartered accountants alone.

Motion agreed to.

DIVORCE

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of reports of the Standing Committee on Divorce Nos. 609 to 644, inclusive.

Hon. F. W. Gershaw, for Hon. Mr. Roebuck, Chairman of the Standing Committee on Divorce, moved that the reports be adopted.

Reports adopted, on division.

RESOLUTIONS PRESENTED

Leave having been given to revert to the order for Presentation of Petitions:

Hon. Mr. Gershaw, for Hon. Mr. Roebuck, Chairman of the Standing Committee on Divorce, presented the following resolutions:

Resolution 580, for the relief of Halina Alexandra Bryczkowska Matthews.

Resolution 581, for the relief of Clair Jacqueline Simon Pesner.

Resolution 582, for the relief of Jean McKinley Law Lear.

Resolution 583, for the relief of William Robert Galley.

Resolution 584, for the relief of Marie Gilberte Marcelle Lapointe Perron.

Resolution 585, for the relief of Jessie Elizabeth Young Moule.

Resolution 586, for the relief of Mona Sivell Laporte.

Resolution 587, for the relief of Antica Korlaet Turkovic, otherwise known as Antonietta Korlaet Turkovich.

Resolution 588, for the relief of J. Arthur Larocque.

Resolution 589, for the relief of Faith Audrey Gloria Burnham Martel.

Resolution 590, for the relief of Anna Maria Garrity Dinardo.

Resolution 591, for the relief of Ingeborg Dietrich Rangas.

Resolution 592, for the relief of Mary Marjorie Dextras Kinsella.

Resolution 593, for the relief of Veronika Zsuzanna Erdosi Korpas.

Resolution 594, for the relief of Yolande St. Pierre Jodoin.

Resolution 595, for the relief of Joyce Ann Ikeman Edelstein.

Resolution 596, for the relief of Germaine Savoie Bisaillon.

Resolution 597, for the relief of John Stewart Geddie.

Resolution 598, for the relief of Evelyn Page Mailloux.

Resolution 599, for the relief of Alice Therese Guerin Richer Lafleche.

Resolution 600, for the relief of Emeline Alice Roberts Roberts.

Resolution 601, for the relief of Jeannine McRae Black.

Resolution 602, for the relief of Lawrence Law.

Resolution 603, for the relief of Paraskevi Bakolia Pagakis.

Resolution 604, for the relief of Zelda Green Harris.

Resolution 605, for the relief of Shirley Louise Sigman Vineberg.

Resolution 606, for the relief of Edyth Jo-Anne Clark Bentley.

Resolution 607, for the relief of Reisa Weiner Levinson.

Resolution 608, for the relief of Eduards Berzins.

Resolution 609, for the relief of Jocelyne Boyer Mongauzy.

Resolution 610, for the relief of Helen Lester Brettschneider.

Resolution 611, for the relief of Henri Bouchard.

Resolution 612, for the relief of Ronald Kenneth MacLean.

Resolution 613, for the relief of Howard Charles Rosen.

Resolution 614, for the relief of Edith Ann Weiser Berman.

Resolution 615, for the relief of Rae Yane Hershenkopf.

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

Hon. Mr. Gershaw: Honourable senators, I move that these resolutions be considered at the next sitting of the Senate.

Motion agreed to.

RESOLUTIONS ADOPTED

The Senate proceeded to consideration of Resolutions, numbered 556 to 579, inclusive, which were presented on Friday, November 20.

Hon. F. W. Gershaw, for Hon. Mr. Roebuck, Chairman of the Standing Committee on Divorce, moved the adoption of the following resolutions:

Resolution 556, for the relief of Lois Margaret Jamieson Poirier.

Resolution 557, for the relief of Jeannette Slabosky Druick.

Resolution 558, for the relief of Nora Belle Doherty Cagliesi.

Resolution 559, for the relief of John Franklin Spencer.

Resolution 560, for the relief of Rosalia Berenyi Vitek, otherwise known as Rosalia Berenyi Weisz.

Resolution 561, for the relief of Claire Roy Bournival.

Resolution 562, for the relief of Otti Elizabeth Arons Jarislowsky.

Resolution 563, for the relief of Flora Beatrice McDonald Stewart.

Resolution 564, for the relief of Diane Bulloch Dufresne.

Resolution 565, for the relief of Walter Simek.

Resolution 566, for the relief of Rudolph Waldemar Hofmann.

Resolution 567, for the relief of Arnold Hoffman.

Resolution 568, for the relief of Margaret Elinor Anderson Hafner.

Resolution 569, for the relief of Fernand Cote.

Resolution 570, for the relief of David Gilbert.

Resolution 571, for the relief of Joan Campbell Wood.

Resolution 572, for the relief of John Lawrence Tarrant.

Resolution 573, for the relief of Michael Hooper Joynt.

Resolution 574, for the relief of Vincenza Rossetti Cyr.

Resolution 575, for the relief of Rene Lorion.

Resolution 576, for the relief of Phyllis Marie Walsh Lessard.

Resolution 577, for the relief of Gilles Lamoureux.

Resolution 578, for the relief of George Edgar Campbell.

Resolution 579, for the relief of Raymond Alain Giraud.

Resolutions adopted, on division.

MEETING OF COMMITTEE

Hon. Mr. Connolly (Ottawa West): Honourable senators, before I move the adjournment of the Senate I would remind honourable senators that the Standing Committee on Banking and Commerce will meet in room 356, after the Senate rises this evening.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, November 25, 1964

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

Prayers.

DOCUMENT TABLED

Hon. John J. Connolly tabled:

Revised Capital Budget of Central Mortgage and Housing Corporation for the year ending December 31, 1964, pursuant to section 80(2) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French texts).

PRIVATE BILLS

THE ROYAL COLLEGE OF DENTISTS OF CANADA—AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the following report of the committee on Bill S-44, to incorporate The Royal College of Dentists of Canada:

Your committee recommends that authority be granted for the printing of 800 copies in English and 300 copies in French of its proceedings on the said bill.

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

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

Report adopted.

REPORT OF COMMITTEE ADOPTED

Hon. Mr. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill S-44, to incorporate The Royal College of Dentists of Canada, and had directed that the bill be reported with the following amendment:

Page 4, line 13: Strike out "its business and affairs" and substitute therefor "the business and affairs of the College".

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

Hon. Mr. Hayden: With leave of the Senate, I move that this report be taken into consideration now.

Honourable senators, the amendment is a simple one and is for the purpose of clarification. Section 11 of the bill, which refers to the making of by-laws, provides authority to make such by-laws as it may deem necessary; that is, this association, when it is incorporated, may pass by-laws for the government and management of its business and affairs. It was intended to apply to the government and management of the business and affairs of the college. The amendment makes that clarification; otherwise possibly "it" might be taken to refer back to "Council", which is used in the earlier sections of the bill.

Report adopted.

THIRD READING

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

Hon. Mr. Smith (Queens-Shelburne): With leave of the Senate, I move that the bill be read the third time now.

Motion agreed to and bill read third time and passed.

CANADIAN INSTITUTE OF ACTUARIES—AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Mr. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the following report of the committee on Bill S-45, to incorporate Canadian Institute of Actuaries:

Your Committee recommends that authority be granted for the printing of 800 copies in English and 300 copies in French of its proceedings on the said bill.

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

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

Report adopted.

REPORT OF COMMITTEE ADOPTED

Hon. Mr. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill S-45, to incorporate Canadian Institute of Actuaries, and had directed that the bill be reported without amendment.

Report adopted.

THIRD READING

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

Hon. Mr. McCutcheon: With leave of the Senate, I move third reading now.

Hon. David A. Croll: Honourable senators, it is not my intention to delay passage of this bill, but I have a few words to say on it.

When the committee was considering this bill this morning I pointed out that I felt the public voice is lost when power is gained by a non-government, private agency over a public enterprise, by a body which is not publicly accountable and which determines matters of policy to the exclusion of public influence, without the right of appeal to some recognized authority. In my view, that is carrying the delegation of the powers of Parliament much too far and is jeopardizing the freedom of the individual.

I made the point this morning, but it did not register. I do not intend to hold up passage of the bill, but I make the point again at this time to indicate that this principle may plague us in the days to come.

Motion agreed to and bill read third time and passed.

HON. SYDNEY J. SMITH

FELICITATIONS ON GOLDEN WEDDING ANNIVERSARY

Hon. Arthur W. Roebuck: Honourable senators, in a meeting of the Standing Committee on Divorce this morning I was authorized, indeed I was instructed, to make a report verbally, which I know is entirely out of order.

The report is to the effect that we have been informed that our colleague Senator Sydney Smith of British Columbia, and Mrs. Smith, will tomorrow celebrate their golden wedding anniversary. The committee also instructed me to wire Senator and Mrs. Smith our congratulations. To the congratulations of the members of the committee I would like to add those of the members of the house who wish to join with me—you may signify this by a round of applause, and we shall add that to the telegram.

Hon. Senators: Hear, hear.

Hon. John J. Connolly: I am sure the honourable Leader of the Opposition (Hon. Mr. Brooks) and I would wish to be associated with the sentiments expressed by Senator Roebuck this afternoon with respect to our esteemed colleague Senator Sydney Smith. I should like to add to the views expressed by Senator Roebuck how gratified we all are that Mrs. Smith has successfully put up with Senator Sydney for so long, and to remark that it is fairly obvious to all of us that Senator Sydney must indeed have married a child bride.

Hon. A. J. Brooks: As the Leader of the Government has said, I am very pleased to associate myself with these congratulations. May I also add, as far as Mrs. Smith is concerned, that I believe she has had a much easier task in putting up with her husband than have the wives of most senators in putting up with their husbands.

PRIVATE BILL

SETTLERS SAVINGS AND MORTGAGE CORPORATION—AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the following report of the committee on Bill S-46, to incorporate Settlers Savings and Mortgage Corporation:

> Your committee recommends that authority be granted for the printing of 800 copies in English and 300 copies in French of its proceedings on the said bill.

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

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

Report adopted.

REPORT OF COMMITTEE ADOPTED

Hon. Mr. Hayden reported that the Standing Committee on Banking and Commerce had considered Bill S-46, to incorporate Settlers Savings and Mortgage Corporation, and had directed that the bill be reported with the following amendment:

> Page 1, line 19: Strike out "Hypothèque" and substitute therefor "d'Hypothèques".

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

Hon. Mr. Hayden: With leave, I move that the report be adopted now.

Honourable senators, this is a very simple amendment that was requested by the promoters of the bill. The word "Hypothèque" in the French title is changed by adding the letter "d" and an apostrophe, making it "d'Hypothèques". As I have said, this change was requested by the promoters, and we were happy to oblige them.

Report adopted.

THIRD READING

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

Hon. Gunnar S. Thorvaldson: Honourable senators, with leave, I move that this bill be read the third time now.

Motion agreed to and bill read third time and passed.

COMPANIES ACT

BILL TO AMEND—FURTHER REPORT OF COMMITTEE ADOPTED

Hon. Mr. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had further considered Bill S-22, to amend the Companies Act, and had directed that the bill be reported with certain amendments.

For text of amendments see appendix, pp. 1124-9.

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

Hon. Mr. Hayden: With leave, I move that the report be taken into consideration now.

Honourable senators, you heard something about this bill last evening, when I made a motion to refer it back to committee for further consideration in relation particularly to one section proposed by the committee and having to do with amalgamation as it might apply in the case of one or more federal companies seeking to amalgamate with one or more provincial companies. The committee met last night after the Senate rose, and there was a remarkably good attendance. We discussed the advisability of proceeding with this particular amendment, and in view of all the circumstances it was finally decided by the committee that it should not proceed with it at this time.

The main reason for coming to that decision was that there are so many good things in the bill by way of amendment, and provisions which modernize to a considerable extent the Companies Act, which the committee felt might be imperiled if this particular amendment were in it when the bill is being considered in the other place. It was felt that this amendment might promote a full-scale discussion on the constitutional aspect, because in seeking to provide procedures by which a federal company and a provincial company might amalgamate we are stepping constitutionally on ground that is not clearly defined. It seemed to be the common view that there was a grey area.

I use that language not because I profess to be a constitutional lawyer, but because it does seem to be the language of those who are constitutional lawyers. When such experts are unable to give a definite answer on constitutionality—that is, where the cases do not clearly state whether a procedure is constitutional or unconstitutional—they talk about there being a grey area. This particular amendment seemed to be in such an area.

This suggested amendment gives leadership in this direction, and the method that we proposed to employ for that purpose is now a matter of record. In going that far we have possibly issued a challenge not only to the provincial authorities and the federal authority, but to lawyers and those in corporate operations, and eventually this field may be further explored to the end that a procedure can be worked out.

While the committee was sitting last evening it also made what we might call some incidental and consequential amendments to items that were already incorporated in the first report submitted to the Senate. Those amendments involved no change in substance. In other circumstances it was a further simplification of the arrangement within sections that we had drafted; provisions were made easier to read and to follow by dividing them into subparagraphs instead of having a whole provision in one paragraph.

I think the tone of the bill has improved as a result of the changes we made last night. The main thought I had in mind, in taking advantage of the occasion to do that, was that I would rather make those changes here and now than have the bill sent back to us from the other place with some suggestion that our language in this regard or our arrangement in another regard was not as it should be.

Having said that, I think I should touch on a few of the highlights of the report. I do not think it is important that I should go through the details of the bill and indicate the many changes, but possibly I could touch very briefly on some of the highlights.

The first point which I should like to mention is the question of the prospectus. When a federal company is proposing to offer shares to the public under the federal Companies Act, a prospectus must be filed with the Secretary of State. There are elaborate sections in our Companies Act at the present time, and have been since 1934, outlining the documentation which must be done and the information which must be furnished before you can offer shares to the public.

Since that act was drafted, our provinces have enlarged very considerably their securities laws, and of course there are securities laws in foreign countries. Notwithstanding that, a federal company might have to file documentation under the Ontario Securities Act, if it were going to offer shares to the public in Ontario; and if it were going to offer some of those shares in the United States of America, it would also be obligated to file documentation under the Securities Exchange Act in the United States. There would still be the requirement that you must in all those circumstances file under the federal act in detail all the required information.

This amounted almost to suffocation in the paper work involved. There was so much detail that one wondered which was the more

important, the paper work or trying to hit the market at the right time in offering shares to the public.

The bill as it came to us provided that where there was an obligation under a provincial authority or under a foreign authority to file a prospectus or other document in connection with the offering of shares to the public, the requirement that you file under the federal Companies Act was waived. Then there was provision under which you could deposit a copy—true, as it came to us, it said "certified copy"—a copy certified by that public authority. That presented difficulties.

In addition we thought of cases where, under the provincial securities laws and under foreign securities laws, there are exempt transactions; that is, they have in their statutes transactions in respect of which you are exempt from the requirements of filing a prospectus. We thought that in those cases the exemption should also apply in relation to the obligation to file under the federal Companies Act. Therefore, we amended the section in the bill so as to provide this exemption or waiver, not only where there was an obligation to file but also in respect of transactions, offers of shares to the public, where the transactions were exempt.

We felt we could do this quite safely because there is a subclause in this particular clause of the bill which gives to the Secretary of State, notwithstanding this right of waiver, authority to demand that a prospectus, if he deems it to be in the public interest, be filed under the federal act in any event. We leave the matter of the requirement of procuring a certified copy of the filing with the provincial securities commission or the foreign securities commission. We toned down the requirement which was that you must produce a copy certified by that public authority, the obtaining of which might make for lengthy delays at times. Alternatively, the secretary of the company may certify under the seal of the company that this is a copy of the prospectus or other document that was filed and in that form is acceptable to the Secretary of State.

The next item is one which sparks a lot of interest these days, namely, the subject of disclosure. In the hearings which we had —and the members of the committee will recall this—we heard representations from quite a number of organizations, including The Canadian Bar Association, the Institute of Chartered Accountants, the Board of Trade of Metropolitan Toronto, and a number of other organizations. We also had submissions from a number of legal firms across Canada whose practice takes them into this field. We had recommendations on this question of disclosure, in the sense of what information those who are running the company should be obliged to disclose to the shareholders of the company.

I should tell you what our present law is under the Companies Act. It is that a director or officer who has been buying and selling shares of the company of which he is a director or officer during the year, must furnish to the secretary of the company, before the annual meeting, a statement of those tradings, and that statement is to be available at the annual meeting if any shareholder wants the information. That was felt to be a sort of haphazard, lackadaisical way of doing things. The bill went on to add another class, that is, any shareholder of the company who holds more than 10 per cent of the voting shares must furnish a statement of trades within 30 days of the trades to the secretary of the company, who must enter those in a book kept especially for this purpose, and that book is to be available for inspection by any shareholder during normal business hours of the day. Then it went on to require that the directors shall present the information which is contained in this book to the shareholders at the annual meetings.

Some of the objections that we had, especially from the chartered accountants, were to the effect that this might pile up a tremendous amount of paper. Their suggestion was that the obligation to file this information with the secretary of the company should be one where those officers and directors, and shareholders having more than 10 per cent of the outstanding voting shares, should file this information with the secretary of the company within 30 days from the end of the month in which the transactions took place.

Then we went on to recommend to this effect: instead of saying that the directors "shall present", we said "the directors shall disclose" to the shareholders at each annual meeting what is in this book. Then we put in another provision requiring the secretary of the company within 30 days after he has received this information on tradings to furnish a copy thereof to the Secretary of State so that it gets into a public place. There we make that information available without charge only to the shareholders of the company.

The concept that we had, if I may elaborate briefly, is that the Companies Act is intended to deal with relationships between shareholders and their company; we also felt that if you have directors and officers in a preferred position as to information with respect to the day-to-day operations of the company and its success or lack of it, and you have shareholders who have a commanding stock position as a result of which they might be in a position to get this information—in some

cases it is called the "insiders" or "inside information"—we felt that the information should be available in a convenient way to the general body of shareholders.

We did not feel that this was information which should be published to the public at large, for two reasons. One was that this is more or less to level out the position of the ordinary shareholder in relation to other shareholders who are also officers and directors and who have a commanding stock position with greater access to information. Secondly, if there is any member of the public who for curiosity or for other purposes wants to find out what trading is going on, it is very simple for him—let him invest a few dollars in a share or two, and as a shareholder he would have a right to go in and inspect. We felt in this direction that this was fair enough. We have sections in the Companies Act which deal with the offering of shares to the public and the special conditions that must be satisfied. The matter of dealing with the public, in any event, is more in the provincial field.

Under the heading of Property and Civil Rights, you have the provincial securities commissions where there are elaborate requirements, where shares are to be offered to the public, which must be satisfied.

If the stock is listed, you have also very particular requirements as to the information you must present in listing the shares. Then there is the information you must add from time to time in amending the listing if there are any material changes in the organization or operation of the company. That is why we limited the scope of our requirements on disclosure in the amendment which we submit.

Under another heading in the federal act preferred shares were redeemable or could be purchased or cancelled out of what were called net liquid assets of the company available for that purpose, or if the company made an issue of shares with the intention of using the proceeds to redeem preferred shares that were already outstanding. We had many submissions on this subject. Many of them went to the point that this procedure inhibited the proper functioning, and presented difficulties in dealing with redemption or purchase of preferred shares for cancellation, where you were limited to such redemption or purchase of sales for cancellation out of the net liquid assets of the company.

We had recommendations that this section be eliminated, and provision made for a right of redemption or purchase for cancellation out of capital. Finally, we came to the conclusion that with some revision of section 61, which deals with redemption or purchase of preferred shares for cancellation, and some changes in language, etc., we would leave that section in, but we provided elsewhere in the bill for redemption of preferred shares out of capital. However, it is subject to the conditions in the Companies Act whereby, of course, the redemption out of capital cannot be done in circumstances where the company is insolvent, or where that redemption might lead to insolvency.

When Senator Vien introduced the bill on second reading, he gave some explanation of the provisions dealing with mutual fund shares. The committee felt that some of these provisions required clarification.

May I point out first the difficulty is that when you are talking about a mutual fund share you must consider the question, when is a share not a share? I suppose the answer is: when it is a mutual fund share, because a mutual fund share is a participating interest in a mutual fund which is operated by a company, and it is not in that sense a share of the company. However, over the years that mutual fund operations have been carried on they have used the language of our Companies Act.

You talk about redemption or purchase for cancellation. One of the essential conditions of a mutual fund share is that the holder of that share has the right to present it to the company at any time and at a price which is worked out according to a formula. The company must accept the surrender of it, and at that price. So we defined a mutual fund share in the bill which is now before you.

We also felt, and we had representations to this effect, that since the mutual fund shares now outstanding use the language "redemption or purchase for cancellation" in their letters patent or supplementary letters patent, when this bill becomes law, and the language would be "surrender or acceptance of surrender" of a mutual fund share, we should provide a bridge that would relate the earlier language to the words surrender or acceptance of surrender, which will hereafter be used. Accordingly, we provided that where letters patent or supplementary letters patent contain the words "redemption or purchase for cancellation", they shall mean "surrender or acceptance of surrender of the shares." Thus we have satisfied all representations, we have clarified the procedures, and you now have in the modern sense something that is workable and easily understood.

Then there was a provision in the bill which came to us putting some limitation on when a shareholder has a right to present his mutual fund share to a company and demand his money. The limitation would not permit him to do that when there was insolvency in the

fund. However, where a mutual fund is set up there can never be insolvency, because your interest is a percentage of the mutual fund, whatever may be the amount of the fund. Therefore, we struck out those provisions.

I should tell you briefly that there is an amalgamation procedure in the bill. Its introduction in our federal Companies Act is new —it did not exist before. The procedure permits two or more federal companies to amalgamate. The committee made some changes, and there was some discussion in committee, which I shall relate. The bill as it came to us provided that if two federal companies were going to amalgamate and they settled on their amalgamation agreement, they must call meetings of the shareholders and of the various classes of shareholders of the companies going into amalgamation, and at such meetings called for that purpose 75 per cent of the shares of each class represented must be voted in favour of the amalgamation, or it does not carry.

The bill then went on to provide that after that was done the company must then go to the court, on notice to the dissenting shareholders and on notice to the creditors, to ask the court to sanction this amalgamation agreement. The majority in the committee came to the conclusion that when you are dealing with amalgamation procedures you are dealing with a straightforward commercial transaction, and not something in the nature of compromises and arrangements under the act, where they affect internally the rights of various classes of shareholders in one company.

The committee felt that these procedures requiring an application to the court should be reversed, and therefore we provided by way of amendment that when the shareholders have approved, then it is up to the dissenting shareholders who have at least 10 per cent of the shares of any class to go to the court if they want the court to annul the agreement.

So far as creditors are concerned, the committee felt they were amply taken care of when reference was made to these provisions for reduction of capital in the Companies Act, because if this amalgamation involved any reduction in the capital of the company, the committee felt it was sufficient if they were made subject to the reduction of capital provisions in the Companies Act. Those provisions deal specifically with such a situation and in that respect afford ample protection to the creditors.

In committee we finally came to a vote on which procedure was to be adopted, that is, whether or not the provisions of the bill paralleling the provisions for arrangements and compromises should be followed, requiring the company to go to court—and several senators thought that provision was good and should remain—or whether the provisions which we provided were the ones which should be in force. The view of the committee was that the right given to the dissenting shareholder to go to the court was to be preferred, and that is the form in which it is now before you.

An added view supporting the procedure recommended that there was a close similarity between amalgamation of two companies and one company selling its assets to the other company. Certainly, in the sale of assets by one company to another company there is no provision requiring that you must go to the courts. In some cases a majority of the shareholders only is required where you are selling the undertaking of the company. We felt, in the circumstances, that all the different interests were being amply and properly protected by what we have done.

I should now tell you about the printing of restrictions governing preferred shares. All those conditions under the law must be printed on the back of the certificate. As the ingenuity of man has increased, with his ability to devise and create additional types of preferred and deferred shares and conditions, these conditions became yards and yards long, and the obligation to put them on the back of a certificate required equal ingenuity, very often to the point that the conditions had to be reduced photographically, and the print became so small that a magnifying glass should have been provided with each certificate in order to read it. We agreed to leave in the law the provision requiring the conditions to be put on the back of the certificate, but we added, alternatively, a provision that there could be a notice printed on the certificate to the effect that these shares were subject to conditions and limitations etc., and that a copy of those could be procured without charge from the secretary of the company.

Another question arose of a similar nature in connection with the seal. There was a provision in the bill as it came forward to us, that the English name and the French name of the company must appear on the seal. Knowing how long the names of some companies are, by the time you get both of them on the seal of the company some of them are going to be as big as a pie pan, or even larger. We left that provision in but we added to it, alternatively, that the company might have two seals, which would be equally valid; so the company could have one seal for the English name and another for the French name.

Before I conclude, I should mention a few other matters. For instance, under the fed-

eral Companies Act, a director, in order to be elected or appointed, must be a shareholder. Under practically all of provincial statutes of which I know, as, for instance, in Ontario, the provision is that if he is an elected director and qualifies by acquiring shares within ten days afterwards, that is sufficient to meet the requirement. So we have put a provision of that kind in the federal act.

We have also brought the federal act into conformity with many of the provincial ones in the matter of proxies, because the federal act required that the proxy must himself be a shareholder. Showing a preference for the broader provision in the provincial acts, we have adopted the position that the proxy need not himself be a shareholder.

You will be pleased to note that all the schedules that are attached to the Companies Act are to be repealed by this bill. The thinking behind that is that the statute is explicit as to what must be included in a petition for incorporation, and all the forms that are provided are so out of date in relation to the methods and what is to be included in petitions to incorporate companies nowadays, with the various classes of stock, etc., that usually they are not used. A solicitor who is preparing the papers has the whole thing typed out anyway. As Mr. Lesage, the director of the Companies and Corporations Branch, says, "By eliminating the forms, maybe I am not a good civil servant, but at least the lawyers will have to work a little harder to prepare the material to present to the Department of the Secretary of State." Perhaps there is something in that.

We took advantage of the opportunity to tidy up many other provisions, and include others not already in the bill. We had requests which we considered and weighed carefully, and then we made certain changes; but I think you can understand those from reading the report.

Before I close, I want to say that we had at least half a dozen meetings of the Banking and Commerce Committee on this bill. On most of those occasions we heard witnesses and had briefs presented to us, some by individuals who did not appear as witnesses and others who appeared. There was very full discussion and questioning. Then we had a number of meetings of the main committee to discuss various headings—some of those I have discussed with you today—and to get the view of the committee.

Then we appointed a subcommittee which sat even during recesses of the Senate and worked on its own. Finally, it produced, for better or for worse, the document which is now before you. I must commend the efforts of the members of that subcommittee, and in a particular way the efforts of two who were so faithful in their attendance and so expert in the contributions they made. I refer to Senator Leonard and Senator Choquette. Some members of that subcommittee were not at as many meetings as others, but we held meetings at which every member had his say. The document that resulted is the one you received the other night. Then we had cause for further reflection and went back at it last night, and this is the result of the combined thinking of the members of the committee, for you to accept, reject or amend as you, in your judgment, may think fit.

Hon. Lionel Choquette: Honourable senators, as you all know, I am not a corporation lawyer, and it would be presumptuous on my part to try to add anything to what has already been so clearly explained by the chairman of the committee.

Hon. Mr. Connolly (Ottawa West): You look like one.

Hon. Mr. Choquette: However, I would like to speak for a moment or two in connection with the motion for the adoption of the report of the Standing Committee on Banking and Commerce on Bill S-22, to amend the Companies Act.

I believe that the report speaks for itself. Over fifty amendments to the bill, some of great importance and others of lesser importance, are now commended for the favourable consideration of the Senate. I have already concurred in them, and I support them unconditionally. However, I would like to speak, not so much of the substance of the amendments as of the process and procedure which have brought this project to fruition.

I was much honoured at having been asked to serve on the subcommittee appointed by the main committee to consider the representations made by many responsible bodies representing Canada's lawyers, accountants, manufacturers, and others, and to report on the bill to the main committee.

I do not flatter myself that my appointment was due to any particular expertise on my part in the field of corporation law, but I need hardly add that some of the best qualified people in Canada in that field did serve on the subcommittee.

Let me name my colleagues on that subcommittee: Senator Molson, one of Canada's leading industrialists; Senator Leonard, an outstanding corporation lawyer and executive; Senator Bouffard, a leader in corporation law of the Bar of Quebec; Senator Cook, a leading corporation lawyer and executive from Newfoundland; Senator Walker, a leader of the Ontario Bar in corporation matters; and Senator Wallace McCutcheon, who, in addition to being a lawyer—he says he has re-

formed—and an outstanding industrialist, is, I understand, in some way qualified as an actuary! I will speak of Senator Hayden in a moment.

For myself, I was available and, to my great satisfaction and advantage, was in regular attendance, as Senator Hayden has already told you. At the numerous meetings of the subcommittee, I confess I learned much more than I was able to impart. I was tremendously impressed by the devotion and capacity exerted in the matter by all members of the subcommittee under the distinguished and dedicated leadership of Senator Hayden, who is, of course, the chairman of the main committee and was zealous in his other capacity as chairman of the subcommittee.

A thorough and exhaustive job of work was done, and I feel bound to say that this particular project provided a prime example of the quiet, hard work performed by the committees and, indeed, subcommittees of the Senate, work which is in the main unheralded and unsung, but which will be reflected for years to come, to the general advantage of all Canadians, in the statute books of this country.

In closing, honourable senators, I think we owe a vote of thanks to our able and willing Law Clerk, Mr. Hopkins, as well as to another able man in the Department of the Secretary of State, the brother of Premier Lesage of the Province of Quebec.

Hon. John J. Connolly: Honourable senators, I do not wish to detain the chamber for more than a few moments. Even if Senator Choquette had not said what he did, I believe it would be only proper for the Leader of the Government in this chamber to rise on this occasion, first of all, to thank the chairman and the members of this committee for the monumental task they have undertaken and discharged. This bill consisted of 42 printed pages when it came to the Senate. It was a voluminous bill. The amendments that were made by the subcommittee, were concurred in by the main committee, and which are now about to be approved by the Senate, comprised some ten pages of small printed material. This is one of the major and most voluminous pieces of legislation to come before Parliament this session.

Senator Choquette has said a great deal about the dedication and the capacity of the members both of the subcommittee and the main committee. I know the press will not bother with this particular portion of the debate. Nevertheless, this is an invaluable service rendered by dedicated parliamentarians to Parliament and to the country. I believe when the opportunity presents itself this fact should be pointed out. This is one of those occasions. This is the Senate operating at its best. This is a second chamber doing something that is invaluable for the country.

You might get this kind of expertise if you obtained the services of individual members of the bar, the profession of accountancy and from the ranks of business and industry in this country—if you could find a suitable forum. But, in addition to that, to have men who are experienced in dealing with legislation do this work in this most thorough, objective and nonpartisan way is a credit to our parliamentary institutions.

Hon. Mr. Pouliot: And to the Senate.

Hon. Mr. Connolly (Ottawa West): Of course, to the Senate too. I hope that when people talk about what the Senate can do they will remember a performance like this.

Report adopted.

THIRD READING

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

Hon. Mr. Connolly (Ottawa West): With leave of the Senate, I move third reading now.

Motion agreed to and bill read third time and passed.

THE ESTIMATES

REPORT OF FINANCE COMMITTEE—MOTION FOR CONCURRENCE—DEBATE ADJOURNED

Hon. T. D'Arcy Leonard, Chairman of the Standing Committee on Finance, to whom was referred the Estimates laid before Parliament for the fiscal year ending March 31, 1965, presented the following report:

> The Standing Committee on Finance to whom was referred the Estimates laid before Parliament for the fiscal year ending March 31, 1965—

Some Hon. Senators: Dispense.

For text of report see appendix, pp. 1130-4.

The Hon. the Acting Speaker (Hon. F. W. Gershaw): Honourable senators, when shall this report be taken into consideration?

Hon. Mr. Leonard, with leave of the Senate, moved that the report be taken into consideration now.

He said: Honourable senators, I understand that mimeographed copies of the report of the committee are now being distributed in the chamber, and of course the report will also be printed in today's proceedings. In the meantime with the assistance of these mimeographed copies you will be able to follow the report.

I should start by offering a word of apology for the short notice given when calling this morning's meeting of the committee. The steering committee decided last evening that it was desirable that the committee should meet today, and we agreed to meet at two o'clock so as to have an opportunity to consider the report. Then we discovered that the Standing Committee on Banking and Commerce was meeting at two o'clock to consider the Bank of British Columbia bill. With the co-operation of the chairman of that committee, we managed to work in a committee meeting at 11 o'clock this morning. While a notice of the meeting appeared on the bulletin board when I came in at eight o'clock this morning, and I received mine quite early, I understand that some members of the committee did not receive their notices in time to attend. Nevertheless, there was an excellent attendance at the meeting and the committee did receive the report and considered it for submission to the house this afternoon.

While I intend to proceed with the explanation of the report today in the hope that it will be helpful to honourable senators, the debate can, if necessary, be adjourned so that members may have an opportunity of studying the report and at a later date debate and discuss it at length.

I should also pay tribute to the members of the committee who have participated in the discussions and in the preparation of the report. I mention this particularly in view of the fact that the attendance at the meetings was excellent, even when the Senate was not in session. We received faithful, loyal and competent service in the committee.

This report might be divided into three main divisions. The first is made up of paragraphs numbered 1 to 15, which refer generally to such matters as the form of the estimates, their preparation, and certain remarks dealing with procedures and the character of the estimates. The second division deals with what is called the Glassco Report recommendations, and the third or final division deals with the estimates in general.

Coming now to the first division of the report and beginning at paragraph No. 4, I would call attention to the fact that:

> This is the first occasion since 1956 that the Estimates have been referred to a committee of the Senate. Prior to 1956, the Finance Committee under the chairmanship of the Honourable Senator Crerar, and later of Honourable Senator Hawkins, studied the estimates and made reports thereon which were helpful and valuable. In the interval, since 1956, an important development that has taken place is a report, officially known as the "Report of the Royal Commission on Government Organization" but more commonly called the Glassco Report after the distinguished Chairman of the commission.

Our report deals with this later on.

Then, in connection with the estimates you will see on page 2 a description of how the estimates are prepared and the procedures adopted before they finally reach Parliament. For example, work on this year's estimates started on July 1, 1963, when the departments had to submit to the Treasury Board their plans for expenditures, and establishments, that is, as to the numbers of staff they would need. When these are received by the Treasury Board they are analysed, studied, discussed and if necessary revised. Discussions take place between the deputy ministers of the departments and the Treasury Board, and then the ministers who constitute the Treasury Board meet and deal with the estimates and have further discussions with the ministers of the various departments. The resulting recommendations go to the cabinet which makes a final decision, following which the estimates are printed and placed before Parliament. Generally they are tabled in Parliament on the first day of February preceding the year for which the estimates are provided. In other words the estimates for 1964-65, covering expenditures from April 1, 1964 to March 31, 1965, normally would have been tabled on February 1, 1964. Actually they were tabled on March 3, 1964.

Then on page 2 at paragraph 8 the report goes on to say:

> In the light of the time factor involved in this procedure, it is understandable that from time to time during a fiscal year supplementary estimates are prepared and submitted to Parliament to cover expenditures unforeseen at the time of the preparation of the main estimates, or resulting from subsequent legislative action.

In this year we have had three such supplementary estimates, including Supplementary Estimates (C) tabled two days ago. As of November 24, 1964, when this report was prepared, the estimates had not yet been approved by Parliament and therefore no final supply bill has been voted by Parliament for the expenditures for this year.

> Because it has been necessary to supply the government with money on account so that it may carry on the business of the country, some five interim supply bills have been passed by Parliament so far this year, providing generally for expenditures for nine months and, in some cases, for ten or eleven months. It

> is an anomalous situation that most of the money has been spent before Parliament has approved the expenditures themselves.

The procedure that has been described in this report is consistent with the pattern that has been followed for some years.

> It is familiar to all members of Parliament and need not have been set out in this report, were it not for the fact that in recent years criticisms have been voiced that seem to warrant examination.

Then, reading on from paragraph 11:

> It is far from satisfactory to have so long a period of time elapse before the final vote of supply by Parliament and to have so much money spent before the estimates have been approved. Having in mind the increasing multiplicity and magnitude of parliamentary duties, it would be desirable to bring about an earlier disposition of the estimates and the consequent bill or bills of supply. In this connection it is noteworthy that in the United Kingdom 26 days before August 5th of each session are given for the consideration of the annual estimates on supply. Therefore, there is a limit on the debate and a deadline for the final passing of supply.
>
> 12. The consideration of the estimates has traditionally provided an opportunity for debate, not confined to the items of expenditure, but also on grievances, within relevant limits, against the executive government. Indeed, at times this aspect of the debate may completely overshadow consideration of the financial items themselves.
>
> 13. The Senate as an integral part of Parliament has to debate and vote upon supply bills before they are passed. Traditionally, it has exercised both the above-described functions when dealing with supply bills, namely, scrutinizing expenditures and airing any grievances which honourable senators may have against the executive government. Depending on circumstances, therefore, a debate could take two or three days, or no longer than one day.
>
> 14. In so far as the financial aspect of supply bills is concerned, so long as the estimates are referred to the Finance Committee at each session, an opportunity is provided for the examination and scrutiny of expenditures. As to the other aspect, the airing of grievances, the rules of the Senate do provide other opportunities for members to raise such questions. Nevertheless, it is desirable to preserve and protect our rights in this respect in the debate on supply bills. Unfortunately, it has happened on a number of occasions over the past ten years that the Senate has been faced with an indirect form of closure forced upon it by the pressure of events and primarily caused by the insufficiency of time between the date a supply bill reaches the Senate and the deadline by which the Government's legislative authority to spend would be exhausted.
>
> 15. Your committee calls attention to this situation in the hope that ways and means may be found to bring about an earlier and speedier disposition of the estimates and of the Supply Act or Acts based thereon, and to express its willingness to deal with such estimates with promptness and dispatch to meet any earlier deadline that Parliament may wish to prescribe.

So far the committee's report deals with the preparation, and form of, and the procedure in connection with, the estimates, and the comments that the committee has to make thereto. We then come to the sections dealing with the report of the Glassco Commission. At the foot of page 4 the report includes what the Glassco Commission says, and which epitomizes their approach to the estimates.

> The conclusion is inescapable that the present procedures in developing and reviewing the estimates are wasteful and inefficient. The form of the estimates does not permit intelligent criticism and, in placing the major emphasis on the nature of expenditure rather than on its real purpose, the matters coming under senior review are the less important details of administrative judgment. Any valid assessment of performance by departmental management is excluded and it is virtually impossible to form any objective judgment from the estimates as to the desirability of continuing, modifying or enlarging specific programs in the public interest.

The report then continues:

> Your committee concurs in general with this analysis.

The report then proceeds to deal with certain specific recommendations of the Glassco Commission, and it reads:

> (a) That the number of votes be reduced and all cost elements of individual programs be consolidated within the same vote.

Our comment there shows that in 1961-62 there were 495 votes in our estimates,

which number was over three times that currently used in the United Kingdom. In the current estimates for 1964-65 those votes have been reduced to approximately 240 in number, and no doubt there can be a further reduction.

The second recommendation of the Glassco Commission considered by the committee is:

> (b) That departmental estimates should be prepared on the basis of programs of activity and not by standard objects of expenditure.

Your committee's comment on that is that it agrees that the primary emphasis in the estimates should be on the "program" rather than on the standard objects of expenditures. The report continues:

> The significance of an expenditure must be related to the purpose for which it is being incurred. Departments should justify their estimates by relating them directly to the program that occasions them and, in turn, justify the program as being worth the amount expended upon it, not only on its own account but also in competition with other needs for which money is required. This change however should not take place at the expense of omitting relevant details such as are contained in the standard objects of expenditures.

The next recommendation is:

> (c) That the establishment review should be part of the overall review process of expenditures.

Your committee says that the logic of this proposition is self-evident.

The next recommendation is:

> (d) That all departments and agencies should be required to prepare and submit to the executive long-term plans of expenditure requirements by programs, and that based thereon an overall forecast of Government expenditures and prospective resources for a period of five years ahead should be prepared annually.

Without reading it all, the report says in the last sentence of the next paragraph:

> The use of such a forecast does not involve a decision to agree with projected expenditures but its value would lie in preventing decisions being made currently that would not take into account the future consequence of that decision by itself, and also in the context of its relative effect on overall operations.

Then we come to the most significant of the Glassco Commission's recommendations in respect of the estimates, namely:

> (e) That departments and agencies be given the necessary financial authority and be held accountable for the effective management of the financial resources placed at their disposal.

In essence, this means decentralization of financial responsibility.

The report continues:

> The theory supporting it is that by making a department itself responsible for its financial expenditure, it will exercise that responsibility more effectively and economically than if some outside body is, as the report puts it, "likened to a policeman patrolling the departments to ensure financial rectitude."
>
> Your committee desires to sound a word of caution in connection with this recommendation. The change, of itself, will not automatically bring about the desired improvement. Its success will depend upon how the key personnel in the civil service respond to the challenge involved in this delegation of greater responsibility to them, and assume the higher degree of accountability for the efficient and economical financial management of departmental affairs. In each department there must be a fully qualified and competent financial administrator under the deputy minister. In this connection your committee has noted with approval that a course for training such personnel has now been set up in the Civil Service. It is to be hoped, but it still remains to be seen, that skilled and competent internal financial management within departments will bring about greater efficiency and savings.

It should be made clear, perhaps, that such extension of authority within the department refers only to expenditures authorized by Parliament. Indeed, the change may well require even greater vigilance and a more careful scrutiny of public expenditures by the executive and by Parliament.

The next recommendation of the Glassco Commission is:

> That the costs of major common services be charged to user departments.

The committee's comment on this is:

> At present in many instances free services are provided to various departments of government, among which might be mentioned accommodation, furniture, power, franked mail, superannuation and other employee benefits. Your committee agrees with the principle of this recommendation and, so long as its implementation does not superimpose an elaborate or expensive system, it is desirable that the

costs of such services should be charged to the user department of them.

The next recommendation is:

That where appropriate, revenues be offset against related expenditure, and that votes be shown in the estimates and controlled on a net basis.

The committee's comment on that is:

As the Glassco Report states, it is normal in industrial budgeting to relate revenues and costs. In government those revenues derived from services rendered are generally only incidental. Your committee agrees in principle with this recommendation of the Glassco Report and we have noted that the officials of the Treasury Board are studying the practical problems it presents for the purpose of seeing how far the desired result can be achieved.

There are other recommendations contained in the Glassco Commission's report that do not relate to the estimates, but your committee dealt only with those that did relate to the estimates. The report emphasizes that decisions to spend are, in the first instance, decisions of government policy, and that even Parliament's control over such decisions must be viewed in the light of our system of responsible government. The report continues:

Therefore, the total amount of the estimates and the objects thereof are the primary responsibility of the government of the day and, once those decisions have been made, the most that management can do, and in practice parliamentary scrutiny also, is to see that the expenditures are made as efficiently and as economically as possible, and without waste, extravagance or duplication.

I come now to the final part of this report, which reads:

20. In addition to its studies of the Glassco recommendations, your committee inquired into a number of matters concerning the estimates in general and also as to particular items. The questions and the answers submitted by the Treasury Board officials appear in the printed proceedings of the committee, with suitable appendices where required, and for the purposes of this report it is sufficient to say that all relevant information was obtained upon the items as to which members were concerned.

21. The following observations are made as to the estimates in general. The main estimate for 1964-65 totalled $6,703,513,508, or $84,378,008 more than those of the previous year. It should be noted, however, that there was a substantial reduction in the current estimates of the Department of National Defence from those of the preceding year, amounting to $109,000,455.

It would be misleading, however, to compare the estimates of respective years without taking into account the supplementary estimates. In the current year supplementary estimates have been filed totalling $221,763,280 and the Minister of Finance in his budget speech in March estimated that the total expenditure for the year would be about $7,125,000,000 or $233,000,000 more than in the preceding year, an increase of a little more than 3 per cent. It is interesting to follow the trend of increases in expenditures over past years, and a table of the history for 10 years is appended.

I think the table is on the copies of the report that you have in your hands. You will find it of interest to see just what percentage of increase has taken place in each year since 1955. On the average, it would be more than the 3 per cent that has taken place in this last year. Sometimes it has run as high as 9 per cent and sometimes it has been as low as 1 per cent.

This year's percentage increase in federal expenditures should also be viewed in relation to the 8 per cent increase in the Gross National Product of Canada for the current calendar year over the preceding year, as currently estimated.

In the course of its deliberations, your committee considered the place of crown corporations and agencies with relation to the estimates. Some of them do not appear in the estimates at all and others appear with inadequate information. Having in mind that the purpose of the estimates is to enable Parliament to scrutinize the financial operations of government, your committee believes it would be useful on another occasion to examine the financial statements of one or more crown corporations and to give the managements thereof the opportunity to testify as to their operations. Your committee would be prepared to undertake such action if the Senate in the future should deem this advisable.

Your committee desires to record its thanks and its appreciation for the evidence submitted by those senior officials of government who appeared before it and their courtesy and co-operation.

All of which is respectfully submitted.

Hon. J. Campbell Haig: Honourable senators, before I move the adjournment of the debate on the consideration of this report, I think it is only fitting that I, as a member

of the committee not heard from too often, should pay a tribute to our chairman. I hope this is not a usual course, that anyone who presents a report should have bouquets thrown at him.

Hon. Mr. Connolly (Ottawa West): Why not?

Hon. Mr. Haig: The honourable Leader of the Government has mentioned quite often the work of the committees in the Senate. This committee report, I think, breaks new ground, in that we have discussed and considered certain aspects of the Glassco Commission Report and certain recommendations made therein. These certainly will affect the operation of the estimates and the financial arrangements of the Government and their consideration by both houses of Parliament.

Therefore, I have pleasure in moving adjournment of this debate until the next sitting of the house, so that the members may read this report. I would recommend that they also read the reports of the proceedings of the Finance Committee.

In closing, I repeat the attitude of all members in the committee, in expressing appreciation of the help and co-operation given to the committee by its chairman, honourable Senator Leonard.

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

CONGO ATROCITIES

EXPRESSION OF SYMPATHY TO RELATIVES OF VICTIMS

Hon. R. B. Horner: Honourable senators, I believe that no one in this chamber has yet said a word about the enormous tragedy which has taken place in the Congo. I have been mindful of it because I am familiar in my travels with the Bible Institute at Three Hills, Alberta.

I noticed in the press that a Canadian missionary was over in the Congo with his wife and six sons. He was one of those who was shot and killed, and two of the boys were slightly wounded.

Of course, from all over Canada people serve as missionaries, in foreign fields, to assist the less fortunate people in any way they can.

It is sad that this tragedy should occur, in this day and age. Although one might say the Congo is a long distance away, it is only about one day's travelling time by modern means of transportation.

Perhaps we should check a little to see if some mistake was made, to see if some of the loss of life could have been avoided. I hope we might learn something for the future, that might save the lives of people who go out as missionaries. There are several missionary sisters who are not accounted for yet.

Honourable senators, I would like to extend my heartfelt sympathy to the families who have lost their relatives in the Congo.

ADJOURNMENT

Hon. John J. Connolly: Honourable senators I move, with leave of the Senate, that when the Senate adjourns today it do stand adjourned until Tuesday next, December 1, at 8 o'clock in the evening.

Motion agreed to.

HON. W. ROSS MACDONALD, P.C. AND HON. NORMAN MCL. PATERSON

FELICITATIONS ON APPOINTMENT AS UNIVERSITY CHANCELLORS

Hon. Olive L. Irvine: Honourable senators, may I be permitted this afternoon to pay honour to two of our most beloved senators on the high honour that has been bestowed upon them recently.

Senator Ross Macdonald was a few weeks ago appointed Chancellor of Waterloo Lutheran University, succeeding the late Senator Euler. I congratulate you, Senator Macdonald, and I know that you will grace the position with dignity and charm.

Our second colleague to be honoured is a native of my own Province of Manitoba, a great Canadian, in the person of Senator Norman McL. Paterson. He is a man I have honoured and admired for many years. His qualities are the qualities of the heart—he is gentle, honourable and sympathetic. Throughout the years his heart has gone out to many good causes, and in his own quiet way he has been a benefactor to many. In the western provinces he has been active throughout the years, in its rural and urban development, and still maintains that position in the great organization which bears his name. Although he is now a resident of Ottawa, we of the Prairie Provinces look upon him with strong affection.

In late October, Senator Paterson accepted the invitation to become the first Chancellor of Lakehead University, situated in Port Arthur, Ontario. His long association with the Lakehead in the past, and his continuing interest, will add immeasurably to the stature and position of the university throughout Canada.

The Lakehead College of Arts, Science and Technology will change its status from its present form to that of a full university and will grant degrees in arts in the spring of 1965.

The emergence of the college into the status of a university marks a monumental

achievement by citizens of Northwestern Ontario. The years between the inception of the college and its present buoyant position are few, indeed, emphasizing the drive and determination of a community in which the senator was an ardent and intelligent leader. It is a happy and a fitting circumstance that Senator Paterson shall be the head of the new university, and I, along with all my colleagues, will agree that the appointment was richly and justly deserved.

May we extend to you, honourable senator, our warmest and most sincere congratulations.

Hon. John J. Connolly: Honourable senators, I am sure we are all indebted to the honourable senator from Lisgar (Hon. Mrs. Irvine), who has just spoken. I assure her, as well as our two colleagues to whom she referred, how much we endorse all she has said.

Senator Macdonald has given many years of service to Parliament and, indeed, to Canada. Throughout his great career he has been most interested in the training of young Canadians. Now, as Chancellor of one of our growing universities, he will be able to give still further direction in that field.

Senator Paterson has been a captain of industry—perhaps a captain in a very special sense. He has done much in the development of the economy of this country, and he has contributed greatly to furthering the cause of higher education in many places.

We are all honoured to be associated with these two distinguished Canadians as their colleagues in the Senate.

Hon. W. Ross Macdonald: Honourable senators, I must say that I am taken completely by surprise by the gracious words uttered by Senator Irvine.

It had not been my intention to be present in the chamber this afternoon, but when I heard that Senator Leonard was to bring in his report on the way the finances of the country should be administered, I came in to hear what he had to say. To my surprise, I heard the remarks which have just been made by Senator Irvine and Senator Connolly, which I greatly appreciate.

A few days ago, Senator Vaillancourt referred to my appointment. Therefore, I wish to thank the two senators who have spoken this afternoon and also Senator Vaillancourt.

Waterloo Lutheran University is a young institution. At any time it would have been a high honour for me to be its Chancellor, but I consider it an even higher distinction in view of the fact that its first Chancellor was one of our colleagues, now deceased, the honourable Senator Euler. I hope I shall be able to carry on in the fine tradition established by him.

The university of which Senator Paterson will become Chancellor is younger than Waterloo Lutheran, but I should point out that the latter dates back to about the year 1910, at which time it was a theological college. Shortly after, it widened its interests and embraced the study of the arts generally, and its two or three enrolments in 1911 have since expanded to approximately 4,600, and the number is growing. It is indeed a young and growing university.

I would also like to point out that although the university bears the name "Lutheran," it is open to students from all denominations. The majority of the students are not Lutherans, but are from the Anglican Church, the Roman Catholic Church, the United Church of Canada, and the Presbyterian Church. Indeed, the university welcomes students from all denominations and from all parts of Canada.

Honourable senators, the position of Chancellor is almost wholly honorary, but he is required to be present at convocations and to confer degrees. I learned recently that the first degree I shall confer will be upon the Prime Minister of Canada, the Right Honourable Lester B. Pearson. I trust that as time progresses, at least one of your sons, grandsons, or great-grandsons, will appear at Waterloo Lutheran University in the role of Prime Minister of Canada, and receive a degree from its Chancellor of that day.

Hon. Norman McL. Paterson: Honourable senators, may I take this opportunity to thank Senator Irvine and the other senators who have spoken, for their kind remarks. To be a chancellor of a university is for me a new experience, for I did not have the good fortune of a college education.

I am glad to hear Senator Macdonald say that all that will be required of the Chancellor will be the conferring of degrees at convocations. I look forward to that duty with a good deal of apprehension, but I am assured it can be done.

I shall not be required to assume my duties until after the New Year, because the college will not begin to assume the dignity of a university until 1965. However, I visited it the other day. It is an exciting, growing enterprise, with pile-driving, cement blocks, and mud everywhere, and with classes already in progress in some of the rooms. I am confident that it will eventually become a great university.

Thank you again for your kind remarks.

DIVORCE

RESOLUTIONS ADOPTED

The Senate proceeded to consideration of resolutions numbered 580 to 615 inclusive, which were presented yesterday.

Hon. F. W. Gershaw, for Hon. Mr. Roebuck, Chairman of the Standing Committee on Divorce, moved the adoption of the following resolutions:

Resolution 580, for the relief of Halina Alexandra Bryczkowska Matthews.

Resolution 581, for the relief of Clair Jacqueline Simon Pesner.

Resolution 582, for the relief of Jean McKinley Law Lear.

Resolution 583, for the relief of William Robert Galley.

Resolution 584, for the relief of Marie Gilberte Marcelle Lapointe Perron.

Resolution 585, for the relief of Jessie Elizabeth Young Moule.

Resolution 586, for the relief of Mona Sivell Laporte.

Resolution 587, for the relief of Antica Korlaet Turkovic, otherwise known as Antonietta Korlaet Turkovich.

Resolution 588, for the relief of J. Arthur Larocque.

Resolution 589, for the relief of Faith Audrey Gloria Burnham Martel.

Resolution 590, for the relief of Anna Maria Garrity Dinardo.

Resolution 591, for the relief of Ingeborg Dietrich Rangas.

Resolution 592, for the relief of Mary Marjorie Dextras Kinsella.

Resolution 593, for the relief of Veronika Zsuzanna Erdosi Korpas.

Resolution 594, for the relief of Yolande St. Pierre Jodoin.

Resolution 595, for the relief of Joyce Ann Ikeman Edelstein.

Resolution 596, for the relief of Germaine Savoie Bisaillon.

Resolution 597, for the relief of John Stewart Geddie.

Resolution 598, for the relief of Evelyn Page Mailloux.

Resolution 599, for the relief of Alice Therese Guerin Richer Lafleche.

Resolution 600, for the relief of Emeline Alice Roberts Roberts.

Resolution 601, for the relief of Jeannine McRae Black.

Resolution 602, for the relief of Lawrence Law.

Resolution 603, for the relief of Paraskevi Bakolia Pagakis.

Resolution 604, for the relief of Zelda Green Harris.

Resolution 605, for the relief of Shirley Louise Sigman Vineberg.

Resolution 606, for the relief of Edyth Jo-Anne Clark Bentley.

Resolution 607, for the relief of Reisa Weiner Levinson.

Resolution 608, for the relief of Edwards Berzins.

Resolution 609, for the relief of Jocelyne Boyer Mongauzy.

Resolution 610, for the relief of Helen Lester Brettschneider.

Resolution 611, for the relief of Henri Bouchard.

Resolution 612, for the relief of Ronald Kenneth MacLean.

Resolution 613, for the relief of Howard Charles Rosen.

Resolution 614, for the relief of Edith Ann Weiser Berman.

Resolution 615, for the relief of Rae Yane Hershenkopf.

Resolutions adopted, on division.

PRIVATE BILL

INTERPROVINCIAL PIPE LINE COMPANY—SECOND READING

Hon. Hartland de M. Molson moved the second reading of Bill S-42, respecting Interprovincial Pipe Line Company.

He said: Honourable senators, Bill S-42 is indeed a simple one. Its purposes are fully set out in the explanatory notes. You will see that the purpose is to divide each of its present 40 million authorized shares of par value of $5 each into five shares of the par value of $1 each.

The bill also sets out the reasons for this move, which are to enable the smaller investor more easily to take part in the growing and prosperous company, and also to enable some of the company employees to participate in the future prosperity of the company.

In this latter connection, the company has a voluntary employees' savings plan by which the employees are enabled to invest in the shares of the company, if they wish. It is for both these reasons that a division of the stock would be of great benefit.

At the present time the stock has risen to a rather high market value. In the explanatory notes you will see that in June the shares of the company had a market value of approximately $85 each. In the intervening months that value has again risen, and in recent weeks the shares of the company have been selling at approximately $95. As you will appreciate, this is a high price for a small investor to pay. The ordinary man on the street who has a little money to invest would certainly rather have five or ten shares of a stock selling at, say, $10 or $20 a share

than one or two shares of a stock selling at $100 or $200 a share. It is also true that employees investing some small part of their savings would find a price of, say, $95 rather high for their purposes. In some cases it might mean buying fractions of shares. As I say, this $95 price has the effect of limiting the number and types of people who can invest, although it is naturally a source of some gratification to the shareholders.

As I must disclose my own interest, I should say at this point that I am a modest shareholder. While I am happy to see the price has reached this $95 level, nevertheless I am only a name on a list. I do not attend company meetings, and I do not know most of the officers of the company. However, I am quite content for them to manage that small part of my funds as long as they continue to administer the company in the way they have over the last few years.

Before dealing with the splitting of these shares I would like to say a few words about the background of the company. The history of this company is very short, but it is also extremely interesting. It is only 15 years old, having been incorporated by Act of Parliament in 1949. In that very short period it has become a complete success story. It was financed entirely by private capital, and operates a pipe line system which now extends some 3,428 miles from the Redwater field in Alberta to Toronto and Buffalo in the east. It is an oil pipe line—carrying mostly crude oil, not gas—in which some $312 million had been invested by the end of 1963. Last year some 172 million barrels of crude oil were delivered by the system. This works out at an average of over 470,000 barrels a day. So, it is a sizable operation.

As I stated a moment ago, the company has been a complete success, has good earnings and has made an excellent return to its shareholders. This is so in spite of a progressive policy on the part of the company over the years since its inception to reduce its rates for moving oil. This has been done several times since the company commenced operations, and during that relatively short period the cost of moving crude oil through its system has been reduced by 42 per cent, which is a sizable reduction.

In that connection I would like to mention one item that appeared in the annual report for 1963, which says:

> Rate reductions of 2 cents per barrel on the movement from Edmonton to Sarnia and 3 cents per barrel from Edmonton to Toronto were made with lesser reductions for the medium haul movements. The rates for the short haul movements were not adjusted. The Company further reduced its transportation charges by relinquishing half of the allowance oil normally charged in pipe line operations for handling and evaporation losses. This represented about 1¼ cents per barrel cost reduction to all shippers.

In other words, it not only reduced its tariff by the two or three cents I mentioned, but also reduced the normal quantity of allowance oil, representing a further 1¼ cents per barrel cost reduction.

Its record from the day it started business has been that of a clean-cut operation in which, I feel, its management and directors should take great pride. As it has grown it has become one of the large companies of the country, and I think all of us could take some pride in its very existence and the way its operations have been conducted.

To return to the question of the splitting of shares, the company appeared before Parliament again in 1952, at which time it requested that its original shares of a par value of $50 be split 10 for one, to a par value of $5. At that time the price had reached approximately $180 a share on the original stock, which was considered to be too high. The new stock was listed and proceeded to be traded at about $18 a share after that 10-for-one split. That is the same stock that is now being sold in the $95 range.

I might also mention that by 1952, when the bill was introduced to split the original stock 10 for one, the company had already introduced a voluntary employees' savings plan, which has now been in existence for more than 12 years.

When success stories like this are mentioned I believe there is a great tendency on the part of people to think there is something sinister or evil afoot, or at least that perhaps there is something hidden. I would like to say that if this company can be criticized for anything, it is only that it has been such a complete success. I do not think there is anything concealed, anything hidden. It is a straightforward transportation operation which, as I say, has been tremendously successful.

To counter the suggestion that splitting stock could in any way be considered unusual, I would only draw your attention to the fact that it is indeed a common practice for successful companies; whereas, the company that is not doing well will not very likely try to split its stock because it will neither help the officers nor the shareholders, nor will it increase the earnings. By way of contrast, I would say there are few large, successful companies that have not at some stage or other split their shares. I have here a list of companies which split their shares

in 1963 and 1964. I do not know whether it is complete, but in 1963 there were 14 substantial companies which split their shares, and in 1964 a further 14 large Canadian companies did so. That illustrates the point that this is not an exceptional request.

The only reason we take particular notice of this fact is that in such a case as this, a company incorporated by Parliament must apply to Parliament. A company incorporated under the Companies Act merely holds a shareholders' meeting and applies for supplementary letters patent.

I would say, honourable senators, that the motives or reasons for introducing this bill are good; it is quite justifiable for us to assist the company to carry out its objectives in splitting its shares. If second reading is given to this bill, as I submit it should, I will be glad to move that it be referred to the Standing Committee on Transport and Communications.

Hon. R. B. Horner: Honourable senators, as a rule I am opposed to this idea. As the senator very well explained, this is a successful company and has been doing this sort of thing right along.

We hear a lot of talk about encouraging Canadians to invest their money in companies connected with transporting Canadian oil and so forth. But I can think of a number of companies where Canadians have not had an opportunity to do so. I certainly do not remember ever having had an opportunity of doing so. But I do remember being pressed very hard by companies that were no good and just took my money. The real killings were made by companies of which I had never heard, and their stocks and shares had been taken up before any Canadian heard about them.

Hon. Mr. Molson: Perhaps you were not in on the ground floor. You could have got in on the first floor.

Hon. Mr. Horner: Yes—the second floor up; but that would not have been very profitable since I did not know anything about it nor did any other Canadian. I think if the company was prospering and their shares were up to $200 or $300 each it would have been right to call the attention of the Canadian people to that fact. Actually, people got the impression that the stock had not gone up at all.

I wanted to get in this complaint that no attempt has been made to sell good companies to Canadians. I know one company, the Redfern Oil Company of California, who were to come to Calgary. They did so, and they took $30 million profit from there, and then they sold the company back again and took their millions. There was no effort made to sell that stock to Canadians.

Hon. W. Rupert Davies: Honourable senators, I want to say a word or two on this bill. I know very little of the company concerned, but the president is my next-door neighbour. He is a very competent and honest businessman. We have had some business dealings together, and between us have acquired some property in our neighbourhood. I have found him to be competent and honest. I just wanted to make this point clear.

Hon. W. Ross Macdonald: I can commiserate with Senator Horner because I did not have the opportunity of getting in on the ground floor either, but I did have an opportunity of getting in on the first floor, and that was back in 1953. I spoke to a gentleman who was quite a financial wizard and one who was a recognized leader in the business world. I asked him about buying this stock at $18 a share, I think it was, and he told me not to buy it because it was overcapitalized.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Molson, bill referred to Standing Committee on Transport and Communications.

The Senate adjourned until Tuesday, December 1, at 8 p.m.

APPENDIX "A"

(*See p. 1109*)

COMPANIES ACT

FURTHER REPORT OF COMMITTEE

Tuesday, November 24, 1964

The Standing Committee on Banking and Commerce to which was referred back the report on the Bill S-22, intituled: "An Act to amend the Companies Act", has in obedience to the order of reference of November 24, 1964, further examined the said bill and now reports the same with the following amendments:

1. Page 1: Strike out lines 23 and 24 and substitute therefor the following:

"(2) Section 3 of the said Act is further amended by adding thereto, immediately after paragraph (i) thereof, the following sub-paragraph:

'(ia) "officer" means president, chairman of the board of directors, vice-president, secretary, assistant secretary, treasurer, assistant treasurer, or any other person designated an officer by by-law or by resolution of the directors;'

(3) Paragraph (n) of section 3 of the said Act is repealed and the following substituted therefor:

'(n) "shareholder" means every subscriber for or holder of a share in the capital stock of the company and includes the personal representatives of a deceased shareholder and every person who agrees with the company to become a shareholder;'

(4) Section 3 of the said Act is further amended by adding thereto the following subsection:"

2. Page 2: Strike out subclause (2) of clause 5 and substitute therefor the following:

"(2)" Subsection (3) of section 5 of the said Act is repealed and the following substituted therefor:

'(3) Nothing in this Part shall be construed to authorize the company to issue any promissory note intended to be circulated as money or as the note of a bank or to engage in the business of banking or insurance.'

(3) Subsection (4) of section 5 of the said Act is repealed and the following substituted therefor:

'(4) Where a company

(a) carries on a business that is not within the scope of the objects set forth in its letters patent or supplementary letters patent,

(b) exercises or professes to exercise any powers that are not truly ancillary or reasonably incidental to the objects set forth in its letters patent or supplementary letters patent,

(c) exercises or professes to exercise any powers expressly excluded by its letters patent or supplementary letters patent,

the company is liable to be wound up and dissolved under the Winding-up Act upon the application of the Attorney General of Canada to a court of competent jurisdiction for an order that the company be wound up under that Act, which application may be made upon receipt by the Attorney General of Canada of a certificate of the Secretary of State setting forth his opinion that any of the circumstances described in paragraphs (a) to (c) apply to that company.

(5) In any application to the court under subsection (4) the court shall determine whether the costs of the winding up shall be borne by the company or personally by any or all of the directors of the company who participated or acquiesced in the carrying on of any business or the exercise or the professing of the exercise of any powers as described in subsection (4).' "

3. Page 6, line 6: Immediately after "may" insert ", with the consent of such applicants or their authorized representative or agent,".

4. Page 6: Strike out clause 8 and substitute therefor the following:

"8. Sections 9 and 10 of the said Act are repealed and the following substituted therefor:

'9. Notice of the granting of letters patent or supplementary letters patent shall be forthwith given by the Secretary of State by one insertion in the *Canada Gazette*.

10. (1) When the letters patent or supplementary letters patent contain any misnomer, misdescription, clerical error or other defect, the Secretary of State may direct the letters patent or supplementary letters patent to be corrected.

(2) Notice of the correction of the letters patent or supplementary letters patent shall be forthwith given by the Secretary of State in the *Canada Gazette* if the correction made causes them to depart materially from the text of the original notice given pursuant to section 9.' "

5. Page 6: Strike out lines 30 to 36, both inclusive, and substitute therefor the following:

"limitations attaching to any class of shares.

(1a) The letters patent or supplementary letters patent may provide for the issuing of preferred shares with par value subject to redemption or purchase for cancellation out of capital if the price at which such redemption or purchase for cancellation takes place is not more than the par value of the shares plus a premium of not more than twenty per cent of such par value; but no such redemption or purchase for cancellation shall take place where the company is insolvent or when such redemption or purchase for cancellation would render the company insolvent.

(1b) If any class of shares has attached".

6. Page 7: Strike out lines 5 and 6 and substitute therefor the following:

"(2) Subsections (6) and (7) of section 12 of the said Act are repealed and the following substituted therefor:

'(6) All or any part of the authorized capital of a company, except shares having priority as to capital or being subject to redemption or purchase for cancellation, may consist of shares without nominal or par value.' "

7. Page 8: Strike out clause 11 and substitute therefor the following:

"11. The said Act is further amended by adding, immediately after section 12 thereof the following:

'12A. (1) In this section, "mutual fund share" means a participating interest in a fund administered by a company, with conditions attaching to the said interest which include a condition providing for the acceptance for surrender thereof by the company on the demand of the holder at a price determined and payable in accordance with such conditions: and, in relation to mutual fund shares, the words "redemption or purchase for cancellation" in any letters patent or supplementary letters patent shall be deemed to mean acceptance for surrender.

(2) If the only undertaking of the company consists in the administration of such a fund, the letters patent or supplementary letters patent may provide for the issuing of mutual fund shares, and for the conditions governing the acceptance for surrender by the company, on the demand of the holder thereof, of such mutual fund shares, or fractions or parts thereof, that are fully paid, at prices determined and payable in accordance with the conditions set out in such letters patent or supplementary letters patent.

(3) Any mutual fund shares, or fractions or parts thereof, surrendered to the company pursuant to the conditions attached thereto shall be deemed to be no longer outstanding and shall not be re-issued by the company.' "

8. Page 10, line 14: Immediately after "section" insert "or on the date on which it became a subsidiary".

9. Page 10, line 44: Immediately before "capital" insert "authorized".

10. Pages 11 to 14: Renumber clauses 15 to 19 as clauses 16 to 20 and insert the following as clause 15:

"15. Subsection (3) of section 21 of the said Act is repealed and the following substituted therefor:

'(3) No by-law for the said purpose is valid or shall be acted upon until it is sanctioned by at least two-thirds of the votes cast at a special general meeting of the shareholders duly called for considering the by-law.

(4) A copy of the by-law certified under the seal of the company shall be forthwith filed with the Secretary of State and published in the *Canada Gazette*.' "

11. Page 12, line 11: Immediately after "name" insert "or shall have two seals, each of which shall be equally valid, one showing the French and the other the English form of its name;"

12. Page 12. Strike out lines 25 to 29, both inclusive, and substitute therefor the following:

"(a) that the company has no assets and that, if it had any assets immediately prior to the application for leave to surrender its charter, such assets have been divided rateably among its shareholders or members, and either,".

13. Page 13: Strike out lines 25 to 31, both inclusive, and substitute therefor the following:

"(4) Where a company has more than one class of shares

(a) the preferences, rights, conditions, restrictions, limitations or prohibitions attaching to any class of shares shall be stated in legible characters

(i) on every share certificate representing that class of shares, or

(ii) by a writing permanently attached to the share certificate;

or

(b) there shall be inscribed on each such share certificate, in legible characters, a statement that there are preferences, rights, conditions, restrictions, limitations or prohibitions attached to such class of shares, and that the full text thereof is obtainable on demand, and without fee, from the secretary of the company.

(5) Where a statement referred to in paragraph (b) of subsection (4) is inscribed on the share certificate, the secretary of the company shall furnish, without fee, to the shareholder on demand the full text of any prefer-

ences, rights, conditions, restrictions, limitations or prohibitions attached to such class of shares."

14. Page 14, line 25: Immediately after "affected:" add "or".

15. Page 15, line 9: Strike out "auditor" and substitute therefor "authorized officer of the company".

16. Pages 14 to 18: Renumber clauses 20 to 30 as clauses 22 to 32, and insert the following as clause 21:

"21. Section 49 of the said Act is amended by adding the following as subsection (3):

'(3) Notwithstanding anything contained in this section, where pursuant to subsection (1) of section 12 preferred shares are issued providing for redemption or purchase for cancellation out of capital, and such shares are so redeemed or purchased for cancellation, then, upon the filing of notice thereof with the Secretary of State pursuant to section 62, they are thereupon cancelled, and the authorized and the issued capital of the company shall be thereby decreased.' "

17. Page 16: Strike out lines 15 to 19, both inclusive.

18. Page 16, line 20: Strike out "(4)" and substitute therefor "(3)".

19. Page 16, line 24: Strike out "(5)" and substitute therefor "(4)".

20. Page 16: Strike out lines 30 to 39, both inclusive, and substitute therefor the following:

"28(1) Section 62 of the said Act is repealed and the following substituted therefor:

'62. When any class of shares is created or becomes subject to redemption or purchase for cancellation or conversion into any other class, and such redemption or purchase for cancellation or conversion is effected in any month, notice thereof, setting forth the number of shares of the class redeemed or purchased for cancellation or converted and the number of shares and the class into which conversion is made in that month, and also setting forth whether and the extent to which any such redemption or purchase for cancellation was made out of capital, shall be filed with the Secretary of State before the end of the following month.'

(2) The said Act is further amended by adding thereto, immediately after section 62 thereof, the following section:

'62A. When a company has issued any class of mutual fund shares within the meaning of section 12A, the company shall each month file with the Department of the Secretary of State a statement giving the number of each class of such mutual fund shares that have been accepted for surrender during the preceding month.' "

21. Page 17: Strike out lines 9 to 17, both inclusive, and substitute therefor the following:

"76A. (1) Where a company makes an offer to the public of its securities in any province or any foreign country wherein it is a general requirement of law that a prospectus or a document of a similar nature be filed with a public authority thereof before an offer of securities may lawfully be made to the public, whether or not the particular offer to the public of the securities of the company in that province or country may by the laws thereof be made without the filing of a prospectus or document of a similar nature, the company need not comply with the provisions of sections 74, 75, 77 and sections 79 to 82 with respect to such offering and, subject to subsection (4), those sections do not apply thereto."

22. Page 17, line 26: Immediately after "authority," insert the following:

"or by an officer of the company, together with a statement of the date and place of filing,".

23. Page 18: Renumber clause 31 as clause 34 and insert the following as clause 33:

"33. Subsection (3) of section 83 of the said Act is repealed and the following substituted therefor:

'(3) For the amount of any dividend that the directors may lawfully declare payable in money they may issue therefor shares of the company as fully paid up, or they may credit the amount of such dividend on the shares of the company already issued but not fully paid up, and the liability of the holders of such shares thereon shall be reduced by the amount of such dividend.' "

24. Page 18: Renumber clauses 32 to 37 as clauses 37 to 42 and insert the following as clauses 35 and 36:

"35. Section 86 of the said Act is amended by adding thereto the following as subsection (5):

'(5) Notwithstanding subsection (1), a person may become a director of a company if he becomes a shareholder within ten days after his election or appointment as a director, but if he fails to become a shareholder within such ten days, he thereupon ceases to be a director and shall not be re-elected or re-appointed unless he is a shareholder of the company.'

36. Subsection (3) of section 87 of the said Act is repealed, and the following substituted therefor:

'(3) A copy of the by-law certified under the seal of the company shall be forthwith filed with the Secretary of State, and such copy shall be open for inspection, without fee, during normal office hours.' "

25. Page 18, lines 31 and 32: Strike out "within thirty days of any such purchase or sale" and substitute therefor "before the end of the month following that in which such purchase or sale took place,".

26. Page 18, line 39: Immediately after "hours" add the following:

"; the secretary of the company shall also within thirty days of its receipt by him, furnish to the Secretary of State a copy of each such statement, and the Secretary of State shall make such statements available for inspection by any shareholder of the company at any time during usual office hours."

27. Page 18, line 40: Strike out "present" and substitute therefor "disclose".

28. Page 19, line 6: Strike out "make" and substitute therefor "furnish to the secretary of the company".

29. Page 19: Strike out line 35 and substitute therefor the following:

"by proxy whether or not such proxy is himself a shareholder; but"

30. Page 19: Strike out lines 40 to 45, both inclusive, and substitute therefor:

"115. (1) Every company shall cause to be kept proper accounting records with respect to all financial and other transactions of the company, and, without limiting the generality of the foregoing, shall cause records to be kept of".

31. Page 20: Strike out lines 8 to 45, both inclusive, and substitute therefor:

"(2) The accounting records shall be kept at the head office of the company or at such other place in Canada as the directors think fit, and shall at all times be open to inspection by the directors.

(3) In case the operating accounts of the company are kept at some place outside Canada, there shall be kept at the head office of the company such comprehensive records as shall enable the directors to ascertain with reasonable accuracy the financial position of the company at the end of each three months' period."

32. Page 21: Immediately after line 27, add the following:

"(4) Each year, with the consent in writing of all shareholders, a private company that is not a subsidiary of a public company or a company incorporated otherwise than by or under an Act of the Parliament of Canada may dispense with the requirements of sections 117 to 121A, in respect of any particular financial statement specified in the consent, but the financial statement shall be drawn up so as to present fairly the results of the operation of the company for the period covered by the statement."

33. Page 21, line 37: Immediately after "situated," insert "or a judge of such court designated by either of them,".

34. Page 22: Strike out lines 13 to 15, both inclusive, and substitute therefor:

"(g) the provision made for depreciation and obsolescence, and separately for depletion;".

35. Page 22, line 29: Strike out ", contributions to pension funds".

36. Page 24, line 15: Immediately after "nature" insert "and cost".

37. Page 24: Strike out line 21 and substitute therefor:

"those of the company, stating the cost and basis of".

38. Page 24, line 30: Strike out "1963" and substitute "1960".

39. Page 24: Strike out lines 40 and 41 and substitute therefor:

"respect of depreciation and obsolescence, and separately in respect of depletion".

40. Page 25, line 10: Strike out "1963" and substitute "1960".

41. Page 26, line 31: Immediately before "affects" insert "materially".

42. Page 32: Strike out lines 16 to 18, both inclusive, and substitute therefor:

"subsection (1) that have most recently been made available to the shareholders prior to such demand."

43. Page 32, line 33: Strike out the period and add:

", or by a judge of the said court designated by either of them."

44. Page 35, line 5: Immediately after "receive" insert ", unless waived by such auditor,".

45. Page 35: Strike out lines 8 and 9 and substitute therefor:

"(6) A company, upon receipt, not less than seven days before a meeting of shareholders, of a written".

46. Page 35, line 28: Immediately after "which" insert "and the place where".

47. Page 35, line 39: Strike out "and by the auditor".

48. Page 36, line 31: Strike out "ordinary" and substitute "registered".

49. Page 37: Strike out lines 4 to 9, both inclusive, and substitute therefor:

"125A. (1) The Secretary of State may at any time by notice require any private company to make a return upon any subject that a public company has to report to its shareholders pursuant to sections 115 to 122.

(2) Documents filed with the Secretary of State pursuant to this section shall not be

open for public inspection except upon the written direction of the Secretary of State given upon the recommendation of the chief justice or acting chief justice of the court of the province in which the head office of the company concerned is situated, or by a judge of the said court designated by either of them."

50. Page 37: Strike out clause 37 (renumbered as clause 42) and substitute therefor the following:

"42. The said Act is further amended by adding thereto, immediately after section 128 thereof, the following heading and section:

AMALGAMATION

128A. (1) Any two or more companies incorporated under this Act, including holding and subsidiary companies, may amalgamate and continue as one company.

(2) Companies proposing to amalgamate may enter into an agreement for the amalgamation prescribing its terms and conditions and the mode of carrying the amalgamation into effect.

(3) The amalgamation agreement shall further set out

(a) the name of the amalgamated company;

(b) the objects of the amalgamated company;

(c) the amount of its authorized capital, the division thereof into shares and the rights, restrictions, conditions or limitations attaching to any class of shares;

(d) the place within Canada at which the head office of the amalgamated company is to be situated;

(e) the names, callings and postal addresses of the first directors thereof;

(f) when the subsequent directors are to be elected;

(g) whether or not the by-laws of the amalgamated company are to be those of one of the amalgamating companies and, if not, a copy of the proposed by-laws; and

(h) such other details as may be necessary to perfect the amalgamation and to provide for the subsequent management and working of the amalgamated company and the manner of converting the authorized and issued capital of each of the companies into that of the amalgamated company as determined pursuant to paragraph (c) above.

(4) The amalgamation agreement shall be submitted to the shareholders of each class of shares of each of the amalgamating companies at general meetings thereof called for the purpose of considering the agreement, and, if three-fourths of the votes of each class of shares cast at each meeting are in favour of the amalgamation agreement, the secretary of each of the amalgamating companies shall certify that fact upon the agreement under the corporate seal thereof; and thereafter the agreement shall be deemed to have been adopted by each of the amalgamating companies unless the amalgamation agreement is annulled in accordance with the procedure prescribed in this section.

(5) Any shareholders holding at least ten per cent of the shares of any class of shares in an amalgamating company and whose dissent was recorded at a meeting of any class of shareholders called to consider the amalgamation agreement may, within seven days of the final vote on the amalgamation agreement, apply to the chief justice or acting chief justice of the court of the province in which the head office of the company is situated, or to a judge of the court designated by either of them, for an order annulling the amalgamation agreement.

(6) The judge to whom an application under subsection (5) is made shall fix a time and place for consideration of the application, which time shall be within fifteen days of the making of such application; and notice thereof shall be given to each of the amalgamating companies, and to the Secretary of State, in such manner as the judge may direct.

(7) The judge considering the application shall hear and determine the matter raised in the application and shall make an order annulling the amalgamation agreement or dismissing the application, and the order of the judge is final and not subject to appeal.

(8) Where an order is made under subsection (7) annulling an amalgamation agreement, the amalgamation agreement is thereby annulled.

(9) Where a reduction of capital may result from an amalgamation agreement, sections 51 to 56 and section 57 apply, *mutatis mutandis*, as if the amalgamation agreement represented an application for supplementary letters patent confirming a by-law reducing the capital stock of the company.

(10) The amalgamating companies shall, within six months of the date of the final vote on the amalgamation agreement, jointly file with the Secretary of State the amalgamation agreement together with a certificate from the secretary of each of the amalgamating companies establishing the percentage of those who voted in favour of the agreement and the percentage of dissentient shareholders, in respect of each class of shares.

(11) Not less than eight days following the final vote on the amalgamation agreement and upon receipt of evidence that no application was made under this section for the annulment of the amalgamation agreement or that, if such an application was made, it

was dismissed, the Secretary of State may issue letters patent confirming the agreement; but the requirement of eight days' delay may be dispensed with if the amalgamation agreement has received the approval of more than ninety per cent of the votes of each class of shares cast at each meeting of the amalgamating companies.

(12) Notice of the granting of letters patent pursuant to subsection (11) shall forthwith be given by the Secretary of State in the *Canada Gazette*.

(13) Upon the issue of letters patent pursuant to subsection (11), the amalgamation agreement has full force and effect and

(a) the amalgamating companies are amalgamated and are continued as one company (in this section called the "amalgamated company") under the name and having the authorized capital and objects specified in the amalgamation agreement; and

(b) the amalgamated company possesses all the property, rights, assets, privileges and franchises, and is subject to all the contracts, liabilities, debts and obligations of each of the amalgamating companies.

(14) All rights of creditors against the property, rights, assets, privileges and franchises of a company amalgamated under this section and all liens upon its property, rights, assets, privileges and franchises are unimpaired by the amalgamation, and all debts, contracts, liabilities and duties of the company thenceforth attach to the amalgamated company and may be enforced against it."

51. Page 39. Strike out clause 38.

52. Page 39: Renumber clauses 39 to 42 as clauses 44 to 47, and insert the following as clause 43:

"43. The said Act is further amended by adding thereto, immediately after section 140, the following section:

'140A. (1) Notwithstanding any other provisions in this Act where a company

(a) fails for two or more consecutive years to hold an annual meeting of its shareholders,

(b) fails to comply with the requirements of section 121E or 121F, or

(c) defaults in complying for six months or more with any requirements of section 125,

the company is liable to be wound up and dissolved under the Winding-up Act upon the application of the Attorney General of Canada to a court of competent jurisdiction for an order that the company be wound up under that Act, which application may be made upon receipt by the Attorney General of Canada of a certificate of the Secretary of State setting forth his opinion that any of the circumstances described in paragraphs (a) to (c) apply to that company.

(2) In any application to the court under subsection (1) the court shall determine whether the costs of the winding up shall be borne by the company or personally by any or all of the directors of the company who were knowingly responsible for the company's failure or default as described in subsection (1)."

53. Page 40: Strike out lines 32 and 33 and substitute therefor the following:

"(e) Sections 110, 111 and 113 to 115, sections 122 to 125A, and sections 129 to 142."

54. Page 41, line 4: Strike out "and 125A" and substitute therefor ", 125A and 140A".

55. Pages 41 and 42: Renumber clauses 43 to 45 as clauses 50 to 52 and insert the following as clauses 48 and 49:

"48. Subsection (1) of section 149 of the said Act is repealed, and the following substituted therefor:

'(1) Sections 66 to 82, sections 96 and 97, section 100 and sections 112 to 125, of Part I apply to companies to which this Part applies, except those loan companies and trust companies to which this Part continues to apply.'

49. Section 153 of the said Act is repealed and the following substituted therefor:

'153. The affairs of the company shall be managed by a board of not less than three directors.' "

56. Page 42: Strike out lines 15 to 19, both inclusive, and substitute therefor the following:

"(5) The provisions set out in paragraph (b) of subsection (3) of section 22 apply in respect of any body corporate provided with a French or English form of its corporate name pursuant to this section.

(6) This section does not apply to a company incorporated under any of the Acts mentioned in paragraph (b), (c) or (d) of subsection (1) of section 5 or to a company carrying on a business described in paragraph (a) of subsection (1) of that section."

All of which is respectfully submitted.

Salter A. Hayden,
Chairman.

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APPENDIX "B"

THE ESTIMATES

REPORT OF STANDING COMMITTEE ON FINANCE

(*Presented by Hon. Mr. Leonard. See p. 1114.*)

Wednesday, November 25th, 1964.

The Standing Committee on Finance to which was referred the Estimates laid before Parliament for the Fiscal year ending March 31, 1965, report as follows:—

1. On May 20th 1964 the following order of reference was adopted by the Senate:

> That the Standing Committee on Finance be authorized to examine and report upon the expenditures proposed by the Estimates laid before Parliament for the fiscal year ending 31st March, 1965, in advance of the Bills based on the said Estimates reaching the Senate; and that the said Committee be empowered to send for persons, papers and records.

2. In obedience to the foregoing, the Committee held a meeting for organization on May 21, 1964. The Honourable Senator Molson was elected vice-chairman and a Steering Committee was appointed consisting of the Honourable Senators Flynn, Haig, Smith (Queens-Shelburne) and the chairman and vice-chairman.

3. Subsequently the committee held 11 meetings and heard evidence from senior officials of the Treasury Board, from the Comptroller of the Treasury, the Auditor-General and the Deputy Minister of Finance.

4. This is the first occasion since 1956 that the Estimates have been referred to a Committee of the Senate. Prior to 1956, the Finance Committee under the chairmanship of the honourable Senator Crerar, and later of honourable Senator Hawkins, studied the estimates and made reports thereon which were helpful and valuable. In the interval, since 1956, an important development that has taken place is a report, officially known as the "Report of the Royal Commission on Government Organization" but more commonly called the Glassco Report after the distinguished Chairman of the Commission. Under that shorter title it is designated in this report.

5. The Glassco Report dealt with many matters other than the Government Estimates, but as your committee is concerned only with the Estimates, it is that aspect of the Glassco Report that has demanded our attention.

In dealing with the Glassco recommendations, it is desirable to re-state the place and importance of the Estimates in our Parliamentary system of government, and the methods and procedures whereby they are currently prepared, presented and approved.

6. The control by Parliament of the spending by the Executive has its roots deep in our constitutional history, going back in England as far as the days of the Long Parliament. In Canada, it was embodied in our Act of Union, and in the British North America Act. The Executive alone can initiate measures imposing charges upon the public exchequer, and in order to do so it must table in Parliament its Estimates of Expenditures. In the case of its Main Estimates, these are tabled on or about the commencement of the fiscal year to which they apply, so that Parliament may have early and ample opportunity to deal with the spending program for the new year. They are usually tabled on or about February 1st each year.

7. Many months of preparation, however, have preceded the tabling. About the first day of July 1963 the Treasury Board requested the various departments of government to submit to it their establishment plans (that is to say, the expected numbers of staff members) and their expenditure requests, setting a deadline of November 1st, 1963, for such submission. Then during the months of November and December 1963 these submissions were studied, analyzed and, if necessary, revised by the Treasury Board and its staff. Discussion, argument and negotiation take place vigorously between all levels of Treasury Board staff and departmental staff during this period. The Ministers who are members of the Board met in December 1963 and conducted an intensive review of the estimates. It is at this stage that the various Departmental Ministers appear before the Treasury Board as suppliants for their particular areas of responsibility. The results were then recommended by Treasury Board to the Cabinet. The final decision on the Estimates was made by the Cabinet and thereafter the Estimates were printed and placed before Parliament.

8. In the light of the time factor involved in this procedure, it is understandable that

from time to time during a fiscal year supplementary estimates are prepared and submitted to Parliament to cover expenditures unforeseen at the time of the preparation of the main estimates, or resulting from subsequent legislative action. Three such supplementary estimates have been tabled in Parliament for the current year, to date.

9. As of November 24th, 1964 the Estimates have not yet been approved and therefore no final supply bill has been voted by Parliament for the expenditures for this year. Because it has been necessary to supply the government with money on account so that it may carry on the business of the country, some five interim supply bills have been passed by Parliament so far this year, providing generally for expenditures for nine months and, in some cases, for ten or eleven months. It is an anomalous situation that most of the money has been spent before Parliament has approved the expenditures themselves.

10. The procedure as so described for this year is consistent with the pattern that has been followed for some years. It is familiar to all members of Parliament and need not have been set out in this report, were it not for the fact that in recent years criticisms have been voiced that seem to warrant examination.

11. It is far from satisfactory to have so long a period of time elapse before the final vote of supply by Parliament and to have so much money spent before the Estimates have been approved. Having in mind the increasing multiplicity and magnitude of Parliamentary duties, it would be desirable to bring about an earlier disposition of the estimates and the consequent bill or bills of supply. In this connection it is noteworthy that in the United Kingdom 26 days before August 5 of each session are given for the consideration of the annual estimates on supply. Therefore, there is a limit on the debate and a deadline for the final passing of supply.

12. The consideration of the estimates has traditionally provided an opportunity for debate, not confined to the items of expenditure, but also on grievances, within relevant limits, against the Executive.

Indeed, at times this aspect of the debate may completely overshadow consideration of the financial items themselves.

13. The Senate as an integral part of Parliament has to debate and vote upon supply bills before they are passed. Traditionally, it has exercised both the above-described functions when dealing with supply bills, namely, scrutinizing expenditures and airing any grievances which honourable senators may have against the Executive. Depending on circumstances, therefore, a debate could take two or three days, or no longer than one day.

14. Insofar as the financial aspect of supply bills is concerned, so long as the estimates are referred to the Finance Committee at each session, an opportunity is provided for the examination and scrutiny of expenditures. As to the other aspect, the airing of grievances, the rules of the Senate do provide other opportunities for members to raise such questions. Nevertheless, it is desirable to preserve and protect our rights in this respect in the debate on supply bills. Unfortunately, it has happened on a number of occasions over the past ten years that the Senate has been faced with an indirect form of closure forced upon it by the pressure of events and primarily caused by the insufficiency of time between the date a supply bill reaches the Senate and the deadline by which the government's legislative authority to spend would be exhausted.

15. Your committee calls attention to this situation in the hope that ways and means may be found to bring about an earlier and speedier disposition of the estimates and of the Supply Act or Acts based thereon, and to express its willingness to deal with such estimates with promptness and despatch to meet any earlier deadline that Parliament may wish to prescribe.

16. In carrying out the reference to it this year, your committee did not examine in detail the estimates of any particular department, but it did consider the estimates in general, and questions as to various aspects of a number of departments were put to the witnesses before us. The committee did devote considerable time to the procedures, forms and substance of the Estimates and in particular made a study of the recommendations of the Glassco Report to which we have referred. These recommendations were designed to bring about greater economy and efficiency in the financial management of the Government. They have all been under intense study by the Government and its officials; some have been accepted and are being implemented, and others are in the process of being put into force. Four outside management firms have been engaged to do pilot studies for four different departments of government for the purpose of determining how the Glassco suggestions can best be built into the departmental systems of accounting and financial reporting.

17. The Glassco Report made this general statement, at page 94, of Volume I of the abridged Edition:—

> "The conclusion is inescapable that the present procedures in developing and

> reviewing the Estimates are wasteful and inefficient. The form of the Estimates does not permit intelligent criticism and, in placing the major emphasis on the nature of expenditure rather than on its real purpose, the matters coming under senior review are the less important details of administrative judgment. Any valid assessment of performance by departmental management is excluded and it is virtually impossible to form any objective judgment from the Estimates as to the desirability of continuing, modifying or enlarging specific programs in the public interest."

18. Your committee concurs in general with this analysis. Certain specific recommendations are then made in the Glassco Report and some of the major ones with our comments thereon are as follows:

(a) "That the number of votes be reduced and all cost elements of individual programs be consolidated within the same vote."

Departmental estimates are broken down into subdivisions classified as "Votes" for the convenience of Parliamentary decision. This recommendation has been accepted by the government and largely applied in the 1964-65 estimates. In 1961-62, the Main Estimates included 495 votes, over three times the number currently used in the United Kingdom. The 495 votes have been reduced to approximately 240 in the current estimates and no doubt there can be a further reduction.

(b) "That departmental estimates should be prepared on the basis of programs of activity and not by standard objects of expenditure."

Your committee agrees that the primary emphasis in the estimates should be on the "program" rather than on the standard objects of expenditures. The significance of an expenditure must be related to the purpose for which it is being incurred. Departments should justify their estimates by relating them directly to the program that occasions them and, in turn, justify the program as being worth the amount expended upon it, not only on its own account but also in competition with other needs for which money is required. This change however should not take place at the expense of omitting relevant details such as are contained in the standard objects of expenditures.

(c) "That the establishment review should be part of the overall review process of expenditures."

In essence, this means that the determination of the number of staff required in a department should be part and parcel of the determination of the cost of the various programs of the department. The logic of this proposition is self-evident and it has been accepted by the government and is endorsed by your committee.

(d) "That all departments and agencies should be required to prepare and submit to the Executive long-term plans of expenditure requirements by programs, and that based thereon an overall forecast of government expenditures and prospective resources for a period of five years ahead should be prepared annually."

At present government budgeting and accounting are on a year-to-year basis. This is necessarily so, because Parliament should and does annually exercise its control and review of a government's administration. Nevertheless, a government should be aware of its probable longer term financial requirements. Increases in population alone will make greater demands upon many branches of government service. Most businesses now must project their budgets ahead for five years or more to be ready to meet changing conditions, obsolescence, new products and other potential developments. The use of such a forecast does not involve a decision to agree with projected expenditures but its value would lie in preventing decisions being made currently that would not take into account the future consequence of that decision by itself, and also in the context of its relative effect on overall operations.

(e) "That Departments and agencies be given the necessary financial authority and be held accountable for the effective management of the financial resources placed at their disposal."

This is probably the most significant of all the recommendations made by the Glassco Commission. In essence, it is a de-centralization of financial responsibility. The theory supporting it is that by making a department itself responsible for its financial expenditure, it will exercise that responsibility more effectively and economically than if some outside body is, as the report puts it, "likened to a policeman patrolling the departments to ensure financial rectitude".

Your committee desires to sound a word of caution in connection with this recommendation. The change, of itself, will not automatically bring about the desired improvement. Its success will depend upon how the key personnel in the civil service respond to the challenge involved in this delegation of greater responsibility to them, and assume the higher degree of accountability for the efficient and economical financial management of departmental affairs. In each department there must be a fully qualified and competent financial administrator under the Deputy Minister. In this connection your committee has noted with approval that a course for training such personnel has now been set up in the Civil Service. It is to be hoped, but it

still remains to be seen, that skilled and competent internal financial management within departments will bring about greater efficiency and savings. It should perhaps be made clear that such extension of authority within departments refers only to expenditures authorized by Parliament. Indeed, the change may well require even greater vigilance and more careful scrutiny of public expenditures by the Executive and Parliament.

(f) "That the costs of major common services be charged to user departments."

At present in many instances free services are provided to various departments of government, among which might be mentioned accommodation, furniture, power, franked mail, superannuation and other employee benefits. Your committee agrees with the principle of this recommendation and, so long as its implementation does not superimpose an elaborate or expensive system, it is desirable that the costs of such services should be charged to the user department of them.

(g) "That where appropriate, revenues be offset against related expenditure, and that votes be shown in the Estimates and controlled on a net basis."

As the Glassco Report states, it is normal in industrial budgeting to relate revenues and costs. In government those revenues derived from services rendered are generally only incidental. Your committee agrees in principle with this recommendation of the Glassco Report and we have noted that the officials of the Treasury Board are studying the practical problems it presents for the purpose of seeing how far the desired result can be achieved.

19. It is not our function in this Report to deal with recommendations of the Glassco Commission other than those relating to the Estimates. We have said enough to indicate our approval in general of the relevant ones. We emphasize, however, that decisions to spend are in the first instance decisions of government policy and that even Parliament's control over such decisions must be viewed in the light of our system of responsible government. Therefore, the total amount of the Estimates and the objects thereof are the primary responsibility of the government of the day and, once those decisions have been made, the most that management can do, and in practice Parliamentary scrutiny also, is to see that the expenditures are made as efficiently and as economically as possible, and without waste, extravagance or duplication.

20. In addition to its studies of the Glassco recommendations, your committee inquired into a number of matters concerning the Estimates in general and also as to particular items. The questions and the answers submitted by the Treasury Board officials appear in the printed proceedings of the committee, with suitable appendices where required, and for the purposes of this report it is sufficient to say that all relevant information was obtained upon the items as to which members were concerned.

21. The following observations are made as to the Estimates in general. The Main Estimates for 1964-65 totalled $6,703,513,508, or $84,378,008 more than those of the previous year. It should be noted, however, that there was a substantial reduction in the current Estimates of the Department of National Defence from those of the preceding year, amounting to $109,000,455.

It would be misleading, however, to compare the Estimates of respective years without taking into account the Supplementary Estimates. In the current year Supplementary Estimates have been filed totalling $221,763,280 and the Minister of Finance in his budget speech in March estimated that the total expenditure for the year would be about $7,125,000,000 or $233,000,000 more than in the preceding year, an increase of a little more than 3%. It is interesting to follow the trend of increases in expenditures over past years, and a table of the history for ten years is appended. This year's percentage increase in federal expenditures should also be viewed in relation to the 8% increase in the Gross National Product of Canada for the current calendar year over the preceding year, as currently estimated.

22. In the course of its deliberations, your committee considered the place of Crown corporations and agencies with relation to the Estimates. Some of them do not appear in the Estimates at all and others appear with inadequate information. Having in mind that the purpose of the Estimates is to enable Parliament to scrutinize the financial operations of government, your committee believes it would be useful on another occasion to examine the financial statements of one or more Crown corporations and to give the managements thereof the opportunity to testify as to their operations. Your committee would be prepared to undertake such action if the Senate in the future should deem this advisable.

23. Your committee desires to record its thanks and its appreciation for the evidence submitted by those senior officials of government who appeared before it and their courtesy and co-operation.

All of which is respectfully submitted.

T. D'Arcy Leonard,
Chairman.

Table of Percentage Increases of Federal Government Expenditures Over Preceding Year, Covering Period 1955-1965

Fiscal Year ending March 31	Budgetary Expenditures (in millions)	Increase between years
1965	7125 (est)	3%
1964	6892	5%
1963	6571	1%
1962	6521	9%
1961	5958	4%
1960	5703	6%
1959	5364	5%
1958	5087	5%
1957	4849	9%
1956	4433	4%
1955	4275	

THE SENATE

Tuesday, December 1, 1964

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

Prayers.

CANADA PENSION PLAN

JOINT COMMITTEE—CHANGE IN COMMONS MEMBERS

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons stating that the name of Mr. Marcoux has been substituted for that of Mr. Olson on the Joint Committee on the Canada Pension Plan.

HON. JEAN-FRANÇOIS POULIOT

FELICITATIONS ON FORTIETH ANNIVERSARY IN PARLIAMENT

Hon. John J. Connolly: Honourable senators, today is an important milestone in the history of the Parliament of Canada, because on December 1, 1924 a young man was elected to the House of Commons of Canada. He was re-elected in 1925 and 1926, in 1930 and 1935, in 1940 and 1945, in 1949 and in 1953. In July 1955 he was summoned to the Senate.

I should say too that with this tremendous record of continuous service in both Houses of Parliament, he succeeded a great-grandfather, a grandfather and father, all of whom had been members either of the Legislative Assembly of the Province of Quebec or the House of Commons of Canada. This is truly a remarkable record of public service. I am, of course, referring to the distinguished senator from Rivière-du-Loup, the electoral district of Témiscouata, the Honourable Jean-François Pouliot.

Senator Pouliot's record has been surpassed only by that of one other of our colleagues, to whose record we will have an opportunity to refer on another occasion: I am sure all honourable senators would wish me to extend our best wishes to our good friend Senator Pouliot.

Hon. A. J. Brooks: Honourable senators, I have just been notified of this very interesting event and I cannot sit idly by without saying a few words.

For quite a number of years I had the great honour and privilege of sitting in the House of Commons with my colleague Jean-François Pouliot, and now we are together in the Senate.

Forty years is a long time. I might say it is a long time for him to have been travelling in the wilderness. He should have been over here with the Conservative party, where he really belongs. He has made a wonderful success of his parliamentary life, succeeding, as he did, such illustrious ancestors.

I do not know of any member of Parliament who has worked harder than our good friend Senator Pouliot. While he has made a great contribution, I have not always agreed with everything he has said or with everything he has done. However, I am sure that he has always been sincere and that he has made a great impression on the Parliament of Canada. I wish him many more years to continue with us in that capacity.

Hon. W. Ross Macdonald: Honourable senators, it would appear that this is the season for extending felicitations to those who are celebrating anniversaries. Yesterday Sir Winston Churchill celebrated his 90th birthday, and today we are rejoicing with Senator Pouliot on the occasion of his fortieth year in Parliament. I take the occasion to draw attention to the fact that one of our very charming lady senators from the Province of Quebec celebrated a birthday on Sunday last. I would add of course that her appearance belies the number of years which she has attained.

Hon. Jean-François Pouliot: Honourable senators, I thank very warmly the Leader of the Government (Hon. Mr. Connolly, Ottawa West), the Leader of the Opposition (Hon. Mr. Brooks), and my former leader, honourable Senator Macdonald (Brantford), for their extremely kind wishes. I was taken by surprise because I did not expect that the fortieth anniversary of my first election to the Commons would be mentioned tonight.

You have all been very good to me. In thanking you I wish to take this occasion to tell you that I consider it a great honour to be a member of the Senate of Canada, and I have never missed an opportunity to inform our fellow citizens of the excellent work being done by my colleagues of the Senate.

Honourable colleagues, you have been kind to me in different ways; you have always listened to me and you have often nodded your approval of various points I have made. I understand very well that it is difficult for you to agree with me on everything, but I have gratefully received your approval individually and separately on nearly every matter that I have discussed before you.

If I have been a member for Temiscouata County for 31 years, I owe it to the fact that my great-grandfather, my grandfather and my father were faithful servants of the people. I tried to imitate them as well as I could. If I was elected the first time not

as an independent Liberal but as a straight Liberal against the official nominee of the Liberal party, and against the federal and provincial Liberal organizations, it was because I was fighting a just cause. Mr. Lapointe and Mr. King realized that two months afterwards when both of them introduced me to Mr. Speaker of the House of Commons.

Times change, of course, but I told Mr. Lapointe after my election of December 1, 1924, that I would continue to be a Liberal, as I was before and during the election. I must confess that all the time I was a Member of Parliament, and after I had the honour of becoming a member of this chamber, I practised what I may call "co-operative liberalism," which means that I have given my party, the Liberal party, the benefit of the doubt when I was not absolutely sure that the party was right.

Many colleagues I knew are gone In the 31 years I sat in the House of Commons I knew about 1,500 members of Parliament, and now there are so many new faces there. The old-timers had mostly gone, and I had to come to the Senate to find them. It was a pleasure, and it reminds me of very happy moments of my parliamentary career.

Now, honourable colleagues, I must convey my thanks to my wife, in the first place, because if I have survived so much turmoil and so many difficulties it is because of the good care she took of me, and the happy life we have had at home.

I must convey also my warmest thanks to the former electors of Temiscouata County, whom I consider as my friends. I never had an organization with a president, a vice-president, a secretary and a treasurer. Nothing like that was established in Temiscouata County, when I represented it in the commons. Friendship was the password. In the first place there were my grandfather's and my father's friends. Then, there were my friends, and finally, the sons of my friends. Three generations of Liberals have supported me. At my first election I had the support of many Conservatives who continued to vote for me and I would not call them otherwise than good Liberals.

In concluding I must tell you a good story. My opponent, the official nominee of the Liberal party in 1924, had been a provincial member for many years. The question was: "Should there be a Conservative candidate?" A very good friend of mine went to see Mr. Arthur Meighen, who was the Leader of the Conservative party, and suggested to him that it would be much better not to put up a Conservative because general elections were coming soon, and I would then be the easiest man to defeat. If this strategy were followed, then the Conservative candidate would stand a good chance of being elected to represent Temiscouata County. Contrary to his suggestion to Mr. Meighen, I was re-elected for 31 years.

As Members of Parliament the main way to keep our friends is to give our constituents every opportunity to meet us and to tell us everything that they have to say about politics, and for us to be honest with them and to work hard. I have tried my best to do so, and I am sure that hard work is a wonderful recipe for survival in politics.

Honourable colleagues, ladies and gentlemen, I have been touched by the most generous words which have been spoken this evening.

I must take this opportunity to congratulate my good friend and former leader, honourable Senator Macdonald (Brantford), who is a fine gentleman, and as chancellor he will add prestige to Waterloo Lutheran University. The choice was an excellent one. He is a man of wide culture and I am sure that the university could not have done better than to select him as its chancellor.

There is another colleague whom you eulogized the other day. I was not in the chamber when the two new chancellors were congratulated. It is a great tribute also to Senator Paterson to have been chosen as the first chancellor of Lakehead University. His speech was most modest. He said that he did not have the privilege of a college education. But he has been a life preserver for Carleton University, and now he will be a life preserver for Lakehead University. He will help the youth of this country by supporting that seat of learning.

Honourable senators, you are too generous. I am overcome with emotion. Thanks a million.

(Translation):

Hon. Mariana B. Jodoin: Honourable senators, may I thank the Honourable W. Ross Macdonald, for the good wishes he has just extended to me on my birthday. I may be getting older but my heart remains forever young.

Some time ago, I had the opportunity to appear on television. I was asked then how senators welcomed female members to the Senate. Here is what I answered. Since I came to the Senate eleven years ago, senators have always treated my female colleagues and myself with much respect and kindness. I added: They are men of great ability, and

such men never fear the rise of a woman because they know well that we are there not to take their place but to support them.

I thank you very much, honourable senators.

(Text):

APPROPRIATION BILL No. 10, 1964

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-140, for granting to Her Majesty certain sums of money for the public service for the financial year ending 31st March, 1965.

Bill read first time.

SECOND READING—DEBATE ADJOURNED

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

Hon. John J. Connolly: Honourable senators, I move, with leave of the Senate, that the bill be now read the second time.

Honourable senators, this is a measure which is normally described as the final supply bill for the fiscal year. Copies of the bill have been distributed and are in the desks of all honourable senators. This in itself, I think, is somewhat unusual, because when we get supply bills, interim and/or final, we very seldom have copies of them. However, it was possible to distribute copies on this occasion because the House of Commons passed this bill on Friday last.

Since this is an important bill, being the final supply bill, subject to the introduction of additional supplementary estimates, I thought it might be helpful to honourable senators if, in addition to the bill, I provided a memorandum indicating the amounts of money involved and the way in which it is proposed to deal with them. The memorandum, consisting of two foolscap sheets, has been distributed to all honourable senators.

Perhaps I should direct my remarks along the lines indicated in the memorandum, to make it a little easier for honourable senators to follow the discussion and to see how the various figures are related one to another. I will commence at page 2, where there are indicated the amounts required for the financing of the Government program for the fiscal year ending March 31, 1965. These are the amounts which were provided for in the main estimates and the Supplementary Estimates (A), (B) and (C).

Honourable senators will note from that portion of the memorandum that the main estimates provide a total of $6,811,810,508, of which $2,860,819,997 are statutory payments, that is, payments which do not have to be voted every year because they are provided for in the continuing statutes of Canada. Examples of payments of this kind are family allowances, payments for disabled people, and other similar payments. The total of the main estimates to be voted is $3,950,990,511.

In addition to the main estimates, there have been presented to Parliament three supplementary estimates, namely, Supplementary Estimates (A) of $404,691,736, and Supplementary Estimates (B) of $61,620,145; both of these have been before this chamber on other occasions in connection with other supply bills; and finally, we have Supplementary Estimates (C) of $89,270,001, which came before this chamber for the first time this evening. The total of the main and supplementary estimates which Parliament is asked to vote is $4,506,572,393.

In addition, there is an amount of $882 million which has to be paid out of the Old Age Security Fund for old age security payments. The total amount required by the Government to finance its operations for the fiscal year is that shown on page 2 of the memorandum, namely, $8,249,392,390.

In addition, the Government does require certain borrowing authority. For the current fiscal year the amount required to be borrowed for the various financial operations which are handled in this manner is $1,750 million. This is somewhat less than the amount last year or the two preceding years, but it is close to the amounts that have been borrowed in recent years. This is the requirement.

Today being December 1, the fiscal year has only four more months to run. Parliament has from time to time granted interim supply. Particulars of the various bills of interim supply are given at the top of page 1 of the memorandum. Six different bills are listed there for a total of $3,452,739,484.31. This is the amount of money that Parliament has already granted to the Government, and represents nine-twelths of the main and Supplementary Estimates (A) and (B). The first Appropriation Act granted supply for two months, the next for one month, the next for one month, and the next for three months. The Appropriation Act passed some weeks ago was for the months of November and December. If this bill now before us is passed, then supply shall have been granted by Parliament to March 31, 1965.

Particulars of what this bill grants are in the next portion of the memorandum on page 1. It will, in the first place, provide the balance of the main estimates for 1964-65 in the amount of $918,875,269.38, that is, three-twelfths of the main estimates, because nine

twelfths has already been granted. It will also grant the balance of Supplementary Estimates (A) in the amount of $30,532,935.40, the remaining three-twelfths of Supplementary Estimates (B) of $15,154,702.91, and the entirety of Supplementary Estimates (C) of $89,270,001, or a total of $1,053,832,908.69.

Honourable senators, it is one thing to be using box-car figures, and it is another thing to be dealing with the details as to how these figures are made up. Therefore, I should say first, concerning the balance of the main estimates to be granted which are referred to in the latter portion of the memorandum I have provided, particulars of that $918 million-odd are contained in Schedule A of the bill. Schedule A begins on page 4 of the bill and concludes on page 28. It is voluminous because it recites all the items of the main estimates which have not been fully voted by Parliament. As I have stated, three-twelfths of this total amount of the main estimates on these items are voted under this bill.

Honourable senators, I do not think I would be expected to make a detailed analysis of, or even make reference to, any of the many items in the main estimates set out in Schedule A. However, if any questions arise out of any of these items, I shall be happy to provide what information I can.

I am now dealing with section 2 of the bill. Section 2(a) provides for the approval of the amount required to authorize the spending of the balance of the main estimates, in the sum of $918 million, the particulars of which are contained in Schedule A. Section 2(b) provides the same authority for Supplementary Estimates (A). Section 2(c) provides the same authority for Supplementary Estimates (B). Section 2(d) provides the authority for the spending of the money contained in Supplementary Estimates (C).

The particulars of Supplementary Estimates (A) are contained in schedule B of the bill. This is a fairly voluminous schedule, beginning at page 29 and ending at page 40. Again I say, if there are any particulars honourable senators require special information upon, I will be happy to supply them, if I am able. Schedule C, which begins at page 41 and runs to page 43, gives the particulars of Supplementary Estimates (B). Schedule D of the bill gives the particulars of Supplementary Estimates (C). These are the supplementary estimates which come before the Senate for the first time on this occasion.

I have dealt with section 2 of the bill, have indicated what its purpose is, and have indicated, both from the bill and the memorandum, the amounts which the bill proposes to grant.

Now may I just refer to the other sections? As honourable senators will see, the bill itself is very short.

Section 3 provides that the amount authorized in respect of an item may be paid or applied only in respect of and for the purposes of that item.

Section 3(2) provides that each item in the schedules is deemed to have been enacted by Parliament as of the 1st day of April, 1964, which is the first day of the current fiscal year.

Section 4 deals with the commitments. It provides that where authority is granted to enter into a commitment, it may be entered into only in accordance with the terms of the item involved, if the Comptroller of the Treasury certifies that the amount of the commitment does not exceed the total amount of the commitment authority granted in the item.

Section 5 provides that the amounts paid or applied under the authority of this Appropriation Act shall be accounted for in the Public Accounts of Canada in accordance with the pertinent provision of the Financial Administration Act.

The form of this bill is one we have grown accustomed to in Parliament, and one with which we are all familiar. It is in the usual form of the final appropriation bill. While I do not propose to discuss details of any of the items in any of the schedules, the fact is that many months ago the Senate referred the estimates to its Finance Committee. That committee has sat and, indeed, its chairman presented its report to this house at the last sitting. The Finance Committee had before it not only the main estimates but also Supplementary Estimates (A), (B) and (C).

Honourable senators, in presenting an interim supply bill it is customary to give assurance that the passing of any item will not prejudice the right of any senator later to raise a question on any item in it. That assurance is not necessary at this time. This is the last shot at the main estimates and at supplementaries (A), (B) and (C), as presented to Parliament. If there are any questions I can answer this evening, I shall be happy to do so. I hope my explanation has been adequate.

Hon. George S. White: Honourable senators, I am sure we are all indebted to the Leader of the Government for the explanation he has given. He has just said he would be glad to answer any questions.

I wish to speak briefly in connection with Supplementary Estimates (C), recently filed and appearing at pages 44 and 45 of the bill, and in particular with the items that have to do with Veterans Affairs. These estimates

provide for an increase in veterans allowances and disability pensions.

If honourable senators have looked at Supplementary Estimates (C) they will have noticed that the estimates also provide for the schedules to the act being repealed and new ones inserted. They also provide for various other sections of the Pension Act being amended, which have to do with clothing allowance, disability allowance and things of that nature.

Honourable senators, this may or may not be a new procedure. I am not an expert and do not pretend to know, but I understand that the procedure in the past has usually been that when the Pension Act or War Veterans' Allowance Act is to be amended, a bill for that purpose is brought before the House of Commons. It then receives second reading in the other place and is referred to the Standing Committee on Veterans Affairs. There are many senators here who, during their days in that "happy" other place, served on that committee. That is one committee where there was perfect harmony, and it always turned out the best possible job in favour of the veteran.

It seems to me unfortunate that on this occasion the Government did not follow that well defined practice, because various veterans' organizations—principally the Legion and others of the same type—usually wish to appear before that committee and make representations. Those who have served on that committee in the past will readily recall the excellent representations and presentations made by the Legion on various occasions.

I am not complaining seriously about the way this is being handled, but when the Leader of the Government rises at the end of the debate perhaps he could tell me if there is some special reason for making these amendments in this rather unusual way.

These allowances under the War Veterans' Allowance Act and the Pension Act are being increased by approximately 10 per cent. In their brief, the Legion asked for an increase of 33⅓ per cent, or that the pension rates be increased in order to bring such rates into line with the salaries of civil servants as they existed following World War I. To do that would mean increasing the basic rate to approximately $3,500 a year.

I am somewhat curious to know just what yardstick the Government used when they made the decision to increase the allowances and the disability pensions by 10 per cent. During the last 12 or 18 months senators and members of Parliament have had a "slight" increase in pay. Judges, members of the armed forces and very large numbers of civil servants in various categories have all received increases in varying degrees. For that reason I am curious as to why 10 per cent was decided on rather than 20 per cent. Pension rates are supposed to be based on the income of the average worker in the common labour market. That has been an accepted principle over a long period of years. It has always appeared to me most unfortunate that veterans who have rendered the highest possible service to their country should be placed on the lowest possible income level so far as consideration of their pension rates and allowances is concerned. But in accepting the income of the average worker in the common labour market as a standard, we find that payments for 100 per cent disability are still below the average wage paid in the common labour market.

The Legion has presented a brief to the cabinet each year, generally on November 11. In the brief presented this year, they make this comment at page 4:

> Since pension rates are supposed—

And I emphasize the words "are supposed"—

> to be based on the income of the average worker in the common labour market, these figures and those in Appendix "A" clearly demonstrate that pension rates are vastly inferior to those to which they are supposed to relate and to which they did, in fact, relate in 1920.

And in Appendix "A" attached to their brief they show that a 100 per cent disability in 1920 for a single veteran was $900, while in 1964 it is $2,160. The disability rate for a married veteran in 1920 was $1,200, and in 1964 it is $2,880. Then they show that in the civil service a customs guard who received $1,260 in 1920, in 1964 received $3,740. They also cite the wages of cleaners and helpers who in 1920 received $1,200 and in 1964 receive $3,500.

Disability pensions are paid on the basis of rank, and when you compare the old schedule of pensions set out in the amendment of 1960 with those in the schedule of Supplementary Estimates (C), you will find under the old rate that a brigadier's disability pension amounted to $540 a year more than that of a private soldier or those of the rank of colonel and below. Under the new schedule there is a difference of $300. Furthermore, there was a difference of $504 in the pension that a brigadier's widow received and that of a widow of a colonel and all ranks below. Under the new schedule the difference is $336. One wonders why there is this difference.

If you look at page 9 of the Supplementary Estimates (C) you see the most peculiar assessment of all, because there it shows that the widow or the dependent parent of a veteran up to the rank of lieutenant-colonel can receive up to $1,428 a year pension,

while the dependent parent of a colonel or other officer in that group would receive $1,512. The third grade is brigadiers and higher ranks, the dependent parents of whom would receive a pension of $2,160. Now, it is rather difficult to understand just what yardstick one uses in deciding that the parent of different grades or ranks in the army or the armed forces should be entitled to a pension varying from $1,428 to $2,160. Especially is this the case when the wives and children of all ranks receive exactly the same rate of pension.

Honourable senators, you have made or possibly will make a brief examination of the schedules to the Pension Act as set out in Supplementary Estimates (C). If you do so you will readily see that the scale or rate of pension is based on the rank of the veteran. I would appreciate if the leader would comment as to why the custom has been followed for so long in awarding a pension for the same degree of disability and have it based on rank.

It seems to me there is a great difference in the way pensions are arrived at in civilian life as compared with the way they are arrived at for those who have served in the armed forces. In civilian life both parties, the employer and the employee, make an equal contribution. One could hardly quarrel with that, but when you assess the pension for those who have served in the armed forces I think you operate on an entirely different basis because here the officer and the private have made exactly the same contribution. Indeed, in many cases the private has made a much greater contribution than the officer. Each one has given a part of his body in some way or other, and each is now disabled physically to the same degree, say, 50 per cent. When you come to award a pension, both are again on the same level, because as mentioned in the Legion brief, pensions are supposed to be based on the income of the average worker in the common labour market. Both the officer and the private are now living on civvy street and both have to compete in the same way under our system of private enterprise. In my opinion they are equal and on the same level since they both have the same 50 per cent disability.

Therefore, honourable senators, is it not correct that the pension paid to a disabled veteran is to make up the difference between the earning capacity of the disabled veteran and that of the employee who has no disability? If that is correct, then the veteran who has 100 per cent disability should receive a pension equal to 100 per cent of the earnings of the average worker in the common labour market.

The Legion brief clearly points out that in their opinion an increase of 10 per cent is still far below the earnings of the average worker in the common labour market. While I do not wish to labour the point unduly, I would like to read to honourable senators certain remarks contained in the brief presented to the cabinet on November 11 of this year. At pages 3, 4 and 5 of their brief they say:

> . . . the pension increase, however, of "approximately 10%" falls far short of the requirement as set out in previous briefs and emphasized in our telegram to the Prime Minister on October 6.
>
> As of March 31, there were 148,705 disability pensioners; more than 60 per cent of these—a total of 90,910—were pensioned at 20 per cent or less; the maximum increase in the basic rate of pension for those in this group will be only $3.60 per month; 58,386, or 40 per cent of all pensioners receive a pension at 10 per cent or less; some of these will receive $1.80 per month, but more than 5,000 will receive only 90 cents a month—
>
> The Department of Labour indicates the average hourly wage for a general labourer in 1963 was $1.67. Based on 40 hours per week this gives an annual wage of $3,473.60.

Honourable senators will recall that, as I read a moment ago, the Legion suggested the pension rate be increased to $3,500.

> While it is acknowledged that the pensioner enjoys free medical treatment for his pensioned disability and is not subject to income tax, the discrepancies that exist go far beyond the small advantages he enjoys. The prohibitions that attach to his disability are suffered for 168 hours per week, 52 weeks per year, whereas the Government or other employee receives his far superior reward for terms of endeavour to 40 hours per week, in a year that is shortened by annual vacation and sick leave.
>
> Comparing the salaries and Pension rates prior to the Minister's announcement yesterday with those in similar categories in 1920, we find an ever-increasing advantage for the Civil Servant over the position of the 100 per cent disability pensioner. As stated above, the 10 per cent increase is grossly inadequate and does little to relieve the advantage which has been gained by the Civil Servant over those who have lost loved ones and veterans who have lost limbs, their eyesight and incurred other disabilities in honouring their obligation to this country—
>
> The Royal Canadian Legion therefore recommends—

> That the Government act at once to bring pension rates in line with salaries of Civil Servants as they existed following World War I.
>
> As we indicated to you in our telegram of October 6, this relationship can only be restored by increasing the basic rate to $3,500 per year.

It seems to me that this practice of paying pensions on rank is entirely wrong and should be changed. It should make no difference whether a veteran served as an officer or as a private. All veterans and their dependents should receive exactly the same pension for the same percentage of disability.

The Legion's brief also makes reference to the benefit of the doubt provided by section 70 of the Pension Act. Anyone who has ever had anything to do with the Pension Act can almost repeat it from memory. Section 70 presently reads as follows:

> Notwithstanding anything in this Act, on any application for pension the applicant is entitled to the benefit of the doubt, which means that it is not necessary for him to adduce conclusive proof of his right to the pension applied for, but the body adjudicating on the claim shall draw from all the circumstances of the case, the evidence adduced and medical opinions, all reasonable inferences and presumptions in favour of the applicant.

With respect to that, the Legion had this to say at page 6 of its brief:

> As we stated in our brief last year we have for many years been indicating our dissatisfaction with the Pension Commission's interpretation of section 70 of the Pension Act. The majority of applications under the legislation are affected by the Pension Commission's policy in applying the Benefit of the Doubt. Tied in with the Benefit of the Doubt are, "conditions not recorded on enlistment" and "retroactive awards."

The Legion has set out in its brief a number of cases, giving all details. In one case in particular there were six appeals or appearances before the Pension Board and the Appeal Board, all of which were rejected, but the seventh appeal was successful and the widow was awarded an entitlement. The Legion pointed out:

> Because the Pension Commission apparently did not apply the Benefit of the Doubt until the final decision, this widow lost pension for approximately forty-four months, amounting to $6,000. The veteran—

That is, her husband.

> —during his lifetime, was without treatment entitlement and pension. Prior to his death the Pension Commission had assessed his total disability at 100%, but he was receiving only a 20% disability pension for two other pensionable conditions. Had the Pension Commission, when he applied for entitlement in 1954, taken the same action it did in 1964, and sought an opinion from one of the departmental consultants, it is likely that entitlement would have been granted in 1955, rather than in 1964.

Any honourable senator who has had dealings with the Pension Commission on behalf of veterans will recognize these old familiar words, "the condition was pre-enlistment and was not aggravated by military service." This is without doubt one of the most annoying phrases used by the Pension Commission. I know of no other ruling or finding which enrages veterans as much as this one. Everyone knows that on enlistment a veteran is given a most rigorous and detailed medical examination by highly qualified men. The soldier is given tests, including a very complete X-ray examination. After all that, he is passed by the medical officer, accepted into the service and marked down as A-1. His medical sheet is clear and clean in every respect as to his physical condition on the date of his enlistment. Yet, in so many cases, the medical authorities and the Pension Board bend over backwards to find that the present condition of the veteran was of a pre-enlistment nature, and that the disabilities now complained of were not aggravated by military service.

Is it not reasonable, honourable senators, for a veteran to take the position on appearing before the Pension Board, that if his medical history sheet shows no record of pre-enlistment disability, then such present disability should be accepted as arising during his war service and be attributed to such service? Will any reasonable man say that the soldier is being given the benefit of the doubt when the medical officers who examined him on enlistment found him in A-1 condition, and then later on discharge, or after discharge, the same medical officer attached to the Pension Board for some unknown reason says that this disability under review was a pre-enlistment condition and was not aggravated by military service?

The Pension Act contains no definition of the word "doubt," and the Legion has suggested that an amendment be made in which "doubt" is defined. I heard honourable Senator Pouliot say tonight that he always gave his party the benefit of the doubt, so he might be able to pass on this proposed amendment. It is as follows:

> "Doubt" means that doubt which would exist in the mind of a reasonable man on

the street after hearing all representations.

That is all I wish to say on behalf of the veterans and these amendments. Certainly those who receive war veterans allowances will appreciate the assistance that is given the veterans, as will also the disability pensioners. I do feel that the increase of 10 per cent is not sufficient when compared with other increases that have occurred. It is certainly not in line with the wages paid in the common labour market.

If no other honourable senator wishes to speak tonight, I should like to adjourn this debate because I want to ask the honourable Leader of the Government (Hon. Mr. Connolly, Ottawa West) some questions in regard to a return that he gave me some time ago on the expenses of the troops that Canada has around the world.

I do not wish to be faced tomorrow with the objection that one is not allowed to speak twice on second reading. If some other honourable gentleman wishes to speak now, perhaps I could adjourn the debate later.

Hon. Mr. Roebuck: I would like to ask one question which the honourable leader may not be able to answer at once, but perhaps he will give me the information later. I see that the total expenditures of the Government for the year in question is $8 billion-odd. Considering our population at a little less than 20 million, that would give a per capita expenditure of a little more than $400. I would like to know how that compares with the per capita expenditure of governments such as the United States, Great Britain, or comparable administrations.

Hon. Mr. Connolly (Ottawa West): Obviously, I do not have the answer to that question now.

Hon. Mr. Roebuck: I would not expect it now.

Hon. Malcolm Hollett: Honourable senators, I would like to say a few words, by way of appeal to the Leader of the Government. Some 2,200 men from my native province, Newfoundland, served in the Forestry Unit in the Second World War. Men from that province also served in the Forestry Unit in the First World War. A large number of men from Canada's mainland also served in the forestry units, in both the First World War and the Second World War.

The men who served in the forestry units from the mainland and from Newfoundland in the First World War—and that was before Newfoundland came into Confederation—come under the Veterans Act and receive benefits comparable to those of the men who served in the trenches.

The men from Newfoundland who served in the forestry units in the Second World War have been looked upon by the Government of Canada as second-class citizens. I mention no particular government, as one is as bad as the other, since this particular point has been raised before both parties. Those men got no consideration at all comparable with the foresters who served in the forestry units from the mainland of Canada. Let me point out again that in those days Newfoundland was not a part of Canada; but for the benefit of honourable senators I would point out that for the purposes of the War Veterans Allowance Act, the expression "Canadian forces" includes any forces raised in Newfoundland; and "domiciled in Canada" and "resident in Canada" include domicile and residence in Newfoundland either before or after the union of Newfoundland with Canada.

There are about 2,200 men concerned. Like those of us here, they are getting older. They were not youngsters when they went over to serve in the forestry units. The members of the Merchant Marine got compensation. These men went on board ships and crossed the ocean.

In the Second World War, these men in the forestry units were asked to enlist only for six months. They did so. At the end of six months they were given the opportunity to sign up again for the duration of the war. Most of them did so, but some got out and went into the navy and army. Those who signed up for the duration were not allowed to break off that engagement and were not allowed to enlist in other parts of the armed forces. They had to stay in England, or wherever they were sent, and perform the duties assigned to them.

These men formed a special force; they knew their job; most of them were woodsmen. They were subject to the bombing raids, as were other people in the British Isles or in other parts of the war area. Many of them were killed; many died through accidents in the work they were carrying out; others were injured. In Newfoundland today we have many injured men from that force, receiving practically no consideration from the Government of Canada.

Honourable senators, just before I left home to come to Ottawa, I had the honour of listening to these men at one of their meetings. I felt ashamed not only to be a Newfoundlander but to be a Canadian, to think that these men were not getting the same consideration as their fellow foresters from the Canadian mainland. Why does this happen? Someone told me it is because they did not have uniforms. Let me say that when

they enlisted at the beginning of World War II, Great Britain could not afford to give them uniforms. They went in their own uniforms. At the end of six months they were told: "We want you, but if you sign up you will not be allowed to transfer to the army or navy." Some decided not to sign and they went into the army or navy, many of them giving up their lives in those services. Those who signed for the duration of the war were ignored. That is a scandal.

Honourable senators, I have said these few words to bring this matter to your attention, and particularly to the attention of the honourable Leader of the Government. I am sure he will take every step possible to bring it before the proper authorities.

I feel hurt about it, and I think all honourable senators here share that feeling, especially my fellow senators from Newfoundland. We feel that a wrong has been done, and I want that wrong corrected. We in Newfoundland now are Canadians and we want the same treatment as is given those men in other provinces who served in the forestry units in the Second World War.

I was not in a forestry unit in the Second World War, nor was I in one during the First World War, but I was in the trenches and I understand these men. They gave up good paying jobs in those days. In the Second World War they were the first to go overseas, to serve this country's cause in whatever capacity they were called upon to serve. They got, I think, $2 a day. They were earning much more than that in Newfoundland at that time. They ran the same risks as the rest of our men who went overseas in the Second World War. They ran the risk of being torpedoed on the way over, and of being bombed when they were there. We all know about the bombings in England during that war. Many men of those units died there, and many came back maimed. I appeal to the Government to make this correction. It needs only a small amendment to the War Veterans' Allowance Act. Then those who require assistance can be looked after.

That is all I wish to say with regard to this bill, under which several billion dollars are being voted. I believe every cent is necessary. There may be a little waste here and there, but that is bound to happen.

I would ask the honourable Leader of the Government to take this matter up with the Government at the earliest opportunity.

The Hon. the Speaker: Has the honourable Senator White leave to adjourn the debate?

Hon. Senators: Agreed.

Hon. Mr. Pearson: May I be allowed to speak tomorrow?

The Hon. the Speaker: Yes.

Hon. Mr. Connolly (Ottawa West): In case any honourable senators are in doubt, I may say that the debate will go on tomorrow until it is concluded. Therefore, any honourable senator who desires to participate will have an opportunity to do so. I would certainly welcome any speeches that may be made.

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

DOCUMENTS TABLED

Hon. John J. Connolly tabled:

Report of the Department of Public Printing and Stationery for the fiscal year ended March 31, 1964, pursuant to section 36 of the Public Printing and Stationery Act, chapter 226, R.S.C., 1952. (English and French texts).

Statutory Orders and Regulations published in the *Canada Gazette*, Part II, of Wednesday, November 25, 1964, pursuant to section 7 of the Regulations Act, chapter 235, R.S.C., 1952. (English and French texts).

Canada Pension Plan Actuarial Report, dated November 6, 1964. (French text).

Appendices to the Canada Pension Plan Actuarial Report. (English text).

DIVORCE

REPORTS OF COMMITTEE PRESENTED

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 645 to 684, inclusive, and moved that the said reports be taken into consideration on Thursday next.

Motion agreed to.

PRIVATE BILL

THE ECONOMICAL MUTUAL INSURANCE COMPANY—FIRST READING

Hon. William H. Taylor, for Hon. Mr. Macdonald (Brantford), presented Bill S-48, respecting The Economical Mutual Insurance Company.

Bill read first time.

Hon. Mr. Taylor (Norfolk) moved, with leave of the Senate, that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

HON. SYDNEY J. SMITH

REPLY TO FELICITATIONS ON GOLDEN WEDDING ANNIVERSARY

Hon. Sydney J. Smith: Honourable senators, as I was not present at the last sitting of the Senate, when congratulations were ex-

tended to Mrs. Smith and me on the occasion of our golden wedding anniversary, I should like to take this opportunity to express our deep appreciation of that demonstration of friendship and goodwill by honourable senators.

We had a wonderful time with our family and friends during the past few days, and your gracious gesture contributed greatly to the occasion. Thank you very much.

GREY CUP TRAIN

DAMAGE TO COACHES BY FOOTBALL FANS

On the Orders of the Day:

Hon. R. B. Horner: Honourable senators, before the Orders of the Day are proceeded with, I should like to call attention to what took place in the special train from Ottawa to Toronto on the eve of the recent Grey Cup Game. Seats in the coaches were damaged and some windows were broken, and everything had the appearance of being torn to pieces.

I am wondering if that is an illustration of the culture of our two great races, about which we hear so much. If that is an example, where are we heading? People who, in other respects, are considered to be responsible persons, wrecked property of the railways which, in the case of the C.N.R. belongs to the people of Canada. Death might easily have occurred from this behaviour. I understand that broken glass covered the floors of the coaches. It was an exhibition of wilful destruction that is a bad example to the rest of the world. I think it is a sad state of affairs.

THE ESTIMATES

REPORT OF FINANCE COMMITTEE—DEBATE CONTINUED

The Senate resumed from Wednesday, November 25, the adjourned debate on the motion of Hon. Mr. Leonard for concurrence in the report of the Standing Committee on Finance on the estimates laid before Parliament for the fiscal year ending March 31, 1965.

Hon. J. Campbell Haig: Honourable senators, last Wednesday afternoon, November 25, when the honourable Senator Leonard presented the report of the Finance Committee for concurrence, I made a few preliminary remarks before moving the adjournment of the debate, indicating the great help and co-operation and assistance the chairman had given to the committee. I would also like to include in those remarks appreciation of the great help and assistance that the officials of the different departments gave to the committee, by giving of their knowledge and experience to us.

Introducing the report, the chairman indicated that it was divided into three main divisions, the first being paragraphs 1 to 15, referring to the different forms of estimates, programs, and so on; the second, a discussion of the recommendations of the Glassco Report, dealing with financial management control; and the third dealing with the estimates in general. This appears on page 1115 of Senate *Hansard* of November 25 last.

Honourable senators, I think the very important part of this report, which I would like to discuss for a moment, is paragraph 11, at page 1131, where it indicates that a long period of time elapses before the final vote of supply by Parliament and the actual spending of that amount, which means that the Government has spent or is committed to spend a very large part of the money before Parliament gives it approval.

I would suggest, as also indicated in the report and in the testimony of the committee, that this should, if possible, be corrected so that the estimates do not come in the final dying days of a session.

Of course, I realize that discussions of this kind in this chamber have not a great deal to do with Parliament, since the estimates must go before the other place first. It must be clearly understood that in all financial matters respecting the Government, the elected representatives of Parliament are the final arbiters of expenditures.

Realizing the fact that under our rules we proceed faster than the other place wants us to go, probably the Senate Finance Committee could assist Parliament in discussing estimates which are of a more routine nature, yet would not eliminate the right of elected members to make sure that they have full opportunity of questioning the Government on their spending program, to air grievances, or raise points which they feel affect their constituencies or ridings.

As was indicated by the Chairman of the Finance Committee, the committee learned a great deal about the actual management and financial control of the Government, and I think that its report will be of great use in future years.

I wish to draw the attention of honourable senators to page 1117 of Senate *Hansard*, where paragraph (e) of the report is mentioned. There the Chairman stated:

> That departments and agencies be given the necessary financial authority and be held accountable for the effective management of the financial resources placed at their disposal.

The Chairman then added:

> In essence, this means decentralization of financial responsibility.

Honourable senators, that is not going to be accepted by every member of this committee or every member of this house. I can assure you of that.

Dr. Davidson, Secretary of the Treasury Board, stated, as appears on page 186 of the Finance Committee's report:

> There is, of course, full recognition on the part of the Government, the Treasury Board, and the departments concerned that if the departments are to take on any of these additional responsibilities in the field of financial management that have hitherto been held as the responsibility of the central control agencies, we must ensure, first of all, that they have the personnel trained and qualified, as well as their organization structured in such a way as to enable them to discharge the responsibilities.

Later he went on to say:

> With that in mind, training programs are now being developed under the auspices of the Civil Service Commission—for example, the Society of Industrial Cost Accountants, at Carleton University. It is hoped to produce, over a period of a year or so, a sufficient number of qualified cost accountants so that they can be settled into position in the departments where the transfer of responsibility is likely to take place earliest—

In other words, they are not going to take all departments of Government at once and change financial responsibilities, but they are going into certain ones first.

> —and it is hoped that the departments will be prepared to accept these responsibilities if, as and when any are transferred by Government decision, from central control agencies to the departments.

So I would suggest this means without using such fancy words, that within the department the Government chooses to initiate this program there would be greater flexibility in dealing with these estimates, subject, of course, to the fact that Parliament had voted moneys for a certain specific purpose or program. This, honourable senators, must never be forgotten, that Parliament has final authority over the estimates, so the department cannot go beyond that authority.

It was indicated to us that during the period of years under the present system some items have had to go before Treasury Board. Last year there were some 16,000 requests from the different departments to Treasury Board for permission to do certain things. They ranged from a highly specialized and expensive defence installation to the question of whether tea and crumpets should be served at a function at the Experimental Farm—right from the top to the bottom. If we have high-priced, efficient departmental officials, from the deputy ministers down, why cannot we give them a little more authority to deal with the running of their departments within certain bounds?

I repeat, it was a great pleasure to sit on the committee under the chairmanship of the honourable Senator Leonard, and an education to listen to experts from the Department of Finance, Treasury Board and the Auditor General's department. As I indicated earlier, it would pay us all to study and read the reports of the Finance Committee meetings.

To conclude, honourable senators, I think that in the future this committee can perform a very useful function, and I hope that when things around this capital city of ours are on a more even keel it will be possible for us to explore in depth certain departments or crown corporations. Earlier this session it was indicated in this place that a certain department or section of a department needed investigation for particular reasons, and I think we could do that work. We have the officials; we have the committee; we seem to have the time, so why cannot we, when we resume, have this committee make explorations in depth of the workings of either a department or crown corporation? I know all honourable senators have a particular interest in certain crown corporations and departments which they would like further investigated.

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

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, December 2, 1964

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

Prayers.

DOCUMENT TABLED

Hon. John J. Connolly tabled:

Capital Budget of The Seaway International Bridge Corporation, Ltd., for the calendar year ending December 31, 1965, pursuant to section 80(2) of the Financial Administration Act, chapter 116, R.S.C., 1952, together with a copy of Order in Council P.C. 1964-1810, dated November 20, 1964, approving same. (English text).

APPROPRIATION BILL NO. 10, 1964

SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Connolly (Ottawa West), for the second reading of Bill C-140, for granting to Her Majesty certain sums of money for the public service for the financial year ending 31st March, 1965.

Hon. George S. White: Honourable senators, in May I spoke briefly on Canadian participation in the United Nations and other peace-keeping operations. On that occasion I asked the Leader of the Government (Hon. Mr. Connolly, Ottawa West) for some information which he has now supplied. I should like to comment briefly on the information as given to me.

The largest operation in which Canadian forces are engaged is that connected with the Gaza Strip. The cost to date of this operation has been $46,005,000, of which it may be that the sum of over $15 million will be recovered. At that time Canada paid the cost of the sea and air lift, amounting to $605,561. Probably this amount is not included in the other figure I have given. Anyway, Canada paid the cost of the air lift and was not reimbursed. Speaking about the air lift to the Gaza Strip, the report which the leader has given me reads as follows:

> . . . Canada absorbed the costs of the initial sea and air lift of the Canadian contingent and its equipment to the Middle East and was not reimbursed by the United Nations for these costs.

On page 2 of the same return, there is the further comment:

> Information is not available on all of these expenditures and it is therefore impossible to state what is Canada's share of the total costs of the operation.

I should like to point out to honourable senators that while the figures given in the return show the total cost to be over $46 million, it may be that the correct figure, including everything, will greatly exceed that amount.

In May, speaking in regard to the length of time the Canadian forces have been in the Gaza Strip, I made these remarks, which are reported at page 574 of the *Debates of the Senate*:

> The Canadian forces have been in the Gaza Strip since the fall of 1956. Is it not reasonable to ask after this long period of time if the size of the force could be reduced, and why the Canadian forces should not be brought home? If it is still necessary to maintain this type of peace-keeping force in the Gaza Strip, the Canadian troops can be replaced by troops from other United Nations countries. No doubt when the Canadian forces went to the Gaza Strip it was to be for only a short period of time, but almost eight years have elapsed since they were sent there. This same problem of length of service now faces the new Canadian peace-keeping force in Cyprus.

In the return that the honourable Leader of the Government gave me there are two interesting comments in regard to Canadian troops in the Gaza Strip force. The first reads:

> When the United Nations Emergency Force was set up by the United Nations General Assembly, it was not intended that this force should be permanent.

And then at the conclusion of the statement there is this comment:

> It would not be easy to replace the Canadian component of the UNEF with troops from another country.

I would be very happy if the honourable Leader of the Government would explain why it would not be possible to replace Canadian troops by troops from some other member nation of the United Nations.

There is another peace-keeping force in Palestine that was set up in 1948. That force is concerned with the application and observance of the general armistice agreement between Israel and the several Arab States. The cost to Canada to date has been $1,479,000, and it is still continuing. There is no recovery so far as these costs are concerned. This force has been operating since 1948. One cannot help wondering how much longer the

force will operate and when their mission will be completed.

I would like the honourable leader to indicate when a force such as this will finish its duties and why, if necessary, it cannot be replaced by other troops.

It may be of interest to indicate some of the other forces around the world to which Canada contributes. The first one is most interesting. When the so-called armistice was signed in the Korean War, an armistice commission was set up, but Canada since 1955 has maintained two men in Korea. The total cost of those two men to Canada today is the small, insignificant sum of $160,000, and that cost is still continuing.

In 1955 there was set up a peace force for Indo-China, which is still continuing. That force has cost Canada to date $10,219,000, of which the sum of $2,166,000 may be recovered.

For the force in the Congo, which is listed as a continuing force, the cost to date has been $12,500,000, of which about half that amount may be recovered.

Hon. Mr. Roebuck: Are there any Canadian forces in the Congo?

Hon. Mr. White: In the Congo, the report shows "270 all ranks." It is listed as a continuing operation. The date of this report is June 1964. There may have been some changes since then.

Hon. Mr. Leonard: May I interrupt for a moment? The United Nations force in the Congo terminated on June 30, 1964.

Hon. Mr. White: This paper I hold in my hand is out of date. The covering letter is dated June 4, 1964.

There is a small group of Canadians in Yemen, and another in New Guinea. There is another force for the India-Pakistan border dispute. This last-mentioned group was set up in 1949, and has been operating for some 15 years. I would like to ask the honourable leader, when he replies at some later date, to give some indication of just what this group has accomplished after 15 years, and what further it hopes to accomplish. The cost of this group to date has been $951,000—practically $1 million.

The total cost of all these various groups to Canada comes to more than $72 million. Of that amount $25 million may be recovered, and if that occurs the cost to Canada will be around $47 million.

We have a force in Cyprus, which is not included in the return. We all recall that when this force was set up Canada agreed to pay the cost for the first three months. These costs are given as $3.5 million.

On page 12 of the return furnished by the honourable leader, there is this comment in connection with the force in Cyprus:

> Until the Security Council discusses the possible extension of the resolution establishing this force, and in particular the financial basis for any such extension, we are unable to say what financing measures will be taken to continue the force.

I would like to ask the honourable leader if he is able to advise the house how much longer Canada is committed to keeping this force in Cyprus and what further final arrangements have been made as to how the cost is to be apportioned.

When I spoke in May I asked the Leader of the Government if he would give some information as to who is liable for pensions paid to members of military forces who were injured, or to the dependents of those who were killed, while serving in these forces around the world. There was no mention of this in the return filed. As everyone knows, there have been both injuries and fatalities. Only last week two soldiers were killed in the Gaza Strip when their jeep struck a mine. All I would like to know is whether or not Canada is liable for the full amount of these pensions or whether, since it is a United Nations project, that body plays any part in pensions.

When one examines the long and varied lists of forces and commissions in which Canadians are serving around the world, and when one calculates the total cost to the Canadian taxpayer, one realizes that Canada has done not only her full share but probably more than her share. In fact, at times it appears as if Canada were to eager to contribute forces for these various policing organizations around the world. After all, there are now 115 members of the United Nations. Is it unreasonable to ask that all nations make some sort of fair and equal contribution in both men and money to these forces?

Certain countries which are members of the United Nations have refused, to date, to pay their part of the cost of the Gaza Strip and Congo operations. In fact, the nonpayment of their share of these costs has created a present-day crisis at the United Nations.

In 1958 the then Secretary General of the United Nations made suggestions as to certain permanent international forces to meet future emergencies. The United Nations refused to accept his recommendations. The U.S.S.R. and other communist countries, and certain African and Asian countries which had recently received their independence, opposed the organization of any peace-keeping force by the United Nations. Apparently they did not like the idea of the United

Nations being able to put force behind international decisions in a way which might interfere with their own national policies.

Countries which join the United Nations should accept the responsibilities associated with membership in such an organization. If troops are required, each country should contribute in turn and all should pay their portion of the cost of the force.

I would ask the Leader of the Government to advise the house, at some future date, how Canada stands in the number of troops supplied, and the annual cost to Canada of such troops compared with other UN nations who have supplied troops for peace-keeping forces.

I think it would be interesting if the Leader of the Government would explain the method or manner or procedure followed at the United Nations when it is decided to set up a peace-keeping force, and how the quota from and the cost to each country is decided.

I realize that the honourable leader has not immediately available the answers to the various matters I have raised, and I will be quite satisfied if I can have the answers after the Christmas adjournment.

Hon. F. W. Gershaw: Honourable senators, I wish to put a few remarks on record regarding Vote 10, at the bottom of page 17 of Schedule A to the bill. I refer to the vote for scholarships and grants in aid of medical research.

There are a great many medical research-minded graduates from the colleges and universities of Canada, but a great many of the brilliant students go to the United States. My information is that the United States per capita expenditure on medical research is about five times that spent in Canada. After Canada has paid for the tuition of these students, it is only fair that she should have some of the benefit of their accomplishments, which are truly great.

Only today, we read in the newspapers of a case in Winnipeg of a little girl of 14 years, who has an implanted mitral valve in her heart. This is working well and is enabling her to live a normal life. Marked success has been attained in the field of medical research during the last few years. For instance, the dreaded disease of poliomyelitis is now almost under control. We now have such things as insulin and similar drugs for diabetes, vitamin B_{12} for pernicious anemia, tranquilizers for mental cases, and sulfa, penicillin and other antibiotics which have been used successfully in treating infections. Children's diseases, such as scarlet fever, measles, chicken pox and diphtheria are now almost under control. In fact, so great has been the progress in recent years that the average life span, which was around 50 years at the beginning of this century, is now 68 for men and 73 for women.

Medical research should always be carried on under the guidance of universities. There is not a university in Canada that does not need more money; there is not a medical faculty that would not be glad to carry on more medical research, were the funds available.

I have enumerated some of the accomplishments, but much remains to be done. There should be more experiments regarding tissue transplantation, the transplantation of organs, heart conditions, cancer, muscular dystrophy, and many other fields. For instance, mental patients occupy about half the hospital beds in Canada, and a lot remains to be done in the treatment and care of medical cases. Even in the medical-legal world there remains much doubt as to the exact standing of criminal responsibility, irresponsible impulse, and such subjects. In vascular diseases we are not yet sure what diet should be followed. There are very many things that could be done along these lines.

My suggestion is that more research work should be done, and that the Government should spend less money on issuing pamphlets and reports that are never read; that they should get out of the broadcasting business and spend more money in the areas I have mentioned. I believe that such action would greatly add to the sum total of human welfare and comfort.

Hon. Arthur M. Pearson: Honourable senators, I just want to say a few words on one particular item, Vote 65, which appears on page 5 of Schedule A of the bill. The sum of $12 million is set aside for payments in respect of projects and programs under the Agricultural Rehabilitation and Development Act. In looking up the estimates in the Blue Book I find that $9,300,000 is set aside by the federal Government for participation with the provinces in the purchase of lands or in certain projects the various provinces are undertaking.

Honourable senators will remember the idea behind the introduction of the ARDA program was to find ways and means of improving the level of living of the small farmer: first, by enlarging the economic unit; second, by technical training; third, by extending unemployment insurance benefits to farm workers; fourth, by vocational and technical training for those who wish to enter into other occupations; and, finally, by establishing small industries in local areas to give the farmers on the smaller farm units some outside work, to encourage them to stay on the farms.

As an officer of the Canadian Tree Farmers' Association I was at a meeting not long ago,

and the farmers in that area were very much annoyed—

Hon. Mr. Connolly (Ottawa West): Would the honourable senator say to what area he is referring?

Hon. Mr. Pearson: This is an area in Ontario.

Hon. Mr. Connolly (Ottawa West): Thank you.

Hon. Mr. Pearson: The farmers in that area were very much annoyed by the provincial Government apparently stepping in and buying the lands which had temporarily fallen into disuse. That is, people who were living on land that was not being used to any great extent were being offered by the provincial Government prices well above the local level, and these older people were selling their land at an enhanced figure to the Government. I presume that part of this $9 million helps provide the province with enough money to pay 50 per cent of the cost price of this land which is being bought. The farmers at the meeting claimed that if they had known that these farms were for sale they would have bought them to enlarge their own farm units so that they would become economically sound. With the province stepping in and buying this land, apparently no thought is given to what is going to happen to it. They do not know whether they are going to keep it and let it lie idle, as has been the case for quite a while, and have it grow up into wild bush of no value.

Another point raised by the farmers in that particular area was that if instead of buying up land in this fashion the Government would set up a small mill, the farmers, through their co-operative, could work along with the federal and provincial governments in building up such a mill and thus provide work for themselves. Some farmers said they did not know whether they should go into the bush and cut wood this winter, because they have no market for it. It seems to me this is something that should be seriously looked into by the authorities and those concerned with the ARDA program.

I wanted to draw the attention of the Leader of the Government to these points. I think if he drew the attention of the Government to them, the errors could be rectified and the authorities would not continue buying this land and pushing up its value so high that local farmers cannot buy it.

Hon. M. Grattan O'Leary: Honourable senators, I had worked on a speech during the week and had decided last evening and this morning that I would not deliver it; but somebody once said that hell hath no fury like an undelivered speech. So, after conferring with my leader at noon today, I decided to speak.

I want to speak respecting two items in the estimates: one, providing for a vote of $88 million to the Canadian Broadcasting Corporation; and another, later on, providing for a loan of roughly $15 million to the same corporation.

About the loan, I shall merely repeat what Senator McCutcheon said in this house a few weeks ago: this, in no sense of the true word, can or should be called a loan. The Government of Canada has about as much chance of recovering that loan of $15 million as if they had made it to me. This is not a loan: this is a grant; this is a subsidy. To call it a loan is, in my judgment, sheer humbug to mislead the people of Canada.

I have no doubt at all that under its bookkeeping system the Government puts this down as an asset. If they do they must be relying on the most inactive asset in the history of the world. On the other hand, I suppose the C.B.C. puts it down merely as a loan and not as an expenditure.

I know I am treading on almost forbidden ground when I venture to say a word of criticism against the C.B.C.

Hon. Mr. Connolly (Ottawa West): Why?

Hon. Mr. O'Leary (Carleton): Because there seems to be in this country a conspiracy of silence by the press and the Parliament of Canada about the tremendous extravagances of the C.B.C., as I shall proceed to show shortly. If you say a word against this sacrosanct organization you will promptly be asked why the C.B.C. should not have as much autonomy as the B.B.C. If you say a thing often enough people will come to believe it. For example, the Canadian Press, a usually reliable organization, stated in a dispatch from Ottawa not long ago that the C.B.C. was merely seeking, they said, the same completely autonomous position with respect to programming and administration as was enjoyed by the British Broadcasting Corporation.

The truth is that the B.B.C. is much more under the active and continuous control of the British Government than the C.B.C. is under the control of the Canadian Government. I have here a publication entitled *Britain—An Official Handbook*, the 1964 edition. It is prepared by the Central Information Office of the Information Department of the United Kingdom and is sold by Her Majesty's Stationery Office in London. This handbook contains a chapter on sound and television broadcasting, and at page 481 you will find the following:

> The BBC and the ITA are independent authorities in the day-to-day operations of broadcasting, including programmes

> and administration. The Government, however, retains ultimate control, and the Postmaster General, as the responsible Minister, is answerable to Parliament on broad questions of policy and may issue directions to the BBC and to the ITA on a number of technical and other subjects.

The B.B.C. operates under a licence issued by the Postmaster General under the Wireless Telegraphy and Telephonic Acts, and he may rescind that licence, suspend it or end it altogether for any cause.

It further says that

> The Postmaster General also has powers to prohibit the broadcasting of any particular matter or class of matter—

Listen to that!

> —or to revoke the licences of the BBC or ITA at any time;

These powers are treated as major reserve powers, but nevertheless their very existence, and the very existence of this power of the British Government and of the Postmaster General over the B.B.C. acts as a deterrent.

Further, from page 482 I quote the following:

> In the discharge of its responsibilities the BBC is required to ensure that its services are used, as stated in the preamble to the Charter, 'as a means of disseminating information, education and entertainment', and to pay heed to the requirements of the Licence (for instance, it must allow the broadcasting of any announcement at the request of a Government department—

I repeat:

> —it must allow the broadcasting of any announcement at the request of a Government department, and must not broadcast commercial advertisements or sponsored programmes). It must refrain from expressing editorial opinion on current affairs—

Directly or indirectly.

> —and on matters of public policy, and it is relied on to treat controversial subjects with complete impartiality.

I submit that there is vastly more government control over the B.B.C. than is exercised by the Parliament of Canada over the C.B.C.

Hon. Mr. Burchill: What are you reading from?

Hon. Mr. O'Leary (Carleton): I am quoting from *Britain—An Official Handbook* issued by Her Majesty's Government in London. I shall be pleased to send it to you in due course.

I have no intention of offering any criticism of programs on the C.B.C. On the whole I think these programs are reasonably good, and if you want to find out for yourself how good they are you should go to New York some day and stay in your hotel room and turn on the programs of the two major broadcasting chains there. However, I must say that I am at times somewhat disturbed by certain programs. I would never under any circumstances go in for censorship. I think in a mature society these things must be left to public taste and public morality. Public taste will in the long run cure these programs if they are bad.

I am against people snooping around looking for what they call immoral programs, or snooping around bookshops to find books that are bad. I am all against that. I wish sincerely such people would devote more energy to trying to get people to read good books, which I am sure would be better for all concerned. And this, I feel, applies to the C.B.C. broadcasting.

Sometimes though I wonder about programs dealing with, for example, homosexuality. This is something that has come down through the centuries, and I think it is for medical clinics, for theologians or psychiatrists, and that one simply cannot deal with the subject adequately or safely in a television broadcast brought into the home. This, of course, has become a favourite current topic. With the older novelists it used to be that the theme was, boy meets girl—boy gets girl. Now the theme seems to be, boy gets boy. I wish there was some means of getting the C.B.C. to avoid that sort of programming.

What I am really concerned with is the cost to this country of the C.B.C. The report of the Glassco Commission—and in many respects it was very complimentary to the C.B.C.—at page 26 said this:

> But no evidence exists of any weighing of cost against need and the impression gained is that, generally, the pursuit of high quality has been carried on without taking into consideration what the country can afford.

Honourable senators, that is the case I wish to present. It is all very well to have good programs, and we should insist on the best programs possible but, after all, this country can only afford so much. When you have this organization coming to us and asking now for the sum of $88 million, and on top of that a loan of $15 million, you begin to ask questions. Can we really afford this sort of thing? Do you realize that according to their 1964 report, the cost of C.B.C. unsponsored programs, that is programs without advertising, last year amounted to $64 million? That works

out at $1,200,000 a week for programs that were not sponsored. Can a country of this size at this time afford that?

There is another aspect of the matter. They state here that their programs carrying advertising, that is, sponsored programs, amount to $31,116,000. But the advertising did not pay the total cost of the programs. In fact, the sponsors paid $1 million less than the cost of the programs to the C.B.C. When a newspaper or magazine sells advertising, it has a rate card. If General Motors Corporation comes to us and asks for a page, we can quickly tell them exactly what it is going to cost, and it is based on the total cost to us, whether it is black and white, two colours, or three colours, and we take a profit of five or six per cent if we are lucky. But C.B.C. is selling advertising below the cost of the programs. This is where some of the tremendous losses come in.

Take one program as an example of what I have in mind, "Front Page Challenge". This is a sponsored program. But the sponsor does not pay the cost of the program. In the first place, he could not afford it and, in the second, the C.B.C. itself does not know what the program is going to cost. They brought Mr. Randolph Churchill over from England at a cost, I am told, of more than $2,000 to make one appearance on that program. No sponsor will pay for that. They brought Mr. Bennett Cerf from New York not long ago. All honourable senators know who Mr. Bennett Cerf is. He is a publisher who appears on that tired program called "What's My Line". They brought him from New York to appear on this program at a cost, I understand, of $1,000. Honourable senators, this is nonsense!

Take their practice in the matter of news. The C.B.C. today has correspondents in Tokyo, in Moscow, in China; they have two at the United Nations and two in Washington, and others in London, Bonn, Paris and, I believe, one in the Far East. I assure you, honourable senators, that this is utter and complete nonsense. In all the capitals of the world there are news agencies such as the American Associated Press, the Canadian Press, the United Press-International, and the great and famous Reuters News Agency. In addition to those there are the New York Times Service, the Herald-Tribune News Service, the Chicago Daily News Service and the Chicago Tribune Service. All or most of our papers subscribe to these. We have the New York Times News Service, and we are a small paper. Other papers—the Montreal papers and the Toronto papers—are also subscribers.

What do you get? Night after night you listen to some newsman speaking from Bonn, from Paris, from Moscow, at tremendous cost to the C.B.C. What is he saying? He is telling you something that you read in the afternoon paper six hours before. This goes on and on, and I can assure honourable senators that it costs something to keep a correspondent in Moscow, in Tokyo, and two in Washington.

Then you have what they call "Capital Report." I am bound to say that I think the C.B.C. news service department is perhaps one of their best, but they go overboard with these services. You have a man like Mr. James M. Minifie who will speak on a Sunday afternoon and tell you in a few minutes everything that is wrong in Canadian-American relations. You have some university professor from the University of Western Ontario or the University of Manitoba speaking on "Weekend Review," who has all the answers. He knows what is wrong with Canadian foreign policy. This goes on week after week, and this is the sort of thing that is resulting in these enormous costs.

Incidentally, I forgot to say when I was quoting from this report that the British Postmaster General is the responsible minister who reports to the British Parliament. Any of us who know how Westminster works knows perfectly well that these estimates could be subjected to the closest scrutiny. What scrutiny, what examination is there in the Parliament of Canada, in the other place, of the estimates of the C.B.C.? Actually, if you get up there and ask a question you are told that it will be referred to Mr. Ouimet, the President of the Canadian Broadcasting Corporation. My information is that nine times out of ten the answer never comes back. If you complain about this you are told: "Keep the C.B.C. out of the hands of the politicians." This is said over and over again in the press. It is said by these young commentators and television experts. I hear it repeated every week—whatever we do we must keep the C.B.C. out of the hands of the politicians.

Honourable senators, who are the politicians? The politicians are the persons the people of Canada elect to represent them in Parliament, and their primary and historic function is to examine, scrutinize and criticize the Queen's estimates. Apparently, while that is accepted, while you can criticize, question and examine the estimates of the executive, it is heresy in this country at the present time to ask anything about the estimates of the C.B.C.

I know I shall be told that they issue an annual report. Well, I have their annual report in front of me. Most of it is taken up with glorifications of the programs of the C.B.C., and many claims are made for them.

Some of them are just. But what do they say about their financial operations? Let me read the first paragraph about these operations. It says that the total income for the year was $111 million-odd. That is the total income for the year. I have seen that paragraph appear in our Canadian newspapers showing that the C.B.C. had a very small deficit for the year. The fact is, of course, that of the $111 million some $80 million went to them by way of a grant from the Government. But this is not shown in their statements as they appear in the press. They say that their income was $111 million, and in August they said they had something left over to pay back to the Government. Now, imagine! This year the grant was only $80 million-odd. I venture to say it will be more next year.

A few days ago in the other place two or three questions were asked about the C.B.C., and an example was given of their extravagance. There is in the C.B.C. a sort of Parkinson's law of stone and mortar. They put up a building here in Ottawa, which was opened a few months ago, at a cost of $3,355,000. The furnishings—and I am not surprised at this; I think it is a fair estimate—cost $135,000. Presumably this building has a board room where the governors or the heads of the departments can meet. This is inevitable. Yet, a few weeks ago the program directors of the C.B.C. from all over Canada came to Ottawa, and where do you think they met? They did not meet in this grand new building that you see on your way to the airport. They took their meeting to the Seignory Club.

This is the trouble with the C.B.C. They have a psychology of spending. They have no sense of responsibility whatever to the taxpayers and to the Parliament of Canada, and as long as this rule of silence continues—this silence in the press and in Parliament about this organization which has become a sort of principality, in fact, almost a state within a state—you dare not criticize it. You are attacked the next day if you do, as I am sure I will be attacked in the press clear across Canada for daring to say a word against the C.B.C. Not only that; you are denounced as an anti-intellectual, as a low-brow, as somebody who cares not for Canadian culture.

I said I was not going to say anything about their programs, and I am not. On the whole I think they are good, although not all of them. Sixty per cent of their programs are concerned not with culture at all, but with entertainment. But, there is one other aspect of this matter that I think should be brought to the attention of this house.

I said a moment ago that when we of the Ottawa *Journal,* or *Maclean's* magazine, sell a page of advertising to General Motors or British American Oil we sell it from a rate card. They know exactly what they are buying and we know exactly what we are selling. But the C.B.C. does not do that. The C.B.C. sells its program at a loss, and that loss is made up by the C.B.C.'s competitors —by *Maclean's* magazine or the Ottawa *Journal.* We are taxed to pay a subsidy to people who are competing with us, and that, I think, is an immoral thing. It makes a mockery of our talk of free enterprise in Canada. We are taxed to pay for the subsidy given by the Government to our competitors.

What is the effect of this upon the magazine media of Canada? I know a little about this. I happen to have been the chairman of a royal commission that investigated the state of Canadian magazines. I do not know where the report is now. Somebody once said that if Moses had been the chairman of a royal commission the Israelites would still be in Egypt. I console myself with that saying.

What this Commission found was that the plight of Canadian magazine media in Canada today is caused not only by the fact that we allow two United States owned publications to take 45 per cent of all the advertising revenue, but by the fact that a Government organization like the C.B.C. is assisted by the Government to compete with the magazines for advertising. I venture to say that in two years the great publication, *Maclean's* magazine, will not exist, because it cannot go on with the losses it is sustaining at the present time.

This is what is called planning—planning by which you subsidize an organization like the C.B.C. to put your magazine media out of business.

The late President Kennedy, in one of the last speeches he made, said that the communications media of United States magazines and newspapers were as vital to that country as were its defences. Honourable senators, that is true.

We have no national newspapers in Canada. We have no London *Times,* we have no Manchester *Guardian,* we have no great weeklies like the *Spectator,* the *Economist,* the *New Statesman,* and so on. Therefore, for dialogue and discussion, for debate and for self-examination on a national scale, we must or ought to depend on our national magazines. If they go we shall cease to have Canadian voices in this country at all.

I do not want to go on to Canadian neutral newspapers. There is too much violence in the world already.

Honourable senators, this is a dangerous position for Canada. The C.B.C. is being subsidized to an extent that this country cannot afford and in a way that is enabling it to endanger the existence of our magazines. There is no question about this at all. I have a number of supporting facts here but I am not going to bore you with them.

In going through these estimates I have been impressed by one point. This Government which, in the days of its opposition, talked so forcibly, so eloquently and so truthfully about the need to get costs down, is showing no real, no effective, effort to cut costs.

I am not blaming one party. When the party to which I belong was in office, it also spent too freely. Every government at every level is spending beyond this nation's capacity. A lot of it comes from a fallacy existing now, that we are a world power—yet we are not. We adopt that psychology, we look upon ourselves as a world power and we are doing the things which honourable Senator White mentioned a few moments ago, doing them so easily, rushing into when, as he mentioned, nations far richer than ours are holding back. This policy cannot continue. We cannot continue to permit the C.B.C. to go on as at present.

A few years ago, when the Canadian National Railways was losing $40 million or $60 million a year, we said it was a white elephant, a millstone around our necks. You remember that Lord Atholstan was writing of "a whisper of death." Today we have the C.B.C. asking us for twice the sums that the Canadian National used to ask for, and no one dares say a word about it.

There is only one remedy for all this. I was tremendously gratified the other day when Senator Leonard made his admirable statement. As I listened to him and heard him tell of the work the Finance Committee had done and what it hoped to do in the future, I could not but think that here at last was an example of real Senate reform, Senate reform from within the walls of this chamber, by senators themselves, not the sort of thing you hear from economic and political illiterates outside this chamber, or that is snatched from election campaign literature.

This is a hope, but I am afraid it will be too late. Before this situation goes too far, there should be set up in this Parliament a standing committee which every year will bring before it Mr. Ouimet, just as they bring Mr. Donald Gordon, and ask him to give an accounting of what he is doing with Canadian money. I repeat, we are spending too much money at every level, we are piling debt upon debt and inevitably, if we go on, the waters of inflation will mount the dam, with loss and misery for us all.

(Translation):

Hon. Cyrille Vaillancourt: Honourable senators, the speech which our colleague just delivered stirred in me some thoughts which I have intended to express for a few years.

The C.B.C. should not disappear, because private television is not too good. However, the money we spend towards the C.B.C. should not be used to cause dissension in this country.

When I see what went on during the Queen's visit and during the preceding weeks, I realize that the C.B.C. endeavoured to prove that in the Province of Quebec many people would do whatever they could to prevent such a visit. That is false because the culprits who committed the few acts of misdemeanour which occurred came from outside Quebec City.

Three weeks before, efforts were made to create an atmosphere of suspicion so that people would stay home and think that something terrible would happen during the Queen's visit. I had stated, months before, that we, the people of Quebec, would show her our good hospitality.

But when we find that the C.B.C. brings to the fore foreigners who came here to raise dissensions within our midst, I think we are giving too much money to that corporation.

It seems to me that the C.B.C. should be some sort of training school and not a school fostering division in our country, especially when I think that a Quebec newspaperman who had written a true and sensible article against all those agitators and who had been invited to express his views on television, at Quebec City, had been turned down in Montreal because they did not want such a controversial matter to be discussed, while a few days later a foreigner was afforded the opportunity to talk to us for ten or fifteen minutes, about Quebec's separation from Confederation.

Some people are responsible for what is going on. There is a fifth column in the C.B.C. and it should be taken out of there.

If we want to celebrate the Confederation centennial in 1967, we must set our own house in order.

Some time ago, I met a C.B.C. official and he told me: It is difficult, sir, to have all the authority we should have, because if we fire someone, there is a strike. We are being set

up. In some sectors, communist unions are in place, anarchists are there to try to destroy our nation just as they are attempting to do it in many other countries.

The C.B.C. is not there merely to broadcast news and movies, sometimes more than shocking, immoral movies. That is no excuse for the private T.V. which sometimes shows even more stupid pictures.

Since the C.B.C. is our own national organization getting government subsidies of something like $88 million, besides its advertising revenues, and $15 million in loans,—which is something important—it seems to me that this corporation should endeavour to school our young people in order to give them good common sense and teach them what is beauty instead of always showing them what is evil, depressing, what kills and disorganizes the family, in brief, creates anarchy.

Honourable senators, have you even had an opportunity to see on T.V. a movie praising family life, starring people who love each other and who actually work for peace and good? No. On the contrary, it is always matrimonial triangles or affairs involving up to five persons, intimacies, murders. Killings are shown, methods of killing are demonstrated. It is wondered afterwards why our young people are depraved and know how to kill each other.

It seems to me that with the money given to that corporation we should get constructive as well as educational programs, particularly with moral overtones.

There is talk about freedom; but does freedom only exist for evil? I feel that we too should be free to do good and to show where it is, instead of always pointing to evil, because happiness exists in this world when one is willing to find it. In order to be happy, however, one must act accordingly. Unfortunately, people take the opposite view and say: In the past, such filth was to be found in books. I agree, but pictures did not exist as they do today; pictures make an impression, and corrupt even more than words, especially children. If you have ever observed a child of 8, 10 or even 12, you know that pictures make an impression on him.

I sat for some 30 years on the school board of my small town. It is extraordinary but, at the beginning of television, when boxing or wrestling matches were shown, the next morning all you could see were boxing or wrestling matches in the school yards. I remember an accident which cost the school board several thousand dollars; a child was spread-eagled and crippled for the rest of his life. It was always very difficult for the teachers to control the children the day after the televised wrestling match.

I will say no more. I hope that one day we will understand that if we want to live in peace in our country, television will have to teach us how to live in peace, how to do good and not evil.

(Text):

Hon. G. Percival Burchill: Honourable senators, I certainly enjoyed the remarks of the two previous speakers, and I share their view that the Canadian Government should exert some control over the C.B.C. Indeed, I believe the sentiment on all sides today is that our Government should have some restraining hand in the operations of the C.B.C.

My purpose in rising is to ask the Leader of the Government (Hon. Mr. Connolly, Ottawa West) if, when he is obtaining the answers to the questions asked by Senator White, and in respect to the remarks of Senator Hollett last night in reference to the forestry units of Newfoundland, he will also look into the situation with respect to the Hong Kong veterans.

Just lately I have had a good deal of correspondence and representations have been made to me with respect to the treatment of the Hong Kong veterans. I know a lot has been done for them, but I believe they are now asking that something more be done. I understand a study is being made of the situation. However, I wish to say, and with this I think most of you will agree, that we cannot do too much for the Hong Kong veteran.

I realize that Canada has treated her veterans generously compared to other nations of the world, and for that I am sure all Canadians are proud. However, in my judgment, the Hong Kong veterans deserve special treatment. That is why I ask the honourable leader to check what is actually being done for them.

Hon. John J. Connolly: Honourable senators—

The Hon. the Speaker: May I remind honourable senators that if the honourable Senator Connolly speaks now, it will have the effect of closing the debate.

Hon. Mr. Connolly (Ottawa West): Honourable senators, I am sure we will all agree that this may be a difficult debate to close. Although the debate has been brief, it has been a good one, and conducted on a level eminently worthy of the membership of this honourable house.

Last evening I commenced the debate by saying that this is an important measure. Of course, the final supply bill, subject to further supplementary estimates, is always an important measure because of its character. It is also important because, as the welfare state grows—and none of us for a moment would doubt the fact that we live in a welfare state—the ramifications of government go further and further into the private sector of the economy and into the private parts of the society in which we live. As this process continues, the Government must extract more money on account of the services that the state is continually called upon to provide, and to enlarge those services already provided.

I do not intend to suggest that I am going to answer every question that has been raised. I am sure that is more than any honourable senator would expect of me.

Honourable senators, first I should say that the questions raised by Senator White on the interim supply bill last spring, and which he raised again today, are of extreme importance. He has kindly said that he would not expect detailed answers today. I am sure he will not be surprised when I assure him that, in any event, I could not give the answers today.

I do not think it is enough to deal with specific questions about this important issue which has been raised by Senator White, and mentioned by the honourable senator from Carleton (Hon. Mr. O'Leary) in his speech, and to let it go at that. I would hope that, perhaps not before the end of the year, but in the new year we could find an opportunity to deal with this question in a more comprehensive way than is done by the process of asking questions and providing answers. I could have a talk with Senator White about this matter, and possibly we could arrange to have a reasonably lengthy debate and discussion in another forum that this house provides for the investigation of matters of this kind.

Senator White said that he sometimes gets the impression that we are trying to do too much in the international sphere. This is an idea shared by many members of the Senate and many other Canadians. However, it is important to keep clearly in focus the policy, which has been a bipartisan policy.

I do not like to refer to what I myself have said about serious matters like this, but it comes to my mind that when I was in Lima, Peru, a couple of weeks ago, the Latin American countries were saying, "What more help can you give us? How can you do something more comparable to what the Americans are doing in the Alliance for Progress, and in other ways?" I replied—and I confess that I did so with a certain amount of pride—that there are indirect benefits that flow to the South American countries from things which Canada does, one of which has been our help to preserve the peace of the world in areas where it is threatened, for if the peace of the world is not preserved, then the economic growth that these countries require or the social development they look for cannot be achieved. So we do something for other countries, as well as for ourselves, when we engage in these peace-keeping operations.

It may be that we can be critical of the fact that in some of these operations we try to do too much. Perhaps we do not cut down soon enough, or we do not adjust to meet the required conditions. I think this is a matter for debate. However, I do feel, as I believe is generally felt by Canadians, that the contribution which Canadians make to peace-keeping is a valuable one.

I should like to add that the people involved in the trouble spots, I think without exception, rather welcome the intervention of Canada, perhaps in preference to that of many of the other countries which might want to intervene. I believe one of the reasons why we have been asked to help so often is that apparently we are considered to be fair. We have no imperial ambition; we are not thought of as trying to sell a bill of goods to anyone. This is a national attribute of which all Canadians can and should be proud, and as honourable senators go abroad and discuss matters of this kind with people, I think they too feel deep down a glow of pride in the work that Canada is doing in these fields.

Hon. Senators: Hear, hear.

Hon. Mr. Connolly (Ottawa West): May I say to Senator O'Leary (Carleton), Senator Vaillancourt and Senator Burchill that I think the question they raised—and particularly Senator O'Leary's remarks regarding the C.B.C.—is one of the utmost importance, not only to Parliament but to each and every Canadian. Certainly, we have a new industry, a new medium of communication, a new entity on the Canadian scene that has affected our lives since its inception and development within the memory of all of us—perhaps more than any other single instrument that has been developed in the peacetime life of our country.

I recall an address by the first president of the C.B.C. to a meeting of the Canadian Club in Ottawa, and Senator O'Leary was probably present too. Nobody knew what television was really going to be like. Mr. Dunton said on that occasion that many people had asked him, "What effect is television going to have upon Canadian life?" I remember his

answer so well because I thought it a "flip" answer, but he knew what he was talking about. The answer he gave was, "plenty." I think Senator O'Leary has proved the point Mr. Dunton made those many years ago when television first began.

Senator O'Leary says the general feeling is we should not dare to criticize the C.B.C. Frankly, I take the opposite view. Any parliamentarian has the right and, in many respects, the obligation to criticize, if criticism is warranted. I would remind the senator, who is a classical scholar too, that carved above the door to the drawing room of our Speaker's Chambers is a Latin aphorism, *Sapara Auda,* which means, "Dare to be prudent." What he has suggested here this afternoon lives up to that adage. I believe we can dare to be prudent about matters like the one he has raised. In this field he is an expert, for he has had the experience of being the chairman of a royal commission and of a distinguished lifetime spent in the field of journalism and letters in this country.

Hon. Senators: Hear, hear.

Hon. Mr. Connolly (Ottawa West): Senate reform, he says, can begin by action within the Senate. I agree. I think it is for senators to decide what they can do in the public interest. I certainly would invite Senator O'Leary and other interested senators to broach this question of an examination of the C.B.C. when the Finance Committee is again set up. It is a proper subject of investigation. However, I would say that they, daring to be prudent, would want to do it at the appropriate time and in a thorough-going and appropriate way. At the moment there is an investigation being carried out under the chairmanship of Mr. R. M. Fowler, who has already examined broadcasting in Canada, and perhaps the report of this inquiry might be awaited before the Senate takes action. I certainly would be the last one to suggest that the Senate or its Finance Committee should adopt the attitude of "hands off the C.B.C." I want to dispel that thought if it exists in the Senate. I am sure we are all grateful to Senators O'Leary, Vaillancourt and Burchill for their contributions on this point.

I can assure Senator Burchill that on the point he raises regarding the Hong Kong veterans—on which I confess I have no information at the moment—I will inquire, and when I have some information I shall send the results of my inquiries to him.

I thank Senator Pearson also for his remarks on the ARDA program. He always takes a practical approach in the speeches and points he makes here. If there is a "bug" in this new program—and it is a new program, having been inaugurated in the last four or five years—he has pointed up something that does bear investigation. I promise to bring it to the attention of the Minister of Forestry, under whose jurisdiction this falls.

We are always impressed by what Senator Gershaw says, particularly when he speaks, as he did today, on the importance of medical research. Again, this is a program which involves the expenditure of tremendous amounts of money. I am sure we all agree it would be desirable if some kind of strings could be attached to the research and medical experts who are trained in this country at public expense and who then export themselves to other countries. A few years ago when the Senate Committee on Manpower and Employment was discussing this very point, I think the conclusion reached was that we make up more on the swings than we lose on the roundabouts, and that the experts that we do get in all fields of technical, scientific and cultural endeavour from abroad probably outnumber those who go elsewhere. However, it is a continuing problem and I thank Senator Gershaw for bringing it to our attention.

Now might I speak to some of the points raised last evening? Perhaps first I could deal with the one Senator Roebuck raised, because it is specific. He asked for a comparison of Canadian Government expenditures per capita with those of the United Kingdom and the United States. I have spoken with the authorities at the Dominion Bureau of Statistics, and they have produced what they describe as a valid comparison of the total government expenditures in Canada, the United Kingdom and the United States—that is, federal, provincial and municipal for the Canadian subject; federal, state and municipal for the United States; and national and municipal for the United Kingdom, there being no intermediate level of government in the United Kingdom. The per capita figures are as follows:

Canada	$604
United Kingdom	$492
United States	$864

Senator Hollett asked a number of questions last night with reference to the Newfoundland Forestry Units, particularly in the second war.

The information that I have is as follows.

As he said, they were enlisted in World War I in the armed forces. In World War II they were enrolled in the Newfoundland Overseas Forestry Unit as a civilian unit. All members of the unit in World War II who served for at least six months in the United Kingdom and who volunteered to serve for the duration of the war are eligible to receive the same rates and allowances that are pro-

vided for in the War Veterans Allowance Act, under Part XI of the Civilian War Pensions and Allowances Act. These are the same rates as apply to merchant seamen who served at least six months at sea, and whose service must have included at least one trip through dangerous waters. The increase in the rates of the ceilings now proposed for the schedules of the War Veterans Allowance Act, I am informed, applies *mutatis mutandis* to Part XI of the Civilian War Pensions and Allowances Act. Therefore, members of the Newfoundland Overseas Forestry Unit will benefit to the same degree.

Senator Hollett made a particular point about the mainland foresters in World War II. My information is that these people were in the army, and as such were eligible for war veterans' allowances. But the Newfoundland unit was a civilian unit and, as I said, the Civilian War Pensions and Allowances Act, Part XI, applies to them, and they have the same rights and the same ceilings as they had under the War Veterans Allowance Act of 1962. I understand the difference is that they are not eligible for pensions under the Pensions Act.

Hon. Mr. Brooks: I think it came under compensation, did it not?

Hon. Mr. Connolly (Ottawa West): Yes, they are under the allowances act.

Senator White asked a number of questions last evening dealing generally with veterans' legislation. I say to Senator White, as I said some time ago in connection with a speech made by Senator Walker, that Newman once said that successive generations build upon the shoulders of the ancient, and we build upon the experience and the developments that our ancestors have produced. I think this is particularly true in respect of a good many of these programs, and generally speaking veterans' legislation from the First World War on through the second, and indeed through the so-called peace between the wars up to the present time, has been progressively liberal—with a small "1", of course—and as Senator Burchill has said, veterans' legislation in Canada is as good as if not better than that to be found anywhere else in the world. I think we are operating within that kind of framework.

Senator White asked, why did we do this through an appropriation act? Why didn't we amend the statute? That is a good question, and I may not be able to give as good an answer. It was done before and it was criticized, but all honourable senators will know what I mean when I say that probably the most effective and fastest way to see benefits turned into real benefits is not by means of a suggestion on a piece of paper, even if that paper is a Government Order Paper in the other house. Perhaps the best way to accomplish the result desired is to do it this way rather than by amending the statute. I should point out, of course, that this bill is a statute and it is a perfectly legal way to do it; it is not a hidden way, since Senator White himself has seen it and we have been debating it. Certainly, if it was desired to do it before the end of the current calendar year, then this seems to be the most effective way of doing it. At any rate it is now before us.

Senator White suggests that the amount is not adequate or appropriate. He also has some criticism of the fact that pensions were originally based on wages paid to unskilled labour and that they should therefore now be increased by more than the amount proposed, since wages in the unskilled labour market are somewhat higher than the rates proposed here. Well, the last pension increase was given in May of 1961, and what the authorities have tried to do is to equate as closely as they could the change since that last amendment with the changes in the wage structure in the unskilled market. That is what the suggested new figures are supposed to reflect. Senator White himself pointed out that there are certain other fringe benefits which flow from these pensions—they are tax-free and there is protection for widows and children.

Senator White also wondered about the granting of pensions according to rank. I should point out that no increases in the rates payable to those who held a rank above that of captain, colonel or group captain in World War I are proposed, and in fact none have been made since the end of World War II. So, the rates for those who served in lower ranks are in fact gradually overtaking the rates payable to the higher ranks, and the time will come when the rates will be equal. I am informed that the American experience is that the rates for the lower ranks have in fact overtaken the rates paid to the higher ranks.

The distinction was made as a result of a precedent copied from the British legislation and which in those days was also in the American legislation. It is being eroded away and in time, perhaps quite soon, the two scales may be the same.

There is a difference, I suppose, between a situation like this, where you are dealing with veterans, and what you find in compensation cases in the courts. The comparison may be unfair, but if Senator White had two compensation cases arising out of a motor car accident, one on behalf of an unskilled labourer and one on behalf of an architect who commands huge commissions, then I think the

claim would be much larger in the second than in the first case. I do not say this basis of comparison is on all fours with the situation respecting a pension for a disabled ex-service man, but there may be some reason for considering the other aspect.

Senator White also raised the question of aggravation of pre-enlistment conditions. I have talked to the Chairman of the Pension Commission about this matter. He says that certainly there have been a good many cases of very serious complaint about men who were given a clean bill of health on enlistment in the forces, but when later they applied for a pension they were told that in the opinion of the commission the disability from which they suffered was attributable to a condition that existed before enlistment. They in turn cite the certificate that was given at the time of their enlistment. I understand that the commission at times has uncovered a good many cases where definite evidence has turned up which proved beyond a shadow of a doubt that a man whose medical certificate showed he was in A-1 condition at the time of enlistment in fact was not.

I was told of one man who made a claim on the basis of having traumatic arthritis of the knees. It was later discovered on his own testimony that some years before he had enlisted in the Second World War he had fallen off a train—he was hobo-ing through the country at the time, as I think the expression was—and he had considerably damaged his knees and was in hospital three months. This did not show up on the certificate. It was found that the condition of which he was complaining at that time really existed before he enlisted.

There are many such cases. Many files have been built up. The commission tries, I am informed, to be completely objective and fair. They do their best. I suppose, too, the development of modern medical science puts facilities at the commission's disposal which make it easier for them to be more definite about their findings, and that will be the case more and more as time goes on.

Regarding section 70 and the benefit of the doubt, I might mention that I was talking to a very distinguished member of this chamber who was responsible for the drafting of this section. I do not want to take his name in vain or to paraphrase him unfairly, but I understand from him—and he will correct me if I am wrong—that he approached the problem first through two of the ablest counsel in Canada, Mr. Isaac Pitblado of Winnipeg, who happily is still with us and at the Bar, and Mr. Aimé Geoffrion of Montreal. What was proposed to them was that the benefit of the doubt that should be available to an accused in a criminal trial should also be available to a veteran in a case where he was making an application under the Pension Act, and where it was not certain whether or not his case had been established fully.

I suppose, like any judge or jury, the Pension Commission can make mistakes. The present minister seems to feel that the section, in the light of the experience of the board, could be improved. He said this in the other place in October. I promise Senator White that I will bring to the minister's attention the remarks he made on this point last night, supplemented by a very poor rendition of what I am sure a former Minister for Air might have said had he been speaking in my place this afternoon.

Motion agreed to and bill read second time.

THIRD READING

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

Hon. Mr. Connolly (Ottawa West): With leave of the Senate, I move that this bill be read the third time now.

Hon. Jean-François Pouliot: Honourable senators, I have two questions to ask, and they can be answered when we meet together again. The first one is: Will the C.B.C. instruct its French broadcasters and commentators to pronounce the word "Noël" correctly until next Christmas?

Honourable senators, you may laugh. We have been speaking of reform, but this is merely the correction of one single word. I am wondering if someone will tell the broadcasters to stop making mistakes in pronouncing that word.

I remember one occasion that Mr. St. Laurent, when he was prime minister, complained of the C.B.C., and the socialist policy was to condemn him for interfering with the management of the C.B.C. I merely want the correction of the pronunciation of the French word "Noël". It is well pronounced by all Englishmen who say it, and I want it correctly pronounced by the French commentators.

My second question is about the C.N.R. trains at Rivière du Loup station. I was certainly disappointed that the Government did not answer my inquiry. The trains stop far west of the station, and it is a great inconvenience. We seem to be laughed at by the management of the C.N.R. in that connection, but I think of the women with children who have to walk a long distance in order to catch a train. It makes no sense, and I hope that my honourable leader (Hon. Mr. Connolly, Ottawa West) will rub the ears of his colleagues who are responsible for the estimates of the Canadian National Railways, and

that in turn his colleagues will rub the big ears of Donald Gordon.

Hon. Mr. Connolly (Ottawa West): I will rub Mr. Gordon's ears myself.

Hon. Malcolm Hollett: Honourable senators, I wish to say just a word. I am not at all satisfied with the statement made by the honourable Leader of the Government (Hon. Mr. Connolly, Ottawa West) with respect to the Newfoundland Foresters, because he made it seem that everything in the garden is lovely. It is not lovely. We shall hear more about it from the Foresters in Newfoundland.

I want the honourable leader to have the matter placed before the proper authority in the Government, because I am sure that his answer does not give the ordinary listener a true picture. I am sure the honourable leader has done the best he can, but I want to keep this matter alive.

Hon. Mr. Connolly (Ottawa West): Of course this matter need not end here. There is no reason in the world why it should. I do say to the honourable senator that in so far as his points relate to war veterans' allowances then they are on par, as my answer indicated, with the allowances granted under the War Veterans Allowance Act to other servicemen.

On the question of the pensions themselves, this is another question. Perhaps the honourable gentleman would get specific information on the question of pensions and I will go further with it then.

Hon. Mr. Hollett: Thank you very much.

Hon. Gordon B. Isnor: Honourable senators, I intend to speak only for a moment or two. It is because of the fine work of the Standing Committee on Finance under the chairmanship of honourable Senator Leonard that I bring up this point. One of the points which brought about considerable discussion as to the compiling of the Auditor's Report was the manner in which the estimates are presented. We did not take the departments individually; we took the whole question of all the estimates.

I want to point out to the honourable leader and to honourable senators that in this particular bill which we are discussing we find figures dealing with the St. Lawrence Seaway under three different headings. I do not want to open up again the subject of the Seaway and the amount of money being expended. However, in fairness it would almost appear as though they were covering up certain figures and making expenditures that they are not showing under the proper headings.

On page 26, there is a vote under the heading "St. Lawrence Seaway" for $2,838,000. Then on page 28, two pages later, we find another item for the St. Lawrence Seaway, $10,300,000. On page 38, under item 103a, there is an item under the National Harbours Board having to do with the St. Lawrence. This amounts to $5,237,801. That gives a total, in connection with the St. Lawrence development, of $18,375,801. I feel that we should put this in one lump sum to show the amount of money being spent on the St. Lawrence operation.

Honourable senators, may I also mention that in Schedule A, page 20, vote 70, there is a federal grant for constructing an ice control structure, another $4 million. This should be included with the other items to show a true picture of what it is costing to operate the St. Lawrence Seaway.

Hon. Mr. Hugessen: I wonder if the honourable senator really thinks of item 103a on page 38, involving an expenditure of over $5 million, as being in connection with the St.-Lawrence Seaway? It is expenditure in connection with the Canadian Universal and International Exhibition of 1967.

Hon. Mr. Isnor: It might be under that heading, but it is generally recognized that that is so because of the pressure brought to bear by certain interests to put it in this way. It rightly belongs under the St. Lawrence operation.

Motion agreed to and bill read third time and passed.

ROYAL ASSENT

NOTICE

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

GOVERNMENT HOUSE

2nd December 1964

Sir,

I have the honour to inform you that the Hon. Robert Taschereau, P.C., Chief Justice of Canada, acting as Deputy to His Excellency the Governor General, will proceed to the Senate Chamber today, the 2nd December, at 5.45 p.m. for the purpose of giving Royal Assent to certain Bills.

I have the honour to be,
Sir,

Your obedient servant,

A. G. Cherrier
Assistant Secretary to
the Governor General

The Honourable
The Speaker of the Senate.
Ottawa.

ADJOURNMENT

Leave having been given to revert to the order for Notices of Motions:

Hon. John J. Connolly: Honourable senators, with leave of the Senate, I move, that when the Senate adjourns today it do stand adjourned until Monday, December 14, at 8 o'clock in the evening.

Motion agreed to.

TRANSPORT AND COMMUNICATIONS COMMITTEE

AUTHORITY TO SIT DURING SENATE ADJOURNMENTS

Hon. A. K. Hugessen: Honourable senators arising out of the motion which has just been passed, may I move, seconded by Senator Lambert:

> That the Standing Committee on Transport and Communications be empowered to sit during adjournments of the Senate and that Rule 85 be suspended in relation thereto.

The reason for the motion is that we had called a meeting of the committee for tomorrow to consider Bill S-42 and unless we get this permission we cannot sit.

Motion agreed to.

PRIVATE BILL

THE ECONOMICAL MUTUAL INSURANCE COMPANY—SECOND READING

Hon. W. Ross Macdonald moved second reading of Bill S-48, respecting The Economical Mutual Insurance Company.

He said: Honourable senators, before proceeding with an explanation of the bill, I would like to thank Senator Taylor (Norfolk) for presenting this bill last evening when I was unavoidably detained on coming into the Senate chamber. If he had not presented the bill last evening, we could not have proceeded with the second reading at this time.

The bill has the purpose of providing a French equivalent for the name of the company. The present name is The Economical Mutual Insurance Company. The French version of the name suggested in the bill is L'Economical, Compagnie Mutuelle d'Assurance. I should mention that if and when the bill is in committee the company will request a small change in the name proposed in the bill.

This company was incorporated on June 24, 1871 under the provisions of chapter 52 of the Consolidated Statutes of Upper Canada, 1859, under the name The Economical Mutual Fire Insurance Company of Berlin. The head office of the company was established at the Town of Berlin, in the Province of Ontario, now the City of Kitchener, and it has remained there ever since. This company has always been a mutual company and has never had any share capital.

On February 2, 1917 the company's name was changed by the deletion of the words "of Berlin". Its corporate name thereafter was "The Economical Mutual Fire Insurance Company".

The company as presently established was incorporated in 1932 under the provisions of chapter 54 I Edward VIII Canada. Under the provisions of that act it acquired the rights and property and assumed the obligations and liabilities of the company so established under the provisions of the Consolidated Statutes of Upper Canada. In 1952, the company's corporate name was changed to The Economical Mutual Insurance Company, by chapter 60 of the Statutes of Canada.

The company transacts almost all classes of casualty insurance business, other than ocean marine, across Canada except in the Provinces of Newfoundland, Prince Edward Island and Saskatchewan. Its gross premiums in 1963 were $10,842,923. As at December 31, 1963, the company's surplus was $7,521,015.

The company has been carrying on business in the Province of Quebec continuously since 1937. It conducts its Quebec business through a branch office in Montreal and has some 200 agents throughout the province.

Honourable senators will no doubt be interested to know that the late Senator Euler was for a long time president of this company and held that office at the time of his death.

If this bill receives second reading today, I shall propose that it be referred to the Standing Committee on Banking and Commerce.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Macdonald (Brantford), bill referred to the Standing Committee on Banking and Commerce.

THE ESTIMATES

REPORT OF FINANCE COMMITTEE CONCURRED IN

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Leonard for concurrence in the report of the Standing Committee on Finance on the estimates laid before Parliament for the fiscal year ending March 31, 1965.

Hon. Hartland de M. Molson: Honourable senators, since the hour is advanced my remarks in connection with the report of the Finance Committee will be brief. At the

outset, I would like to say that when the Senate referred the expenditures of this country, as proposed in the estimates, to the Finance Committee for study, it created an opportunity for a very useful exercise.

The task of the committee in reviewing the estimates was, first of all, to reach an understanding of the methods of preparation of the estimates, and also of the basis on which the items were produced. All of that appears clearly and concisely in Senator Leonard's report.

It was necessary, however, for the committee to study this aspect of the estimates at some length, because no intelligent inquiry or criticism of estimates can be made until the fundamentals are clearly understood. During the course of that study, many interesting matters of general principle were discussed. The discussions, which are recorded in the published proceedings, were useful.

The observation is often made that if the affairs of government were conducted in the same way as business, they would be much simpler and clearer, and there would be almost no problems at all, but that because of these archaic practices and systems government finance and financial management present a very complex picture.

As we studied these matters in committee, the farther we went the more we realized that business and government have very different problems. For example, in business we have little difficulty in distinguishing between capital and current expenditures. Perhaps one of the few occasions is when it comes to the time of deciding which are expenses from an income tax point of view. Generally speaking, however, not only do we do this as a habit, but we are compelled to do so under the Companies Act, by the requirement of a separation of these items in the balance sheet and the financial statements.

We discussed whether, during the year, government expenditures for buildings and major capital works could not be kept separate from current expenditures, and immediately we found many reasons why the present system might be just as good, if not perhaps better.

We also learned that the United States and Great Britain are on a cash basis, just as we are in Canada. In fact, this was a subject of committee investigation in the United Kingdom. They reached the conclusion that while the business practice of separation of capital and current expenditures had some merit, perhaps for purposes of government of a country the cash system was in fact the best.

Another aspect that strikes one is that in government the details of very large inventories of supplies, parts, and so on are recorded meticulously, but that record consists of numbers, such as so many shovels, so many horses, so many paper clips, with no value attached to these items. Of course, if we did that in private enterprise, we would be quickly out of business. It may be that this is appropriate for government accounting, but I am not sure that it is.

There is no write-off for obsolescence or depreciation of these inventories. Instead of write-offs, inventories are examined periodically, and items that are declared obsolete or surplus, go to a surplus establishment, like War Assets, which disposes of them. Last week I read that several hundred air force tunics were up for disposal, and they could not get a single bid for them. Perhaps I am digressing; however, this demonstrates that there are many areas in which business practice is not necessarily the best for government.

Another item touched on in the report is that of the principle of estimating for net expenditures, that is, taking the estimated expenditures of a department and offsetting against those expenditures any revenues which might be expected. Of course, this would be done in business; it is sound practice. In studying the matter, one finds perhaps a department with revenue as well as expenditures, but the expenditures arise in one part of the year and the revenues in another. So how do you operate that department and take care of the expenditures until your revenues start coming in? Again, that is a complication which would not normally arise in business.

A further handicap to the principle of estimating for the net expenditures is that before all government departments could change to that system, we would first have to achieve this other end that is dealt with in the report, that of a change in the system to financial responsibility within the department instead of having it remain with the Comptroller of the Treasury. Again, that is something which on the surface sounds simple but which on deeper examination presents considerable complications.

Another short discussion occurred as to whether, in fact, all the work that goes into the preparation of the estimates is necessary. In our governmental financial administration system we start the year with the estimates, as we all know, the Blue Book, and having gone through that year, we end up the following year with another formidable set of accounts which are the public accounts of Canada. One might reasonably ask: If the estimates are prepared in careful detail, with great exactitude and consideration in relation to all problems involved, is it then necessary, when that money is spent, to go back and put it in even greater detail again at the other

end? The public accounts comprise a large volume that sells to the public for $13.50—it is a mammoth work. If all possible details were presented in the first instance, at the beginning of the year, then when the money had been spent and the operations carried out, it might be possible to have a considerably simpler form of report than is the case today. Actually, I understand this is under consideration by the Public Accounts Committee in the other place and by the Treasury Board, and I would like to think that some of the vast quantity of work might be reduced by giving the complete detail at the beginning or at the end of the year, but not necessarily at both ends.

Hon. Mr. Brooks: May I ask the honourable senator whether the Glassco Commission made any recommendation in connection with this problem?

Hon. Mr. Molson: I do not think it did on this particular point.

I suggest it is well worth while reading the proceedings of the Finance Committee meetings, for the reasons I mentioned earlier. The method and the basis of preparation of the estimates become quite clear, as set out by the witnesses who appeared before the committee. Those witnesses were all very competent. I was most impressed, as I know all members of the committee were, by the intelligence, integrity and vital interest those senior civil servants bring to bear on the financial problems of this country. I was also impressed with the fact we are extraordinarily fortunate in Canada in the calibre of the public servants we attract to those senior offices in the civil service.

Hon. Senators: Hear, hear.

Hon. Mr. Molson: I would just like to say that in retrospect, looking at the work of this committee, and as outlined in Senator Leonard's report, it is apparent that changes were occurring to some extent before the Glassco Commission, but perhaps not enough. Since the Glassco Commission the recommendations have either been implemented or are being seriously and thoroughly studied. So one can say that progress has been and is continuing to be made. I think there is every hope there will be continuous improvement in the form of the presentation of the estimates.

In conclusion I would like to say one further word. The Senate owes a considerable debt of gratitude to the Chairman of the Finance Committee. He handled the program of sittings and the evidence before that committee in an absolutely exemplary way. I for one found it not only a pleasure but an honour to serve with Senator Leonard, and on behalf of the Senate I would like to thank him for the work he did on the committee.

Hon. Senators: Hear, hear.

Hon. G. Percival Burchill: Honourable senators, may I add a word to what Senator Molson has said.

Having served on the Finance Committee ever since I had the honour of becoming a member of this chamber, I want to say that I believe it is a most important committee, that it does a tremendous amount of good work, and that it should be given more priority among our committees.

I remember the pleasure I experienced, and the mass of information I acquired, when I sat on the committee under the chairmanship of Senator Crerar. On that occasion we went into the estimates. We did an entirely different type of work from that which has been done this year, and I as a member of this branch of Parliament obtained a tremendous amount of information. Senator Lambert was associated with Senator Crerar in drafting the report and the general work of the committee, and they performed a monumental task.

I join with Senator Molson in what he has said about the present chairman of the committee. Senator Leonard has done an outstanding job.

I should also like to pay tribute to the senior civil servants who appeared before the committee, all of whom impressed us very much. I do not know what Senator Leonard's experience has been, but in the past the various chairmen of the Finance Committee have had some difficulty at times in getting these gentlemen to appear before the committee, not because of any reluctance on the part of the individuals concerned but because they were so busy carrying out duties for their ministers and for their departments. It was difficult to pry them loose and to get them to appear before the committee. Because of this difficulty our committee did not meet as frequently as we would have wished. But whenever they did appear it was a wonderful experience and we appreciated very much the information they gave us.

The suggestion has been made that in another year another phase of the work might be dealt with, that is, an examination of crown corporations. This is all to the good. We might also consider the advisability of investigating what I call the overlapping as between federal and provincial expenditure. In a number of areas such as agriculture, fisheries and others, where funds are provided by the federal authority, we find the provinces are also operating. There is a tremendous amount of duplication. Such situations have grown up over the years. In the earlier days the federal Government operated in certain

fields and the provincial governments operated in other fields. They each did a good job. But the procedure nowadays, with the spending of money by two separate sets of officials operating in the same fields is wasteful. More money could be saved and more efficiency achieved if we could eliminate that duplication and overlapping, and I think it is something for us to study in the future.

I wish to close by saying that I join very heartily in the tribute paid to the chairman and to the members of the committee.

Hon. Mr. Leonard: Honourable senators—

The Hon. the Speaker: Honourable senators, I must inform honourable senators that if honourable Senator Leonard speaks now it will have the effect of closing the debate.

Hon. T. D'Arcy Leonard: Honourable senators, I rise first of all to express appreciation to those who have spoken in support of the report, namely, Senator Haig, Senator Molson and Senator Burchill. I should also add my appreciation of the remarks of Senator O'Leary (Carleton) concerning the committee, in dealing with the supply bill. May I also add my thanks for the kind remarks about my personal participation in the affairs of this committee.

Senator Burchill has made reference to possible fields of study to be undertaken by the committee in the future, and Senator O'Leary (Carleton) has suggested that the matter of the Canadian Broadcasting Corporation might be studied. Referring to Senator Burchill's remarks regarding witnesses, I should say that we had no difficulty whatever in having witnesses appear before us. This applies so far as the witnesses themselves and the appropriate Government ministers were concerned. The only difficulty we had, and I cite this as an example of the spirit of co-operation that exists, was when the Auditor General was scheduled to appear before the Public Accounts Committee of the House of Commons on the same date as he had arranged to appear before our committee. He was in the hands of both Houses of Parliament, and I want to pay a tribute to the Public Accounts Committee of the other place and to their chairman, Mr. Baldwin, for agreeing that Mr. Henderson should appear before the Senate Committee and for postponing their own hearing to another day to facilitate this.

As you all know, the Finance Committee is a standing committee of this Senate, and therefore having discharged this present reference to us, if after the Christmas recess—assuming we are going to have a recess—the Senate desires this committee to undertake any further study, I am sure I can assure you that it will be ready to do so.

I move the adoption of the report.

Report adopted.

BUSINESS OF THE SENATE

Hon. A. J. Brooks: Honourable senators, perhaps this is a good time to ask the Leader of the Government what business we might expect to await us when we return on December 14.

Hon. John J. Connolly: I thank the honourable Senator Brooks for raising the point. At the time I made the motion that the Senate do adjourn until December 14, I did not mention, although I am sure it is thoroughly understood by all honourable senators, that this adjournment is subject to recall. It may be that we shall have to return before December 14. I think all honourable senators now understand that, as does the general public.

When we return on the evening of the 14th, subject to what may come to us by way of message from the other place, I would propose that we proceed with the three motions standing in my name in respect of the trade agreements. I understand that the Standing Committee on Banking and Commerce has scheduled a meeting for the evening of December 14, after the Senate rises. Whatever other business will be before us on the following and subsequent days will be dealt with as it arises. I am afraid my crystal ball is a little cloudy, and I cannot go further than that at this time.

Hon. Mr. Brooks: May I ask the honourable leader if there are any priorities as far as business is concerned. Has the Government any particular priority regarding, for instance, the labour code, or the flag, or how they will be presented in this chamber?

Hon. Mr. Connolly (Ottawa West): As I understand it, the priority before the other place at the moment is the flag question. They are dealing with the report of the special committee on the flag. I understand they propose to deal with that to a conclusion.

Hon. Mr. Brooks: What do you mean by a conclusion? They cannot conclude the matter of the flag in the other place. It is a matter for both Houses of Parliament.

Hon. Mr. Connolly (Ottawa West): By saying "to a conclusion" I simply meant that they will deal with whether the report should be adopted or rejected. If the report is adopted, I assume then that the house will have finished its consideration of the

matter. I think we might take it on at that time.

Hon. Mr. Brooks: By way of resolution?

Hon. Mr. Connolly (Ottawa West): I would think so.

The Senate adjourned during pleasure.

At 5.45 p.m. the sitting was resumed.

The Senate adjourned during pleasure.

ROYAL ASSENT

The Honourable Robert Taschereau, P.C., Chief Justice of Canada, Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned, and being come with their Speaker:

The Honourable Alan A. Macnaughton, Speaker of the House of Commons, then addressed the Honourable the Deputy of His Excellency the Governor General as follows:

May it please Your Honour:

The Commons of Canada have voted certain supplies required to enable the Government to defray the expenses of the public service.

In the name of the Commons, I present to Your Honour the following bill:

An Act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1965.

To which bill I humbly request Your Honour's assent.

The Honourable the Deputy of His Excellency the Governor General was pleased to give the royal assent to the said bill.

The House of Commons withdrew.

The Honourable the Deputy of His Excellency the Governor General was pleased to retire.

The sitting of the Senate was resumed.

The Senate adjourned until Monday, December 14, at 8 p.m.

THE SENATE

Monday, December 14, 1964

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

Prayers.

THE LATE SENATOR HORNER

TRIBUTES

Hon. John J. Connolly: Honourable senators, it was with a deep feeling of sadness that we learned today of the death in Saskatoon of the dean of the Senate, Ralph Byron Horner. Senator Horner was with us when we last met here on December 2, and it comes as a shock to know that he should now have left us permanently.

Through the years there have been few members of the Senate as well liked as Senator Horner. He was born in the Province of Quebec, in fact, in the district of Pontiac near by Ottawa. On his father's side he was Irish, and on his mother's side he was Irish also but with a mixture of Scotch. These two racial strains did much to temper the character of Ralph Byron Horner. Certainly, he had a fine sense of humour, and this was the graceful and gracious thing in his character which endeared him to all his colleagues.

In his early days the late senator went west, and became part of the warp and woof of that part of the country. He had nine children, which is a large number for him to have looked after as well as he did and still carry out his duties as a servant of the public.

Senator Horner was outspoken, both publicly and privately. He was a man who believed in the principles of the party to which he belonged. He tried to live up to them in his life and in the speeches he made. But the friendships he made on both sides of the house were never affected in the least by his adherence to party principles. He was a self-made man and was proud of this fact. He was a farmer, a fact of which he was equally proud. He was a rangy, raw-boned type of man, and his physical appearance reflected the kind of life he lived, as well as the things he believed in.

Senator Horner was a staunch westerner. On November 18, about a month ago, we paid tribute to another westerner, Senator Blais, who sat on the benches on this side of the house. You will remember that among the tributes paid to Senator Blais there was a fine, short tribute paid by Senator Horner. Going out of the chamber that night, he came to me and said how pleased he was with the tributes that had been paid to his old friend from western Canada and how much they had touched him. He belonged in so many ways to the western union.

Honourable senators, we can all be happy in his long life and the lifetime of service that Senator Horner gave. And we can feel honoured that he was one of our associates. For that reason, I do not mind telling this story about him. After the 1958 election, there was somewhat of a decimation of certain parties in the other place, and the C.C.F. party returned with eight members. After that election there were four Horners in Parliament, two of his sons, one of his nephews and himself. I remember remarking to him, "Within your own family you almost have a national party." He was eminently proud, and properly so, of his family and particularly of his two sons who had been elected to Parliament.

Just last spring most of us attended that significant ceremony in which he was honoured on his eightieth birthday. At the same time we honoured the senator and Mrs. Horner on their fiftieth wedding anniversary.

I am sure that I speak for all honourable senators who have known Mrs. Horner—and she has been here faithfully with him through the years—when I say how deeply we feel for her in her sad bereavement.

I am very pleased to be able to say that Senator Aseltine, an old and intimate friend and Senator Horner's former room mate, will represent the Senate at his funeral.

Hon. A. J. Brooks: Honourable senators, we were all greatly shocked at the news of the passing of our dear friend, Senator Horner. I did not know until quite late this afternoon, that he had passed away, although I received a wire yesterday from Saskatoon to say that he had entered hospital there.

The loss of Senator Horner is felt by all of us. He had been a personal friend of mine for many years. When I first came to Ottawa in 1936 I met some senators at that time, through having known the late Senator George B. Jones, whom I succeeded as member from Royal. Senator Jones was a great friend of Senator Horner, Senator Haig and Senator Aseltine, all of whom later became close friends of mine. Indeed, I became deeply attached to them.

Senator Horner passed away while approaching his 81st year, although he appeared to be much younger. One recalls his tall, erect figure, as he addressed the Senate, without notes, and how he would speak on almost any subject that arose, and address himself to it intelligently, having a good background of information.

Perhaps one of Senator Horner's great accomplishments, if I may call it such, was the fact that he was the father of nine children, all of whom have distinguished themselves. I was told by a friend of mine in the West, who knew Senator Horner and his family well, that the Horner family was one of the finest to be found anywhere in Canada. They all met with great success in life. This must have been a cause of joy to Senator Horner and his gracious wife.

In his private life Senator Horner was a pioneer breeder of horses and a highly successful farmer in Northern Saskatchewan. He was also a director of the Canadian National Railways. All of this shows how diversified his interests were. He was indeed a man of many parts.

Senator Horner was summoned to the Senate on December 30, 1933, and shared the honour of being the co-dean of the Senate with our good friend Senator Aseltine. I believe that both were sworn in at the same time.

To say that our late colleague was one of the most colourful and dynamic members of the Senate is to put it mildly. He was a man who always called a spade a spade, and was never known to mince his words when he held convictions, either for or against you.

For these reasons, and I could list many more, Senator Horner was one of the most respected, beloved, and colourful men I have met in public life in Ottawa.

I often thought of Senator Horner as being similar to a character I read about in fiction in my boyhood. No doubt most honourable senators have read the novel entitled David Harum—the story of a very honourable man, and a great character who understood human nature and knew all about animals. He was also a shrewd businessman. I always thought of Senator Horner as being very much the David Harum of the present day.

The honourable leader mentioned the reception given Senator Horner by his two sons in honour of his 80th birthday last June 26. Many of us attended that function, and I particularly remember what Senator Horner said on that occasion. He said, "In my long, full life I have had much for which to be happy"—and, indeed, he had. "I enjoy good health and many friends." And he could have gone on to say, "I have a very fine family."

It has been mentioned that he always took an active part in our debates. I walked out of the chamber with him last week and as he left I said, "I will be very glad to see you back next week, Senator Horner." He said, "I am coming back. I am anxious to speak in the debate that is coming up on the flag."

Honourable senators, I would like the Leader of the Government to extend my sympathy to Senator Horner's widow and to his sons and daughters. Now I am going to leave it to my very good friend Senator Aseltine, who was associated with Senator Horner for so many years, to pay further tribute on behalf of those on this side of the house.

Hon. Walter M. Aseltine: Honourable senators, this is a very sad occasion for me, one of the saddest of my whole life. Byron Horner's sudden death was a great shock to me; it was the last thing I expected. When I passed through the City of Saskatoon on Saturday evening last I telephoned his residence to ascertain if he would be coming down on the same plane as I was, because he had said that he would be sure to be on that plane. However, I could get no answer, and so came to the conclusion that he had travelled on an earlier plane or by the C.N.R. Today when I heard of his sudden death I was very much surprised.

Honourable senators know that I was intimately acquainted with Senator Horner for many years. In fact, I knew him intimately even before he was made a senator. As has been stated by previous speakers, we were both summoned to the Senate on the 30th day of December 1933, and were sworn in on the same day. In addition to that, we occupied the same office in the Senate, room 471, for 25 years. Thus, I think I should know the man better than anyone else in this chamber.

It has also been stated that at the time he was summoned to the Senate he was a director of the Canadian National Railways and represented on that board the farmers of the Province of Saskatchewan. When he passed away he was the dean of the Senate. Now I suppose that I am the dean of the Senate, much as I regret the event that makes that possible.

Senator Horner had a colourful career. He pioneered in the Blaine Lake district in the Province of Saskatchewan, but was born in the Province of Quebec, across the Ottawa River, up near Shawville. He spent his early life lumbering, and he had some remarkable stories to tell of his experiences in the lumber woods, taking out timber and running it down the streams. He was a tough, capable lumberman in those days.

He grew up on a farm and became interested in stock raising of all kinds. His first advent to western Canada had to do with the shipping of horses to work on the farms before the west became mechanized. He spent many years doing just that. Later when the farms became mechanized he shipped horses for many years from west to east for use in the lumber woods.

He finally settled at Blaine Lake on a beautiful farm, where he became a leader of the community. Blaine Lake has one of the largest settlements of Doukhobors in western Canada. They were always able to depend on Senator Horner for good advice. He sold them their horses and backed their notes at the bank, and when they could not pay their notes he paid them himself. He was a real father to the Doukhobors, and I think that they appreciated him very much.

As has been previously stated, Senator Horner had a mind of his own which was full of good ideas. He had many strong opinions, it is true, and he did not hesitate to express them whenever he considered it necessary. He was a lovable character, a sincere and loyal friend, and he made friends very easily. He took a prominent part in the work of this chamber. He was chairman of one of our committees and was regular in attendance at all times. In fact he made his work in the Senate his lifework from the time he was appointed until the time of his death.

Senator Horner owed much of his success in life to his wonderful little wife, Mae. She was loyal and helpful at all times. My wife is going to miss her very much, since they were bosom friends and spent most of their time together when the Senate was in session. They even took painting lessons together, and loved each other very much.

As has been said, Senator Horner had nine children. I know each one of them, and I consider them to be the most clever family I have ever met. One son, William, is an engineer. Hugh is a medical doctor and at the present time a member of Parliament for a riding in the Province of Alberta. Jack is a rancher and also a member of Parliament for a riding in Alberta. Byron is a lawyer, and Norval runs the farm at Blaine Lake. Bennett is also a medical doctor. I might add that he was given the Christian name "Bennett" because he was born during the time that the late Lord Bennett was Prime Minister of Canada, a short time before Senator Horner was appointed to this chamber. He has three lovely daughters, all married and residing in western Canada.

Taking it all in all, Byron Horner was in my opinion a great Canadian, a great pioneer, and a man who loved the soil. He loved Canada dearly, and he is going to be very much missed by all of us.

As has been stated by the honourable Leader of the house, I shall be leaving tomorrow to attend the funeral which takes place on Wednesday afternoon. My wife will meet me in Saskatoon and we will be there together. I shall then have the opportunity to convey to Mrs. Horner and to the members of the family present the deepest sympathy of every member of this chamber. I shall convey to them our most sincere regrets and wish them Godspeed in the future.

Hon. A. K. Hugessen: Honourable senators, I think we all experienced a tremendous shock this evening when on entering this chamber we were informed of the death of our dear old friend, Senator Ralph Byron Horner. As Senator Aseltine has said he and Senator Horner were appointed to the Senate in 1933—they were numbers one and two, in the seniority list, and Senator Farris and I happen to be numbers three and four, having been appointed in 1937. We have sat in this chamber with Senator Horner for 27 years.

I think it is only fitting that one who comes from and represents that part of the Province of Quebec in which Senator Horner was born should join in the tributes being paid to him this evening.

I did not know Senator Horner at all well for the first two or three years of my membership in the Senate. But it so happened, and very luckily for me, that on an occasion of my going to Winnipeg by train, Senator Horner was on the train with me. Thus we had an opportunity of getting to know one another. We had our meals together, and by the end of the journey I think I had a pretty good idea of what our colleague was like.

Senator Horner was a real character, and I think that was what it was that endeared him so much to the Senate. I remember once telling him in the course of a debate between us in this house that no one could ever tell what he was going to say next. That was part of his charm. But while you could not tell what he was going to say next, you always could be sure that what he had to say was based upon long experience and much knowledge of men and affairs.

We shall miss him deeply, honourable senators. I do not know what more I can say of him than that which Hamlet said of his father in those famous words:

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

To his loyal and devoted widow, who was with him constantly all these years during his service in the Senate, and to the members of his family, I join in expressing our deepest sympathy.

Hon. William A. Boucher: Honourable senators, it was with very deep regret that I learned of the passing of my very good friend of many years, Byron Horner. He was one of those oldtimers who played a very important part indeed in the development of Northern Saskatchewan.

I wish to extend to Mrs. Horner and her family my deepest sympathy in this, their hour of grief.

Hon. John Hnatyshyn: Honourable senators, it was a shock to me today to learn of the passing of Senator Horner. Like Senator Aseltine, I tried to reach him on the telephone before I left last Saturday to see if he was coming back, but got no answer.

His passing is a deep sadness and sorrow to me because I have known him since I was a young student. I have always admired his frankness in speaking at all times on all topics. I admired his friendliness. As has been mentioned today, he was extremely proud of being a westerner, but he was also extremely proud of being a Canadian, because I think he liked all parts of Canada as well as he did his beloved west. But, above all, he was especially proud of his family, of which mention has been made. Most of them are university graduates, and all of them are good and respected citizens. That, honourable senators, to me is a great accomplishment.

I shall miss him as a friend and a kindly adviser. On this occasion I should like to join with others in extending my deepest sympathy to his widow and to his sons and daughters.

Hon. F. Elsie Inman: Honourable senators, I should like to pay a tribute to Senator Horner. While we were not of the same colour, politically, I will say that Senator Horner's was one of the first hands extended to me in friendship when I came to the Senate.

I well remember the occasion of a trip to the St. Lawrence Seaway when Senator Horner took me under his wing. I was a novice at that time, and I appreciated very much his kindness and everything he did to help me on that occasion. Through the years I always found him and Mrs. Horner very sincere friends. I shall miss him, and also Mrs. Horner, to whom I extend my sincere sympathy on this sad occasion.

Hon. James Gladstone: Honourable senators, as a friend of the late Senator Horner I should like to present on behalf of the Indians their very sincere sympathy. I knew Senator Horner for a very long time. When I first came to Ottawa in 1947 to present the views of our organization in Alberta to the joint committee of the Senate and the House of Commons, of which he was a member, he did all he could to establish a better understanding for our people. Several senators who were members of that committee have since passed on, and in this respect I mention Senator Farquhar and Senator Blais.

Since 1947 a lot of water has flowed down our lakes and rivers. As late as yesterday I was looking forward to seeing Senator Horner again. When I returned home from church yesterday I told my wife that I anticipated the question of the flag would be put before the Senate, and that I knew one good stalwart who I would go to for advice, Senator Horner. He has now passed on and gone to the happy hunting ground. May his soul rest in peace.

I was very proud to be one of Senator Horner's closest friends, and I know that my wife will feel very grieved when she hears this sad news. She was looking forward to meeting Mrs. Horner here in Ottawa next year, because they were good friends.

On behalf of the Indians of Saskatchewan I should like to express our very sincere regrets that Senator Horner has left us, but we know he has gone to a happier place.

Hon. T. A. Crerar: Honourable senators, I would be unhappy with myself if I did not join in the tributes that have been paid this evening to Ralph Horner. He was a pioneer in western Canada. Frequently we discussed the early days of the west and compared our pioneering experiences.

The late Senator Horner went to western Canada in the very early days of this century. I recall his saying to me that when he landed in Winnipeg he had only a few dollars in his pocket. He obtained work with a farmer in the Winnipeg district where he worked, as I recall, for two years. He saved his money. He went on to Saskatchewan and got a homestead in the Blaine Lake area and commenced his farming operations.

He was a good farmer and an intelligent farmer. He hated sham and pretence. He liked the solid qualities in men—qualities which he had outstandingly. What were they? Well, there was courage. He was never afraid of expressing himself. One might not agree with his views—indeed, at times his views might be quite wrong—but at least he had the courage to stand up and speak for them. That is a quality we can always admire.

He had steadfastness. He was a good neighbour. He believed in the principles of the Christian ethic where the injunction is laid upon us to help our fellow men. He believed in that. He had a sense of public service, not only in his community but in a wider field. This was the kind of man Ralph Horner was. It was a great pleasure and joy to me to know him, even if at times we differed rather strongly.

In conclusion I have just this to say that the qualities Ralph Horner had—friendship, courage, steadfastness, the desire to help, where he could, his fellow man—are the qualities to which all through the whole story of civilization humanity has paid tribute. These were the qualities of this man, and I say to this house tonight that we have lost a sterling colleague who, after long service in the house, has gone to his reward. We shall cherish his memory, and our sympathy

goes out not only to the two sons who are members of the House of Commons but to his helpmate through life, his charming wife, in her hour of great sorrow.

CANADA PENSION PLAN

JOINT COMMITTEE—CHANGE IN COMMONS MEMBERS

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons stating that the names of Messrs. Howe (Wellington-Huron), Rideout (Mrs.), and Leboe had been substituted for those of Messrs. Paul, Klein and Marcoux on the Joint Committee on the Canada Pension Plan.

DOCUMENTS TABLED

Hon. John J. Connolly tabled:

Report of the National Research Council including the Report of the Medical Research Council, for the fiscal year ended March 31, 1964, pursuant to section 16(3) of the Research Council Act, chapter 239, R.S.C., 1952, and also the Report of Canadian Patents and Development Limited for the same period, certified by the Auditor General, pursuant to sections 85(3) and 87(3) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French texts).

Report of the President and Statement of Accounts of the Industrial Development Bank, for the year ended September 30, 1964, pursuant to section 29(4) of the Industrial Development Bank Act, chapter 151, R.S.C., 1952. (English and French texts).

Report of the Department of Mines and Technical Surveys for the year ended December 31, 1963, pursuant to section 10 of the Department of Mines and Technical Surveys Act, chapter 73, R.S.C., 1952. (English and French texts).

Answers to inquiry of the honourable Senator Fergusson of November 3, 1964, which reads as follows:—

"1. Are there any regulations or departmental policies in effect in the Post Office Department, or in any other Government Department, which discriminate against or adversely affect the employment of women?

2. If so, what are they?"

Copy of letter, dated March 6, 1964, addressed to the Minister of Justice by John J. Robinette, Esq., with reference to the Report of the Norris Commission and the prosecution of Hal Banks. (English text).

Report of Expenditures and Administration in connection with the Family Allowances Act for the fiscal year ended March 31, 1964, pursuant to section 14 of the said act, chapter 109, R.S.C., 1952. (English and French texts).

Report of Expenditures and Administration in connection with the Old Age Security Act for the fiscal year ended March 31, 1964, pursuant to section 12 of the said act, chapter 200, R.S.C., 1952. (English and French texts).

Copy of an Address by the President and Chairman of the Canadian National Railways to a study conference held by the Economic Council of Canada on November 9, 1964, entitled, "Current Status of Labour-Management Co-operation in Canada and the Implications for the Canadian Economy." (English text).

PRIVATE BILL

INTERPROVINCIAL PIPE LINE COMPANY—REPORT OF COMMITTEE ADOPTED

Hon. A. K. Hugessen, Chairman of the Standing Committee on Transport and Communications, reported that the committee had considered Bill S-42, respecting Interprovincial Pipe Line Company, and had directed that the bill be reported without amendment.

Report adopted.

THIRD READING

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

Hon. Mr. Molson: With leave of the Senate, I move third reading now.

Motion agreed to and bill read third time and passed.

CANADIAN FLAG

NOTICE OF MOTION FOR DESIGNATION OF NATIONAL EMBLEM

Hon. John J. Connolly: Honourable senators, I give notice that on Tuesday, December 15, 1964, I will move:

> That this house do recommend to the Government that such steps as may be necessary be taken to have designated as the national flag of Canada a red flag of the proportions two by length and one by width, containing in its centre a white square, the width of the flag, bearing a single red maple leaf, or in heraldic terms, described as *gules on a Canadian pale argent a maple leaf of the first.*

Hon. Lionel Choquette: Honourable senators, far be it from me to want to delay discussion of a question which has occupied the

other place for so many days—and, I would add, so many months—but I do think that, under the rules of the Senate, we should receive two days' notice of this type of motion. I would ask Your Honour to rule on this point.

Rule 23 of the Rules of the Senate of Canada reads as follows:

> Two days' notice must be given of a motion for any of the following purposes:
>
> (a) To make a new rule or standing order, or to repeal or amend an existing rule or standing order;
>
> (b) For an Address to His Excellency the Governor General, not merely formal in its character;
>
> (c) For an Order of the Senate for any papers or documents not relating to a Bill or other matter appearing among the Orders of the Day, or on the notice paper;
>
> (d) For the appointment of a special committee;
>
> (e) For the adoption of the report of any such special committee;
>
> (f) For the second reading of a Bill;
>
> (ff) For the adoption of a resolution of the Senate dissolving or annulling a marriage pursuant to the Dissolution and Annulment of Marriages Act;
>
> (g) A like notice is required of any inquiry, not relating to a Bill or other matter appearing among the Orders of the Day, or on the notice paper.

Honourable senators, section 24, which I will refrain from reading through, enumerates a series of motions or types of motions which require notice of one day. I refer next to Rule 25, which enumerates motions for which no notice is required, the last two paragraphs of which read:

> (s) Other motions of a merely formal or uncontentious character;
>
> (t) Where notice is dispensed with by the unanimous consent of the Senate.

Honourable senators, as I explained at the outset, it is not my intention to delay in any way discussion in this chamber of a most important question, but I do know that we are almost taken by surprise and that some honourable senators who wish to speak on this important motion might not be prepared to do so. I am asking that Your Honour rule on this point of order.

Hon. Sarto Fournier: Honourable senators, speaking on the point of order, I hope I may be permitted to say that the honourable senator who spoke just before me, he was giving the general opinion of his political group in this house.

Hon. Mr. Choquette: Who is that?

Hon. Mr. Fournier (De Lanaudière): I refer to you, my friend.

Hon. Mr. Choquette: I never spoke on politics.

Hon. Mr. Fournier (De Lanaudière): He referred to certain rules governing this house, in order to explain the conditions in which a debate on a motion has to take place. But at the end of his quotation, it is mentioned, if my memory is correct, that with the unanimous consent of the house we could proceed with the discussion in due course of time, as suggested by the Leader of the Government.

Hon. Mr. McCutcheon: The Leader of the Government did not suggest that.

Hon. Mr. Fournier (De Lanaudière): I would think there would be no difficulty in having the unanimous consent of this chamber, in spite of the objection that was put up by my honourable friend Senator Choquette, to the effect that some of his colleagues are taken by surprise. It was a surprise to me to hear today in this house that somebody might be taken by surprise concerning this debate which has been going so long in the other place, and the motion that was introduced in the other place today about which the whole country was informed some days ago. It has come to us today, and if some colleagues of the honourable gentleman are not quite prepared to speak tomorrow or the day after, I think that it will be very easy for us to adjourn the debate for a few hours.

Honourable senators, in view of the circumstances surrounding that debate, it would be a good move, in the eyes of the country, if we, in that part of the Canadian Parliament which is called the Senate, were to show good will by giving unanimous consent to the proposition just made by the Leader of the Government.

Hon. M. Wallace McCutcheon: Honourable senators, the educative lecture that the honourable senator (Hon. Mr. Fournier, De Lanaudière) has just given us on the way we should act in these circumstances has been most informative.

As I read the press, there is a debate going on in the other place at the moment, and it is far from me to predict what the result of the vote will be at one minute after one o'clock tomorrow morning.

I merely rise to support my colleague, Senator Choquette, and to say that as I read the rules there must be two days notice given of the motion by the Leader of the Government, and also to say that as far as any plea for unanimous consent is concerned, I am not giving unanimous consent.

Hon. Mr. Connolly (Ottawa West): Honourable senators, speaking to the point of order, the notice was given pursuant to Rule 24 (j). I canvassed this situation carefully before deciding that the appropriate action to be taken at this time was the action that I took a few moments ago. The honourable senator from Ottawa East (Hon. Mr. Choquette) mentioned Rule 25, which states that no notice is required. He and I agree on that point.

I think there is nothing in Rule 23, which requires two days' notice, to help us here.

Upon reading Rule 24, however—and I do not want to repeat all its sections—paragraph (i) says:

> For an adjournment of the Senate, other than the ordinary daily adjournment or that under Rule 14, 25 or 44.

This requires one day's notice. So does Rule 24(j).

Rule 24(j) states:

> For any purpose to which neither the next preceding nor the next succeeding rule applies.

And, of course, the next succeeding rule is Rule 25, which does not cover this procedure.

I submit that Rule 23 does not apply, and that the appropriate action in the circumstances is governed by Rule 24(j).

May I say also that in following the course I did, I had the idea of meeting the convenience of the Senate. After the Senate rises tonight, the Banking and Commerce Committee is to meet. An unexpected development occurred during the course of the day which has taken up the time of the chamber more than could have been anticipated a few days ago.

I believe honourable senators will agree that throughout this somewhat difficult fall session I have tried to suit the convenience of the entire Senate when calling the senators together in the chamber, and in trying to arrange the business in such a way as to be the least inconvenient to all members of the house. This is the consideration which prompted me to move as I did, and I submit, honourable senators, that I am fortified by Rule 24(j).

The Hon. the Speaker: Honourable senators, after hearing Senator Choquette and Senator Connolly (Ottawa West), I think that in the circumstances Rule 24(j) should apply. Rule 24(j) states:

> For any purpose to which neither the next preceding nor the next succeeding rule applies;

I agree with the honourable Senator Connolly that in the circumstances notice of one day is justified.

Hon. Mr. Choquette: I appeal the decision, and call for a vote on the ruling.

The Hon. the Speaker: Call in all the senators.

Honourable senators, the honourable Senator Choquette having raised the question of the sufficiency of one day's notice given by the honourable Senator Connolly (Ottawa West) of a motion respecting the designation of a National Flag of Canada, and I having ruled that one day's notice only was required under the rules, and the honourable Senator Choquette having appealed my decision, the question now is: Shall the Speaker's ruling be sustained?

Those in favour of sustaining the Speaker's ruling will please rise.

The ruling of His Honour the Speaker was sustained on the following division:

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Honourable Senators

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Beaubien (*Provencher*)	Hayden
Boucher	Hugessen
Bourque	Inman
Burchill	Isnor
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Connolly (*Halifax North*)	Lambert
Connolly (*Ottawa West*)	Lang
Crerar	Leonard
Croll	Macdonald (*Brantford*)
Davies	Molson
Denis	Paterson
Dessureault	Pouliot
Dupuis	Power
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Gladstone	Pearson
Grosart	Phillips
Haig	Quart
Hnatyshyn	Robertson (*Kenora-Rainy River*)
Irvine	Sullivan
Macdonald (*Cape Breton*)	

Thorvaldson Willis
Walker Yuzyk—28.
Welch

The Hon. the Speaker: I declare the Speaker's ruling sustained.

EMPLOYMENT OF WOMEN

REGULATIONS OR POLICIES OF GOVERNMENT DEPARTMENTS

On the Notice of Inquiry of honourable Senator Fergusson:

That she will inquire of the Government:

1. Are there any regulations or departmental policies in effect in the Post Office Department, or in any other Government Department, which discriminate against or adversely affect the employment of women?

2. If so, what are they?

Hon. John J. Connolly: Answered by a rather voluminous document tabled earlier this evening.

CANADIAN NATIONAL RAILWAYS

PASSENGER SERVICE AT RIVIERE DU LOUP—PUBLICITY RE THE "SCOTIAN"—INQUIRY ANSWERED

Hon. Mr. Pouliot inquired of the Government, pursuant to notice:

1. Why does the Canadian National make the passenger trains stop at the time indicated on the timetables at a quarter of a mile west of the station of Rivière du Loup?

2. Why doesn't the Canadian National make as much publicity for the "Scotian" train, which runs between Halifax and Montreal, as for the "Champlain" running between Quebec and Montreal?

Hon. John J. Connolly: The Management of the Canadian National Railways advises as follows:

1. The diesel fueling facilities are west of the Rivière du Loup station which makes two stops necessary. Eastbound passenger trains make a first stop to take on fuel and a second at the station for passengers. Westbound trains stop first at the station for passengers and then for fuel. The operating timetables show one arrival time, the two stops being so close together. The passengers disembark only at the station.

2. The publicity the "Champlain" receives vis-à-vis the "Scotian" primarily depends upon editorial estimates of public interest in these trains. The "Champlain" being an innovation and a response to a long-time public demand, in recent months it may have received more attention in the news media than the "Scotian." In Canadian National advertising, full support is given to all the major passenger services.

Hon. Jean-François Pouliot: Honourable senators, I was at the Rivière du Loup station yesterday at 7.50 in the morning to take the "Scotian". It was a long train and the parlour cars were stopped at least 700 feet west of the station. I saw mothers with young children and old ladies with luggage who had to walk that long distance. The answer given by the railway officials is not at all satisfactory. It is difficult to understand why the Province of Quebec is treated so badly, especially the eastern part of the province, which is under Moncton, N.B.

His Honour the Speaker will remember that not so many years ago he and I, and all the members who represented the constituencies east of Lévis, signed a petition to the then Minister of Transport asking that the eastern part of the Province of Quebec be under the control and management of the Central Region of the Canadian National Railways, which region at that time extended from Rivière du Loup to the Lakehead.

The other day the honourable Leader of the Government (Hon. Mr. Connolly, Ottawa West) said that he would rub the ears of the President of the Canadian National Railways. I thought he did that so gently that Mr. Donald Gordon liked it. The only remedy in this case would be to change the date of Boxing Day and have it tomorrow, in order that the whole matter is settled.

There is no excuse for not stopping the train so that the passenger cars are in front of the station for at least ten minutes. After the passengers have boarded, the train could be moved westward so that its fuel tanks may be filled. I am asking this for the convenience of all passengers.

Honourable senators, I spoke of the advertising that is made in respect of one train only, the "Champlain," between Montreal and Quebec City. I have in my hand some pamphlets about the "Ocean Limited." Many people want the same publicity extended to the "Scotian," which is a very good train. For a time the accommodation on that train was very poor and it lost its good name, but now the cars are better and the train should be advertised as much as the others.

CANADIAN BROADCASTING CORPORATION

PRONUNCIATION OF "NOEL" BY FRENCH ANNOUNCERS—INQUIRY STANDS

Hon. Mr. Pouliot: Honourable senators, with respect to the wrong pronunciation of the word "Noël" by the French announcers and commentators of the C.B.C., I wonder if the

news I have received is true, that the French announcers have been instructed to pronounce that word as well as do the English-speaking announcers. I hope that tomorrow the honourable Leader of the Government will be in a position to tell us. If it is true, it will mean a reform and a change in the pronunciation of one word. Honourable senators may say that it is a very small thing, but it is important because it is a reform. It is a lesson to those "know-alls."

CAPITAL PUNISHMENT

COMMUTATION OF SENTENCES—INQUIRY ANSWERED

Hon. Mr. Pouliot inquired of the Government, pursuant to notice:

> In the course of the past ten years, how many sentences for capital punishment have been commuted in the case of persons found guilty of (a) murder, (b) rape and murder, and on what date has each of these commutations been decided?

Hon. John J. Connolly: The answer to the honourable senator's inquiry is as follows:

> There are no cases of persons having been found guilty of rape and murder. Section 499 of the Criminal Code provides that:
>
> "No count that charges an offence other than murder shall be joined in an indictment to a count that charges murder."
>
> Section 856 of the old Criminal Code was to the same effect.
>
> In the course of the past ten years the number of persons whose sentences for capital punishment have been commuted to life imprisonment is as follows:
>
> (a) 1955, six: January 5, 1955; January 14, 1955; January 20, 1955; June 29, 1955; October 26, 1955; December 14, 1955.
>
> 1956, nine: January 5, 1956; February 2, 1956; March 15, 1956; April 19, 1956; May 1, 1956; May 24, 1956; May 24, 1956; May 24, 1956; July 5, 1956.
>
> 1957, six: April 1, 1957; June 14, 1957; June 14, 1957; July 26, 1957; December 12, 1957; December 12, 1957.
>
> 1958, fourteen: January 15, 1958; February 5, 1958; April 4, 1958; April 17, 1958; April 17, 1958; June 6, 1958; July 10, 1958; August 26, 1958; August 26, 1958; September 8, 1958; October 9, 1958; November 27, 1958; December 30, 1958; December 30, 1958.
>
> 1959, thirteen: February 14, 1959; March 17, 1959; April 18, 1959; April 23, 1959; April 30, 1959; June 13, 1959; July 9, 1959; July 16, 1959; August 13, 1959; November 19, 1959; December 10, 1959; December 15, 1959; December 15, 1959;
>
> 1960, six: January 12, 1960; January 21, 1960; April 11, 1960; May 11, 1960; August 17, 1960; December 1, 1960.
>
> 1961, eleven: March 23, 1961; April 18, 1961; May 19, 1961; June 2, 1961; June 15, 1961; July 12, 1961; August 9, 1961; August 21, 1961; November 8, 1961; November 8, 1961; December 5, 1961.
>
> 1962, two: April 9, 1962; July 31, 1962.
>
> 1963, seven: February 21, 1963; March 12, 1963; March 12, 1963; May 9, 1963; June 27, 1963; September 12, 1963; October 3, 1963.
>
> 1964, four: January 7, 1964; April 23, 1964; June 18, 1964; November 3, 1964.

Hon. Mr. Pouliot: Honourable senators, with respect to the answer that has been given as to clemency in matters of murder and rape, I will say that the so-called experts of the Department of Justice have tried to split hairs. They often do that. One part of their answer is futile. The other gives the number of commutations of death sentences, which is so formidable for the last nine years that it is really shocking. Let us hope that the Government will be very careful about its policy in regard to clemency for sex perverts convicted of offences such as rape and murder.

DIVORCE

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of reports of the Standing Committee on Divorce Nos. 645 to 684, inclusive, which were presented on Tuesday, December 1.

On motion of Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, reports adopted, on division.

RESOLUTIONS PRESENTED

Leave having been given to revert to the order for Notices of Motions.

Hon. Mr. Roebuck, Chairman of the Standing Committee on Divorce, presented the following resolutions:

Resolution 616, for the relief of Leonard Marchand, otherwise known as Leonard Mihalcean.

Resolution 617, for the relief of Marie Beatrice Denise Baillargeon Faucher.

Resolution 618, for the relief of Sato Jeannot Richard.

Resolution 619, for the relief of Miriam Dworkin Waddington.

Resolution 620, for the relief of Ian Park Grant-Whyte.

Resolution 621, for the relief of Marie Racine Lizotte.

Resolution 622, for the relief of Gerald Louis Demers.

Resolution 623, for the relief of Liliane Robillard Panichella.

Resolution 624, for the relief of Abbey (Abe) (Abba) Cohen.

Resolution 625, for the relief of Irene De Caen Turcotte.

Resolution 626, for the relief of Alfred Elliott.

Resolution 627, for the relief of Adrian Daniel McLeod.

Resolution 628, for the relief of Barbara Phyllis Lipchitz Leibovitch, otherwise known as Barbara Phyllis Lippman Leibovitch.

Resolution 629, for the relief of Annette Caroline Vachon Robinson.

Resolution 630, for the relief of Edward Joseph Morearity.

Resolution 631, for the relief of Eva Besser (Besszer) Hercz.

Resolution 632, for the relief of Reginald Allison Brewer.

Resolution 633, for the relief of Marjorie Anne Elaine Lovegrove Casey.

Resolution 634, for the relief of Joseph Ernest Leopold Fauteux.

Resolution 635, for the relief of Marc Andre Boisclair.

Resolution 636, for the relief of Barbara Ellen Barry Ferguson.

Resolution 637, for the relief of Margareta Cerncic Chapman.

Resolution 638, for the relief of Irene Lorraine McIntosh Galletti.

Resolution 639, for the relief of Helga Elfriede Muenster Daubert.

Resolution 640, for the relief of Julienne Stalgis Astravas.

Resolution 641, for the relief of Florence Margaret Clarke Kiernan.

Resolution 642, for the relief of Come Richer.

Resolution 643, for the relief of Jeannine Papineau Hebert.

Resolution 644, for the relief of Marie Jacqueline Pierrette Corriveau Hartstock.

Resolution 645, for the relief of Leo Desjardins.

Resolution 646, for the relief of Barbara Ruth Neale Mann.

Resolution 647, for the relief of Victor Maucotel.

Resolution 648, for the relief of Adeline James McKay.

Resolution 649, for the relief of Leona Lemay Therien.

Resolution 650, for the relief of Alfred Laporte.

Resolution 651, for the relief of Rita Pearl Enright Ward.

Resolution 652, for the relief of Merle Newman Silverberg.

Resolution 653, the relief of June Arnold Stevenson.

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

Hon. Mr. Roebuck: Honourable senators, I move that these resolutions be considered on Wednesday next.

Motion agreed to.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Tuesday, December 15, 1964

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

Prayers.

DOCUMENTS TABLED

Hon. John J. Connolly tabled:

Report on the Administration of the Emergency Gold Mining Assistance Act for the fiscal year ended March 31, 1964, pursuant to section 10 of the said act, chapter 95, R.S.C., 1952. (English and French texts).

Statutory Orders and Regulations published in the *Canada Gazette*, Part II, of Wednesday, December 9, 1964, pursuant to section 7 of the Regulations Act, chapter 235, R.S.C., 1952. (English and French texts).

PRIVATE BILL

THE ECONOMICAL MUTUAL INSURANCE COMPANY—REPORT OF COMMITTEE ADOPTED

Hon. T. D'Arcy Leonard, for Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill S-48, respecting The Economical Mutual Insurance Company, and had directed that the bill be reported with the following amendment:

Page 1: Strike out clause 1 and substitute therefor the following:—

"The name of the Company is hereby changed to Economical Mutual Insurance Company and the Company may use, in the transaction of its business, either the name Economical Mutual Insurance Company or the name Economical, Compagnie Mutuelle d'Assurance, or both of such names, as and when it so elects. It may sue or be sued in either or both of such names, and any transaction, contract or obligation heretofore entered into or incurred by the Company in the name The Economical Mutual Insurance Company, and any transaction, contract or obligation hereafter entered into or incurred by the Company in either the name Economical Mutual Insurance Company or the name Economical, Compagnie Mutuelle d'Assurance, or both of such names, shall be valid and binding on the Company."

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

Hon. T. D'Arcy Leonard: With leave of the Senate, I move that this report be taken into consideration now.

Honourable senators, the changes made by the committee in this bill are not of any consequence. They involve a change in the legal drafting, with no change whatsoever in the meaning. The designation of the name is now set out in the first sentence of clause 1. The other change is that the article "the" is dropped from the English name of the company and the article "le" is dropped from the French name. These changes were made with the consent of the company and of the Superintendent of Insurance.

Report adopted.

THIRD READING

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

Hon. W. Ross Macdonald: Honourable senators, as we are aproaching the end of the present session, I ask the consent of the Senate to move the third reading this afternoon.

With leave, I move third reading now.

Motion agreed to and bill read third time and passed.

CANADIAN NATIONAL RAILWAYS

PASSENGER SERVICE AT RIVIÈRE DU LOUP—NOTICE OF FURTHER INQUIRY

Hon. Jean-François Pouliot: Honourable senators, I give notice of an inquiry to be placed on the Order Paper tomorrow about an urgent matter, namely, the stopping of trains in front of the station at Rivière du Loup.

This is the Christmas season, when parents travel with young children, and it is absurd to think that they have to walk nearly half a mile in order to get into the coaches of the trains. There is ample time for the trains to stop for 10 minutes in front of the station, and then take five more minutes of the 15 or 20-minute timetable stop to fill the oil tanks of the locomotives, westward of the station.

I hope the honourable Leader of the Government (Hon. Mr. Connolly) will continue his good work and insist at once upon the railway, and particularly upon the directors of the Canadian National Railways, that this be done. Two new directors from the province of Quebec were recently appointed to the C.N.R. One of these men is travelling around as head of a commission, and I do not know what the other does. However, at the present time the Province of Quebec is

very poorly represented on the board of directors of the Canadian National Railways.

I will not dot my "i's" nor cross my "t's" today, but tomorrow I may do so unless there is a satisfactory result in the meantime.

Just before I entered this chamber today I met colleagues who informed me that they suffered from the same stupid arrangements in other parts of the country. Apparently the management of the Canadian National Railways think that they are infallible and never make a mistake. In this case, they are making a gross mistake. I insist on a prompt solution of the problem.

CANADIAN FLAG

MOTION FOR DESIGNATION OF NATIONAL EMBLEM—DEBATE ADJOURNED

Hon. John J. Connolly moved, pursuant to notice:

> That this house do recommend to the Government that such steps as may be necessary be taken to have designated as the National Flag of Canada a red flag of the proportions two by length and one by width, containing in its centre a white square, the width of the flag, bearing a single red maple leaf, or in heraldic terms, described as *gules on a Canadian pale argent a maple leaf of the first.*

He said: Honourable senators, the resolution to establish a distinctive Canadian flag, as the nation approaches the centenary of its foundation, must be assessed in the background of the nation's history; and we can remind ourselves today, as this year's celebrations in Prince Edward Island remind us so forcibly, that Confederation in its genesis was both accidental and experimental.

In 1864 the four Atlantic colonies had decided to investigate legislative and fiscal arrangements which would bind them more closely together for their mutual advantage. At that time in the Canadas, parliamentary deadlock had stifled progress. All the colonies of British North America too had a sense of danger resulting from unrest and civil strife in the United States. In this atmosphere the concept of a larger union of the British colonies in America took hold. It stimulated the imagination of statesmen from the Maritime areas, as from the Canadas alike. It began as an idea of mere colonial union; but the vision of a new North American nation stretching from sea to sea soon emerged. The British North America Act provided the framework upon which the new nation could be built.

We should remind ourselves too that all this development was evolutionary. Revolution and armed uprising formed no part of the process. It was the antithesis of the severance of old moorings as had happened a century before in the United States. This was characteristic also of the revolutionary movements in Europe in the 18th and 19th centuries, but it was not true of British North America. The new organization was to be a federation founded upon the familiar British institutions; the parliamentary system would prevail; British assistance, sharing of experience and, indeed, British supervision would continue, though many of the trappings of colonialism were bound to disappear in time.

In the Confederation Debates Macdonald referred to the ultimate emergence of a nation "friendly" to Britain. And minority rights, consecrated over a century before in the Quebec Act, and, contrary to all earlier imperial policy, granted in the terms of capitulation of Montreal and Quebec, were reaffirmed. In one respect the recognition of these minority rights was the Ark of the Covenant. We should remember too that if the formation of the federation was, in a sense, fortuitous its development as a federation was to be gradual. Nor was its development always easy. The financial implications for the small populations in the dispersed colonies were rather overwhelming. So too were the physical tasks. Communications were primitive; the populations within the colonies were sparse and scattered; education and the means thereof were restricted. Wealth there was, but it was undiscovered. The separate economies were local and lean.

It is not for me here to trace the domestic development of the past century which transformed this fledgling association into a modern industrial and commercial society. Successive generations of Canadians have shouldered this gigantic task with intrepid courage, with intelligence and with imagination. Successive generations of politicians have forged the policies to achieve the subdual and the development of a vast continental empire. Politics there were, but no political party does or should claim sole credit. A new nation was being built. The people who were here at the outset and their descendants and the hundreds of thousands of new people who came here, to them is the credit.

There was help from abroad: capital, know-how, expertise. A developing nation needs this help desperately, and how well we see that today in the modern, new and developing nations. There was in this new nation on the new continent a feeling of self-reliance, a determination on the part of its peoples to provide self-help. These qualities have underwritten the glorious achievement, the great domestic experiment which has now proved itself as Canada.

Hoops of steel bind almost literally St. John's, Newfoundland, to Victoria, British Columbia. So do the highways and airlines, the telephone and telegraph, the radio and the television. Gas from Alberta energizes factories in Quebec. The Seaway and the Maritime ports and railways ensured the prompt delivery of half a billion tons of Canadian wheat these past 12 months. Uranium from the Canadian Shield gave birth to the nuclear age, with all its hopes and all its terrors. Canadian machine tools helped re-establish European industry devastated in the late war. Canadian education and Canadian research provided leaders in many fields of human endeavour.

This is not even a sketch of the whole story, and the end is not yet. The experiment has provided a sense of satisfaction for Canadians that is considerable. The integrity of our people, the stability of our institutions have inspired confidence to investors both here and abroad. The image of Canada is good and it is distinctively Canadian. Within a few generations a national individuality and a national personality have emerged.

No one doubts the fact that in her domestic affairs Canada has achieved a complete jurisdictional autonomy. In her external relations the picture is almost as complete, and what is lacking is within the power of Canadians to remedy. But it was not so from the beginning.

In the earlier years situations arose abroad in which it became imperative for this new nation, regardless how loosely organized, regardless how small it was, to assert positions really not anticipated before Confederation. In retrospect, it is easy to say now that there was a long struggle ahead.

Professor Creighton describes the frustration experienced by Sir John Macdonald in 1871 over negotiations in Washington regarding the North Atlantic fisheries. This was only a few years after the union. Sir John was distressed, even disillusioned, by the authority claimed and asserted by British representatives of the British Parliament over matters which he conceived, quite properly, to be of vital and primary interest to Canada. The importance of this position, as he asserted it, would grow with the years. Macdonald may have lost that battle but he made a great beginning. The campaign would go on and it would succeed.

When Sir John Thompson was Prime Minister, he was successful in negotiating arrangements with Britain whereby Canada would have the final say in such matters as copyrights, patents, and trademarks. These were the days in which there was no Department of External Affairs, when the Minister of Justice and the Prime Minister seem to have dealt with such problems themselves.

In Laurier's time some trade arrangements were made by Canada, which were ratified by reciprocal legislation. This, however, was exceptional. But it was a foot in the door. However, when the International Joint Commission was established in 1909, despite the considerable progress made to that time, the Imperial Government in fact appointed the Canadian representatives on Canadian advice. How far we have moved from that position today!

Many of the important milestones in our progress towards national autonomy were fashioned in imperial conferences. Countries of the Empire, other than Canada, like ourselves, realized the importance of an increasing measure of self-determination in external relations. These imperial conferences began to be held in 1887. They were designed to discuss such Empire problems as trade preferences, Empire federation, and Empire defence.

I hope it will not appear facetious, honourable senators, if I say that for many of the early conferences the discussions were as between the mother hen and the chicks. The burdens at that time for the mother country were very great indeed. But the chicks were growing fast. They were flexing muscles. They were realizing the potential of their own positions. In the perspective of history neither side can be criticized for asserting its own position as strongly as it did.

But the notion of greater independence was taking hold in the dominions. It developed gradually, and in some countries there was a lack of unanimity. For example, in Canada on the question of imperial defence, Sir Wilfrid Laurier insisted upon a general measure of Canadian autonomy. The Naval Services Act of 1910 crystallized this attitude. But this view, considering the immediate need, was not shared by Sir Robert Borden when he assumed office in 1911. I shall not discuss the debates which took place in this Parliament on that issue. But within a few years war was upon us, and when it arrived the conduct of Canadian foreign policy, the declaration of war, the making of peace—the authority to do these things was clearly in the hands of the Imperial Government.

Honourable senators might read with profit the Debates of the Senate of 1914 on the issue of Canada's position in respect of the outbreak of war, and, indeed, compare those speeches with the speeches made in this chamber in 1939 on a like issue. During the First War the Canadian forces were generally at the disposal of the British. The Minister of National Defence, Sir Sam Hughes, and indeed the Prime Minister, Sir Robert Borden,

were far from complacent about the status quo. It was due to their efforts that Canada's voice became more effective in the war discussions.

In the larger field of Empire relations, too, an increasing measure of consultation with the Canadian and other dominion governments was practised. So much was this the case that at the Imperial War Conference of 1917, Sir Robert Borden and General Smuts of South Africa sponsored a resolution which called for the preservation of the "powers of self-government and complete control of domestic affairs ... based upon a full recognition of the Dominions as autonomous nations of an Imperial Commonwealth". Ambiguous though it might have been, this resolution was, in fact, a gigantic step forward.

In 1919, at the time of the Versailles Treaty, due to the policy of Sir Robert Borden, His Majesty's Canadian plenipotentiaries signed on behalf of Canada, and Canada became a member of the League of Nations. She was also a founding member of the International Labour Organization.

Honourable senators, war accelerates many developments. The First World War and its aftermath brought Canada far along the road of national autonomy. By 1921 the Right Honourable Arthur Meighen had assumed the office of Prime Minister, and he too continued this forthright approach. He urged closer consultation on imperial matters, especially in commercial and political treaties which would affect the dominions. In respect of matters touching the relationships between Canada and the United States, he was adamant that Canada's views should be definitive. The extent of his prestige in the councils of the Empire is evidenced in the abrogation of the Anglo-Japanese Alliance.

Within a few years Mr. Mackenzie King became Canada's spokesman. Early in his prime ministership he established a position of self-determination for Canada in the Chanak incident of 1922. On that occasion he asserted the principle that no Canadian troops would be dispatched to the Near East without the prior approval of the Parliament of Canada. In the same year, when the Halibut Fishing Treaty between Canada and the United States was concluded, the documents were signed on behalf of Canada by the Honourable Ernest Lapointe alone. Both of these events were monuments erected upon older foundations.

Perhaps the most significant of all steps taken at imperial conferences was the definition of the new status of the dominions, which was adopted in 1926. The committee which recommended the definition sat under the chairmanship of the Earl of Balfour, and Canada, South Africa and the Irish Free State were leaders on the side of the dominions. This is not to say that there was British opposition. Mr. King was not the Canadian Prime Minister when the Statute of Westminster was passed in 1931, but that statute reflected his policy and the 1926 definition.

During the time of Mr. Bennett's prime ministership the development proceeded. As I have said, the Statute of Westminster was passed in 1931. In 1932 the Imperial Economic Conference was held in Ottawa, and Canada played a leading role. When the Bank of Canada was established during Mr. Bennett's time, an important element of national sovereignty was confirmed. That element was the right of a nation to control its own monetary policy.

When war came in 1939, Mr. King was again prime minister. This time, unlike 1914, the declaration of war was made on behalf of Canada by the sovereign, but the step was taken only after the Canadian Parliament had approved the proposal. The war effort was large and effective, and heroic in the services. On the home front it was tremendous. Throughout, it was distinctively Canadian. Canada financed it all, and in addition provided substantial aid to her allies.

At the conclusion of the war, when the United Nations was established, Canada was one of the founding countries. Canada has since given strong, effective support to the work of the United Nations, and in no area has this been more effective than in the peacekeeping operations upon which she is embarked.

Canada, in Mr. St. Laurent's time, became an original, and continues to be a valued member of the NATO Alliance. She has never hesitated to stand alongside the other free nations in the defence of the West.

In Mr. St. Laurent's day, Canada asserted her right to recommend to the Queen the appointment of a Canadian as the Queen's representative in Canada. In this time, too, the Supreme Court of Canada was designated as the court of final resort for the determination of judicial disputes in Canada. In 1949, upon the petition of the Canadian Parliament, an amendment was made to the British North America Act which would empower the Parliament of Canada alone further to amend the act in respect of matters coming within federal jurisdiction. Once the Canadian authorities agree as to detail, as they have agreed in principle, the Constitution of this country will be completely patriated. We are upon the threshold of this development now.

The evidence of the sovereignty of Canada is fortified by the existence in Ottawa of nearly a hundred official representatives of foreign countries. Canada's foreign aid program, begun in wartime and augmented through the peace, is further evidence of her

autonomy. And the examples can be proliferated.

In all essentials, Canada possesses the substance of sovereignty. A new northern nation is in being. It is autonomous at home. It is acknowledged abroad. This resolution emphasizes that this nation should have, as one of its distinctive symbols, a distinctive flag. It is time that this important symbol should confirm the substance.

The symbol which a nation chooses for its national emblem is sometimes an arbitrary one. The Stars and Stripes of the United States and the Tricolour of France, are examples. And, even when it is based upon an abstraction, circumstances like war or revolution can invest it with a deep emotional content. Changes too may come to it, but in all essentials it remains the national flag.

A suitable device can also emerge from a country's history, from the long usage and accepted practices of the people. Such a symbol can reflect in a distinctive way the physical characteristics of the country. This, in turn, can symbolize the character of its people, because notions of a people and of the land they inhabit are closely interwoven.

Canada, even today, is a new country. Canada is a northern country. The beauty of its physical attributes is renowned. The natural wealth which that beauty enshrines is tremendous. We tell this to our own people. We tell it to the world. We use it, and quite properly, to attract visitors and investors alike. Our effort and our enterprise is channelled in this direction. In a very real sense our countryside is a wonder of the world. In our northern summer we never cease to marvel at its verdure. In the magic of its autumn, its spectacular hues astound us afresh each year. And the maple in its many species predominates. It clothes our land with a glory as does the heather in the Highlands, like the shamrock around Shannon, like the magnolia in the early summer of the southland.

In the spring we tap it for a product as distinctive to Canada as wine is to France, as olives are to Spain, as citrus and coffee are to the tropics. Its wood we move into our markets, both at home and abroad. The discard of its leaves replenishes the fertility of our forest soil.

Canadians have long accepted and used the leaf of the maple as the badge of this youthful country in all its loveliness. Distinctive devices used by the defence forces of any nation have a deep emotional connotation for its people. In the badges and banners of the three Canadian forces and of the veterans' organizations, the maple leaf appears almost universally. I am told that in the military cemetery at Hong Kong, where many young men of that campaign of the late war are laid to rest, the graves of the Canadians are distinguishable from all the others by the device of the maple leaf on the markers. This is true of other cemeteries where young Canadian servicemen are buried.

The maple leaf has an important element of an official acceptance in our country. British monarchs approved in 1868, by Royal Warrant, designs incorporating the device in the armorial bearings of Ontario and of Quebec.

In 1870 the maple leaf was confirmed as a Canadian badge by Royal Despatch.

In 1921 the maple leaf was part of the design approved by His Majesty the King for the Canadian Coat of Arms.

In commerce, the maple leaf finds acceptance in trademarks and in industrial designs on Canadian products. This is no insignificant body of evidence on its distinctiveness. Canada's common carriers in the civilian field, and its service vehicles of various kinds in the services, display it.

Ours is indeed the land of the maple. Even the word itself, "maple," has a connotation, even a flavour, which means Canada.

I was told a story recently by the Turkish Ambassador to Canada. He was a competitor for his country at the Olympic Games at Amsterdam in 1932. He said that in his mind's eye—and he has a photograph of the occasion—he can still see Percy Williams of Vancouver breaking the tape in the 100-meter dash. William's arms were extended. He looked like the Winged Victory of Samothrace. And the trade mark of the victory was the red maple leaf emblazoned on Williams' white jersey.

Honourable senators, the design which this resolution proposes is simple. It needs no expert to explain it. A child can draw it. Its colours are basic, they are traditional for use in banners, and the combination is both attractive and arresting. It contains the symbol of no country but our own. It neither gives offence to any of the racial elements of the Canadian mosaic nor does it favour any one of our racial or linguistic strains. It is for all.

It is a beautiful flag. It is a symbol around which we can build our hopes and in which we can centre our pride. It has been approved by a great majority in the House of Commons after a prolonged debate and after a study of six weeks by a special committee.

Honourable senators, I commend the resolution to your favourable consideration.

Hon. M. Grattan O'Leary: Honourable senators, I must say in the first place that I approach my task with some trepidation. I had not thought that this motion would come

to us in this form and that it would come to us today. I had a hope—a vagrant hope, I discovered—that the Leader of the Government would permit me to adjourn the debate. I must say, however, in fairness to him, that he gave a very good reason for not doing so, when he explained to me that Senator Crerar —who, I expect, will support me—is leaving for the west this afternoon and would not have an opportunity to speak if the debate were adjourned today.

Now, as to the speech we have just heard from Senator Connolly (Ottawa West), I must say that he spoke to us with all the moderation, restraint and scholarship which we have learned to expect from him in this house. I hope he will not think me offensive if I add that a great deal of what he said seemed to have little or no relevance to the character of the flag which his motion proposes.

I think it was Voltaire who once said, "If you would converse with me, define your terms." I hope, therefore, in what I have to say here today, that I will stick as strictly as possible to the specifics. It was, I think, on May 27, though I may be a day or two out, that the Prime Minister introduced in the other place a resolution for this flag. As I read what he said on that occasion, I could not help thinking of the lines of Wendell Phillips:

> We feel the thing we ought to be beating beneath the thing we are.

The Prime Minister opened his speech on that occasion by appealing to the Right Honourable Mr. Diefenbaker and to the leaders of the other parties, that they might now bury their prejudices and their differences and unite with him in support of this flag. Well, honourable senators, exactly 100 years before, give a day or two one way or the other, George Brown, that old antagonist of John A. Macdonald, forgot his old enmities, forgot his grudges, and for the sake of a Canada whose unity was vexed at that time, for a Canada in a state of torment, approached his old enemy and said in effect, "Canada is bigger than we are; we have a common love for Canada, we want Canada to survive, and because of that, let us forget our differences and unite to work out something of strength and unity for our common land."

Alas, honourable senators, the Prime Minister did not follow that noble historic example. He did not come to the house and take advantage of the wonderful opportunity that was his. Here you had the position where two of our historic parties had declared in their conventions, in their annual meetings, that they were in fact in favour of a distinctive Canadian flag. That was established. Now we are approaching the Canadian centennial, Canada's 100th birthday. What a wonderful opportunity for the Right Honourable Mr. Pearson to have said to the other leaders: "On an occasion such as this, what finer birthday for Canada than that we should sit down together as Canadians, think of our common country, and in some way, by God's grace and in God's name, work out a flag that will be acceptable to all our people."

I am not sure that a greater opportunity in statesmanship has ever been missed in this country. As I listened to Senator Connolly (Ottawa West) a while ago, when he retraced all those steps taken by Canada on her path to nationhood, I could not help thinking how much greater statesmanship was shown to bring about those steps than has been shown in trying to bring about a national flag.

I said a moment ago that before discussing a flag we should try to define it. What is, what should be, a national flag? One of the best definitions I could find was given by a man who was not only a great president of the United States but who was in fact a great historian. Woodrow Wilson, speaking in 1915, laid down these conditions, these essentials of a national flag. He said:

> The things that the flag stands for were created by the experiences of a great people. Everything that it stands for was written by their lives. The flag is the embodiment, not of sentiment, but of history. It represents the experiences made by men and women, the experiences of those who do and live under that flag.

Honourable senators, I hope to speak here today with whatever restraint is permitted by my Celtic blood, but I submit to you, sir, in all sincerity, that the flag which was presented to us by the motion before this house today is not an embodiment of our history.

In the House of Commons last week I listened to two splendid speeches, one by the Leader of Her Majesty's loyal Opposition and the other by the Prime Minister.

I am proud to say that from listening to these two speeches I was given a new pride about the Parliament of Canada. I was proud that we had two leaders who would speak in such a way in our Parliament. But, honourable senators, in one of his passages, the Prime Minister spoke of a flag which he said would neither dishonour nor betray the past, but which would look at the future, a flag which would look forward and not backward, and which would salute the future.

I must say that I was astonished to hear a man who at one time was a teacher of history make a statement of that kind. Surely the Prime Minister must know that without veneration for the past you cannot effectively

salute the future. Surely he must know that a flag in itself is a teacher of history, that it teaches history in our schools, that it teaches history wherever it is flown, and that you cannot snatch from that flag something that belongs to it, something historic in it, without betraying the past. You may salute the future, but when you snatch from an historic flag something that has belonged to it for half a century or more, you betray the past to a certain extent.

Honourable senators, you cannot take a bit of native foliage and put it on a piece of bunting and call it a flag. I shall come to this later on.

The Prime Minister, in the same speech, spoke of the absence from our national flag of symbols which to a large part of our people seemed to represent early differences. He went on, later in the same passage, to identify these people as "Canadians in Quebec."

As one who was born in Quebec, as one whose ancestors sleep in the soil of Quebec, and as one who was reared there, who went to school there, who made his first communion there with French Canadians, I for one refuse to believe, and will continue to refuse to believe, that the majority of the people of Quebec want to tear the last vestige of the Union Jack symbol from the Canadian flag.

Surely that is understandable. Surely the Union Jack in North America, in Quebec, in Canada, has never been a symbol of tyranny, of oppression, or of dishonour. Surely this is something all of us should try to remember at this time.

I call as witness to this, a man who was a glory of French Canada, yes, and a glory for us all—Sir Wilfrid Laurier. Speaking in Paris in 1897, he said:

> We have liberty—

Meaning we of Quebec.

> —absolute complete, more complete—pardon my national pride for the affirmation I am making—more complete than in any country whatsoever in the world: liberty for our religion, with its worship, its ceremonies, its prayers, its customs; liberty for our language, which is the official language as English is: liberty for all the institutions that our ancestors brought from France, and which we regard as a sacred heritage. Equality is ours. What other proof of it could I give you than this? In our country, where the majority is of English descent and of the Protestant religion, the last general elections have brought to power a man of French descent and Catholic religion, who has always strongly affirmed his race and his faith...

Honourable senators, I can imagine what was in the mind of Sir Wilfrid Laurier when he made that noble affirmation. I am sure he was thinking of the truth, that in the Province of Quebec, in French Canada, the Roman Catholic religion, its schools and its churches, received legal constitutional and religious freedom years before Daniel O'Connell won Catholic emancipation in the British Isles. No doubt, he was thinking of the fact that long before Daniel O'Connell won Catholic emancipation, the Presbyterian Scots of Cape Breton elected Laurence Matthew Kavanaugh to the Legislature of Nova Scotia. And I am sure he had in mind, as well, the fact that long before Macaulay delivered his great speech on Jews in the British Parliament, the French Canadians of Three Rivers elected Ezekiel Hart to the Legislature of Canada. This was the spirit, this the freedom and the toleration that was built up under the Union Jack in the Province of Quebec.

Honourable senators, are you telling me that the French Canadian is so lacking in intelligence, chivalry and appreciation that he does not remember these facts?

We were told not long ago by the Leader of the Government (Hon. Mr. Connolly, Ottawa West) that a maple leaf is a symbol that has been on the tunics of our soldiers, buried with our soldiers, and so on. That is true. I shall come to that later on, and I think I have a very good answer for it. What I am complaining about now is that the things in our history about which Sir Wilfrid Laurier spoke, the things of which Taché spoke, when he said that the last gun in British North America in defence of Canada would be fired by a French Canadian, are being forgotten.

What I complain about with this flag is that it does nothing to note, to remember, to commemorate the French achievement on this continent. What is there on this flag to tell us of the discoverers, the great soldiers, the men who journeyed up this very Ottawa River to death and immortality? What does it tell us of the missionaries who illumined our history with the fires of martyrdom? Nothing on the flag to commemorate these things! Not only does it tear from our flag any fact which commemorates the British contribution, but it leaves off the things, the glorious things, to which the French discoverers and founders of this country contributed.

Honourable senators, I am going to be asked why I, of Irish birth, should stand here to extol the Union Jack. Before coming to the reply, let me answer something that was

said by the Leader of the Government about the maple leaf. I speak not one word of disrespect for the maple leaf. It is true that it has been the symbol of our soldiers. But what about Ireland? If there is a plant, if there is a flower, if there is a growth anywhere on this earth more associated with a single nation, it is the shamrock of Ireland.

They speak of badges on the tunics of our soldiers. That shamrock was on the badges of all the soldiers of the Irish brigades that left Ireland after the Treaty of Limerick. It was carried by Irish regiments who down the centuries billowed British battlefields with their graves. Yes, and it was carried by Thomas Francis Meagher, when his Irish brigade stormed the heights of Fredericksburg to be acclaimed by Lee.

Certainly you use the maple leaf as badges for your soldiers, but that is not the meaning of a flag. When the Irish came to design their own flag, they did not put the shamrock on it, they did not put the harp on it, they merely presented a flag to unify their country, the two historic colours of Ireland, orange and green. This was an appeal to the granite qualities of the north to unite with the cloudy and lightning genius of the south, in common love for their common country. This was their hope for an answer to the prayer of the Protestant poet, Ingram:

> Then let the orange lily be they badge, my patriot brother;
> The everlasting green for me, and we for one another.

That is the mission, that is the purpose of a flag, to unite your people, to unite them for their common good.

Oh, you ask me—and I said I would reply—why I, an Irishman, should extol the Union Jack. I think it was Cardinal Newman who once said that though England's sins have been great, her repentances were always greater. Honourable senators, who, whether of Irish blood or not, could deny the proof of that, when in two world wars, when the free world was under siege, when liberty was under siege, England made history's greatest atonement for whatever might have been her sins of the past?

I think too of what was once said by a great Irish-American orator, Bourke Cockran. He said he was willing to forget that England was the home of Cromwell because she was also the home of William Ewart Gladstone. Today Irish exiles and their descendants are willing to forget that England was the home of Cromwell because in recent decades she has been the home of men who met good faith with good faith and goodwill with goodwill.

For myself, I would not have you think I stand here and say you must have the Red Ensign or nothing. I personally am not in favour of the Red Ensign. I want some flag which will keep some vestiges of the British on it and yet also commemorate the contributions of the French and other nations. I am not even standing here advocating a plebiscite. I am speaking to the Canadian heart of you senators who sit here and who should be, I hope, a bit above the battle as we see it in the other house.

When I personally think of the flag I do not think of it in terms of traditions that have the colour of blood or numbers left on the field. I think of England's flag and what happened under it; I think of Burke; I think of Fox; I think of Pitt; of the great men who contributed to parliamentary life; of the men who proclaimed the great maxims of freedom by which we live. I think of the nation which, with one tragic exception, became the fatherland of parliamentary government and liberty. I think of Shakespeare; I think of Milton; I think of Swinburne. I think too of Magna Carta; I think of the petition of rights; I think of the system of trial by jury. I remember as a boy how thrilled I was once when reading a magnificent passage by Macaulay, in which he spoke of an Australian lying out under the Southern Cross and reading by its light those unforgettable words from Magna Carta:

> To no man shall we refuse,
> To no man deny,
> To no man delay justice and right.

These are the things which a flag should represent—the history of the people, the history of civilization. And so, I say a flag should be a teacher of history. God knows, there is need in this country at this time to get our young people to respect the past.

I mentioned once before in the presence of Senator Connolly (Ottawa West) the story of Renan—Renan who had broken with his church, who had gone from the orders which he held in the church. She had appealed to history against him, and he became one of her most formidable antagonists, and yet, as an old man, when he came to write *The Souvenirs of My Youth* he pleaded for the past. He spoke of the importunities of childhood. He told of how, in hours of twilight, he could hear the church bells on the Breton coast calling him to his prayers. "I could not choose but hear," he wrote, and in a passage of haunting and mournful beauty he pleaded with men to love the past, to not forget the past—to love it and not forget it, even though you disagreed with what it had brought and done.

This is the plea I make for a flag, that it be a flag of history, a flag to teach history, a flag to teach patriotism and love of country.

Now, honourable senators, to make an end, I am going to make a brief appeal to this house in what I think is the spirit of this house. After all, this Senate was created as a house of conciliation, as a house of compromise, a house which, in calmness, would sit down and, without passion, take a second look.

I am going to ask you to do that very thing. I am going to ask you to see if we cannot recapture at this time, when our nation is so vexed by the torment of disunity, something of what came into this country two decades ago. After all, deeper, far deeper than anything which divides us, deeper, far deeper than the surface and perhaps hard and bitter things said by both sides during these past three months—deeper than all these things is our common love of Canada. And I would be sorry, I think I should hate myself, if ever I came to believe that the men whose faces I am looking into, some of them my oldest and tenderest friends, had less love for Canada than I have. It is to that spirit, to that spirit in this house and to that spirit in this nation, that I appeal today.

All of us remember those dark days of a few years ago, those days when our sons went out from us into the storm, those days when the telegrams came, and those days when Canadian youth on all the oceans, on all the continents and over Germany's flame-lit skies, gave Canada their last measure of devotion.

Honourable senators, if these could speak to us now, do you think they would not ask us to bury our differences and to give Canada, the land for which they died, a flag which would unite our country? Surely, there is nothing strange or extraordinary about this. Surely, they would ask us to sit down together, in the love and fraternity which came with common peril in their hour, to work out a flag that would appeal to all peoples in our country.

So, honourable senators, seconded by honourable Senator Grosart, I beg to move the following amendment:

> In amendment, that the motion be amended by striking out all the words after "Government" and substituting therefor "that the Government suspend further action on the proposal for a new Canadian flag in order to give reasonable time to the people and Parliament of Canada to reach agreement on a flag which will incorporate appropriate symbols of the founding peoples of this nation and which will be acceptable to all elements of our population.

Hon. T. A. Crerar: Honourable senators, it will certainly be my effort today in whatever words I address to this house to speak with moderation. This controversy over the flag has gone on for many months. It has been the subject of debate in the House of Commons for many weeks. It has been the subject of discussion and, indeed, sometimes of controversy in all the villages, towns and cities of this vast land. That is not a bad thing. I do not think it is a misfortune if, on occasion, we are disturbed a little emotionally, or if, on occasion, feelings run rather high over differences, whether those differences be about a flag or about anything else. It is not, I repeat, a bad thing. Indeed, it is a sign of strength and virility, because a people who cease to have convictions or opinions on any matter of great public importance are a people headed in the wrong direction.

Senator Connolly (Ottawa West), in his admirable review today, sketched the development of what might be described as Canadian nationalism. I am not opposed to nationalism if it is kept within proper boundaries. I am of Scottish descent and I am proud of it. In the same way Senator Flynn, who smiles across the way at me, is proud of his French descent.

Hon. Mr. Connolly (Ottawa West): And Irish.

Hon. Mr. Crerar: I have no quarrel with him on that.

But it seems that a flag issue or an anthem issue reaches deep into the consciousness and stirs emotions that very often find expression in rather forceful language.

I make no bones about it in this house: I am for a distinctive Canadian flag, and I emphasize the word "distinctive". What does "distinctive" mean? I took the time to look it up in the dictionary, and it is quite clear from the definitions given that "distinctive" means something different, something separate and distinct from anything else.

The controversy has raged, and it is not, I repeat, a bad thing that it should, over a symbol like the Union Jack or the Red Ensign. So far as a Canadian national flag is concerned, neither one is a distinctive symbol. The Union Jack is the flag of our English and British motherland. The Red Ensign has been the symbol of the British merchant marine for over a hundred years, and even today, at this very moment, the Red Ensign stands at the masthead of a thousand ships in the harbours of the world and across the bosom of the vast oceans. How can such a symbol be described as a distinctive symbol?

Hon. Mr. Thorvaldson: Who is asking for it in this house?

Hon. Mr. Crerar: It is not a distinctive symbol.

Now, if we are to have a flag—and, as I have said, I am 100 per cent for it—then it should be a distinctive flag, and one that when anybody looks at it he or she will say "There is the flag of a nation that has achieved its independence." It should not be possible to confuse it with anything else. To be otherwise, I think, would be, shall I say, almost a degradation of a national symbol or a flag.

Now may I say a word or two about Senator O'Leary's (Carleton) amendment? I can understand the senator's feelings expressed in the eloquent address he gave us a few moments ago, but what is to be gained by postponing this matter further? Senator O'Leary's plea, if it means anything, means delay. He said, in effect, let us think about this for a while longer, and perhaps we can come up with some symbol that everyone will agree upon. Now, is that a likely possibility? I ask it in all reason. Here we have been discussing a flag for months, not only in this Parliament, but as I said earlier, throughout the whole country. It has been discussed in the newspapers; it has been discussed wherever people have gathered together. What more can be said about it?

This Parliament has the responsibility, and it should not evade it, of determining the symbol we should have. Ours is a representative Parliament with members elected to the House of Commons. In passing I may say that in my judgment it is more appropriate for this issue to be discussed and settled in the House of Commons than it is in the Senate. After all, we are not elected representatives; some people think we should be, but we are in fact appointed representatives, and in a matter of this kind I shall be guided, if I had no guidance of my own, by the consensus of opinion expressed in the House of Commons. This opinion was expressed last night, or I should say early this morning, in a very definite manner. May I say here that I consider it to be of great significance that after the final vote had been taken, and after months of controversy, some of it bitter controversy, all members of the House of Commons stood together and sang "God Save the Queen" and "O Canada." In my view that was a fitting termination to a long and, at times, an acrimonious debate. Perhaps we can learn something from that. I would hope that the discussion in this house will be moderate.

I respect every other man's opinion. I respect those among our people in Canada who would cling to the Union Jack. I respect the opinion of those who would like to see the Red Ensign as our national flag. But these are not of Canada. We are now nearing the end of 100 years of our Canadian Confederation, and I think the time has come when we should definitely establish our own distinctive flag. One of the reasons which prompts me to urge this is the cosmopolitan nature of our population. I have here the figures which I received the other day from the Dominion Bureau of Statistics. They show that 43.8 per cent of the inhabitants of this land are Anglo-Saxon in origin, 30.4 per cent are of French origin, and 25.8 per cent are of origins other than those two. Whom have we brought and welcomed to this country? We have almost every nationality in Europe. We have among them our Ukrainian friends, who, believe me, have perhaps a finer understanding of what freedom means than many others; we have our Icelandic friends, Germans, Poles—all of these. Why did they come to Canada? They came to a land of freedom.

I remember well many years ago when a Ukrainian settler back in the bush settled upon a homestead, after receiving the title to it, knelt down and kissed the ground that was his own. That is the sort of thing that makes for Canadian nationhood. I say to this house that we cannot hope to unify all our different peoples in a great spirit of unity unless we have a distinctive symbol.

What made the United States the great country it is today? Its population was even more diverse than Canada's, and yet under their symbols, their national anthem and their flag, they have unified their country.

Many years ago I played baseball. I am still interested in baseball, and one thing that I watch on television is the World Series. It has been a striking fact to me that before the ball game starts on the diamond the people stand in their thousands and listen to the singing of their national anthem. While that singing is going on the flag—the Stars and Stripes—is slowly rising majestically to the masthead. Who can measure the impact of that on a people? Who can measure how it solidifies them, and how it gives them a pride in their own country? Then, if the dark days come they stand and fight and fight and fight to preserve their heritage. That is what I hope in future years will develop in this country. But, I do say to this house that it is essential for us to have a flag and an anthem—a flag that has no similarity to any other flag, and a distinctive flag within the meaning of the dictionary term. If we get that I shall be content.

I shall not live to see the full blossoming of all this. These controversies will pass away, and this flag, whatever it is, will be accepted by the Canadian people. I am

thinking not of the present generation, but of the future generations. I am thinking of the youngsters who will come along and who will look on that flag flying at the masthead at their schools. They will salute it and believe in it. I say to this house that in my humble judgment it will prove one of the greatest unifying forces we can have in this country.

For that reason, honourable senators, I intend to vote against the amendment and support the resolution of the honourable Leader of the Government.

Hon. David Walker: Honourable senators, at the outset may I congratulate the honourable Senator Crerar, who has just spoken? When one looks at him and thinks back over 40 years when he was a cabinet minister and one of Her Majesty's Privy Councillors, one can only marvel while he speaks. Even though we do not agree with what he said, we admire the man and the manner in which he said it.

May I say, too, how well the honourable Leader of the Government (Hon. Mr. Connolly, Ottawa West), whom we all admire for his personal qualities and the way in which he has led this house, placed the position of the Government. He did it in a very fair way.

Honourable senators will excuse me, I am sure, if I salute today the honourable Senator O'Leary (Carleton) for his eloquence. I respectfully suggest that there is no one in this house who outmatches him in eloquence, and his eloquence is matched with good common sense and an abiding and passionate love of Canada.

I rise today more in sorrow than in anger at the axe-wielding incident of closure that occurred in the other place last night. I am sorry to think that it could have taken place, and that the new flag should have its birth and inception under such circumstances.

I am not speaking today as a member of this side of the house to conduct a filibuster, because we have no intention of doing that. We do, however, reserve the right to express, briefly but nevertheless sincerely, our opinions on this whole matter.

May I invoke your support, before it is too late, for the amendment of the honourable Senator O'Leary (Carleton), and to let this matter be discussed, not for the purpose of adopting the Red Ensign but to have on our flag, even though it is the proposed emblem, tucked away perhaps in the middle of the maple leaf—the symbols of the fleur-de-lis and the Union Jack. Somewhere, some place, they should be shown on this flag.

Much is to be said for the habit of children saluting the flag. They are not saluting a piece of bunting; they are saluting a symbol—a symbol of the traditions and the heritage of their own country, a symbol of nationhood. The Red Ensign, because it is the Red Ensign that we have at the present time, has in it the two symbols, the Union Jack and the fleur-de-lis. It conjures up for all of us, I think, our traditions, our history, the heroic sacrifices of our dead, our free institutions, our Parliament, our courts, and all of our freedoms, but above all it conjures up in the mind of every one of us the standard of high integrity and the standard of ethics that we as public men and public servants owe to Canada.

Might I respectfully suggest that if some of the participants who are now being investigated by a judicial inquiry had had before them in their offices the Union Jack or the Red Ensign, including the fleur-de-lis, or if they had had above their beds something to remind them of the high standards that the people of Canada look to them to discharge—had they paid more attention to these symbols and to the significance of them, honourable senators, then we could rest assured—

Some Hon. Senators: Order, order.

Hon. Mr. Walker: —we could rest assured there would have been no investigation necessary.

Hon. Mr. Roebuck: Honourable senators, the honourable senator is entirely out of order. This is something that should not be referred to in this debate. This is a matter before a judicial inquiry, and my honourable friend has made a mistake in bringing it up.

Hon. Mr. Walker: Honourable senators, it will be a new day when anybody takes advice from the honourable senator on parliamentary procedure. He has been notoriously wrong in the past, and I must point out to him that if he reads the record of the House of Commons he will find that reference was made to this incident long after the judicial inquiry was set up.

I have been shocked by the vehemence of the attack—

The Hon. the Speaker: Honourable senators, I think the point raised by the honourable Senator Roebuck is well taken. I feel sure that the honourable Senator Walker, who has had some experience in the application of the rules of the house, knows that he is out of order when he mentions these things. I shall ask him not to continue in that vein.

Hon. Mr. Walker: Mr. Speaker, as an old friend and acquaintance of yours, and because of the respect I have for the Chair, I will obey any ruling you make, but I will not take any lesson in parliamentary procedure from the distinguished senator who has just interrupted.

I have been shocked by the vehemence of the attacks made on the former Prime Minister in the other place, as he fought for the maintenance of the symbols and traditions

of our inheritance. I was shocked at the manner in which the publicly-owned C.B.C. and the editors of certain newspapers have attacked him. As one who has had some slight experience in libel law and, if I may say, as one who has acted as counsel for Canada's largest newspaper, may I say it is obvious beyond words that these attacks are not only malevolent, malicious, defamatory and sadistic, but they are downright nonsense, trash, nasty and insulting.

Why are they so bold? Why are they so bold as to attack the former Prime Minister because of his stand on this flag question? Is it because he refused to reply to personal attacks? Is it because they know he will not reply to personal attacks on himself?

In connection with this matter may I say that I have urged upon the Right Honourable Leader of the Opposition in the other place that he issue a writ of libel against some of the pip-squeaks in the C.B.C. who have been attacking him, and to single out some editor as a defendant in a libel action. But, no, he always refuses, pointing out that the purpose of a libel action is to clear one's fair name and reputation, and not to punish others. He feels that his fair name will be cleared at the polls, not by a jury of twelve but by a population of 19 million.

But what a pity it is that in discussing a subject like that of a flag the prejudice and hatred of man towards man should exemplify itself by the poor, partisan, miserable attacks on the former Prime Minister.

Now, enough of that. But is it not correct, that the Right Honourable Leader of the Opposition in the other place is right on this flag question, just as he was right on the Arrow, just as he was right on the devaluation of the dollar, just as he was right on Canada's participation in NATO? He was damned at the time because of his decisions in respect of those matters, just as he is being criticized at the present time.

May I suggest that we are all, including the Right Honourable Mr. Diefenbaker, sick and tired of this protracted debate. The debate was worthwhile in an effort to preserve for Canada the symbols which we hold dear. He was fighting, not to save a piece of bunting but to maintain a principle, to maintain the symbol of all that Canada holds dear, past, present and future.

What next? May I respectfully suggest, and predict, not as a prophet of doom, but as one who watches our love of Canada wane from year to year and our traditions ignored from year to year—

Hon. Mr. Connolly (Ottawa West): Wax from year to year.

Hon. Mr. Walker: One person who waxes happy is the honourable Leader of the Government. We are talking now about Canada, its symbols, its tradition. In the minds of the public they are one. The next move which you will see, if I am correct—and if I am not I may be told so—will be directed towards the abolition of the monarchy. The next move will be an effort to take Canada out of the British Commonwealth, and the next will be to make Canada a republic.

Honourable senators, my concluding words to you are these, that powerful forces are now working in this country to destroy what we hold dear to us. They gloated over the "axe job" that happened yesterday. It is not too late to stop their assault and to renew our faith in Canada, to preserve—we do not care how, whether it is in the Red Ensign or in some other design—some vestige of our inheritance, some vestige of our traditions, by including in some way the Union Jack and the fleur-de-lis.

Honourable senators, I trust we may all think seriously about this matter and give some deep concern to the amendment proposed by the honourable Senator O'Leary (Carleton). This is our last chance. We are separating the nation now as it never has been separated before. Many senators on the other side have expressed their personal opinions, and they have been quoted in the press, supporting the Red Ensign. I am looking forward to seeing them rise in this house, to express their desire to see the Red Ensign, or some other design including the Union Jack and the fleur-de-lis, carried on as a symbol of all that we hold dear, past, present and future.

Hon. Donald Cameron: Honourable senators, I find myself in the same position as that of many of my colleagues tonight. I have some sympathy at this moment for my friend Senator Choquette, who opposed the motion last night ostensibly because his colleagues were not ready to go on with this discussion. I little expected that, less than 24 hours later, I would find myself on my feet saying what I have to say. However, this speech is not one which Leonard W. Brockington, one of Canada's most distinguished lawyers would call "The most carefully prepared extemporaneous speech ever given." It is certainly extemporaneous and is not carefully prepared, but it comes from the heart.

I intend to start by complimenting those of my colleagues who have preceded me. They have well maintained the tradition of this house, and they have lent distinction to this particular debate. In saying that, I refer to the debate in the whole of the Canadian Parliament.

Senator Connolly (Ottawa West) commenced in his usual diplomatic style, and referred quite appropriately to the fine contributions to the building of Canada by Sir John A. Macdonald. He went on to pay a tribute to Sir Wilfrid Laurier—and I was happy to see that Senator O'Leary (Carleton) did the same. Then he referred to the contribution by Mr. Borden and of course to that distinguished luminary of this particular chamber, Mr. Meighen. He found even some kind words for Mr. Mackenzie King. I must say here that, as I listened to my friend Senator O'Leary, I felt he distinguished himself by his eloquence, he pitched his theme on a high note and, if I were back in the classroom today marking papers, as I have done in the university for some considerable time, I would give him "A plus" for eloquence. I would give him very high marks for making a contribution which was distinctive in its literary quality and which appeals to the emotions of Canadian people. I think it makes the Senate a better place for his having spoken.

Hon. Mr. Connolly (Ottawa West): Hear, hear.

Hon. Mr. Cameron: On the other hand, being a practical farmer from the west, I do not think I could give him high marks for his logic. I say that in all kindness, and I will come back to it later. The discussion so far, with this particular exception, has been the kind of thing we like to think the Senate of Canada stands for. I must say frankly to Senator O'Leary that I cannot support his amendment. I feel this is where some of his logic begins to fall apart.

We are discussing a matter on which in the other place there were some 280 speeches, and it is stretching the English language a long way to dignify some of them by calling them speeches. We have discussed this subject on the radio, we have discussed it on television, in the press, in our churches, we have discussed it wherever people meet. But there is by no means unanimity now, and there never will be unanimity on this particular topic.

No matter what length of time Senator O'Leary may be prepared to give the Senate, or a committee of the Senate, to bring in a new design, we could never achieve a greater measure of unanimity than we have today.

As I sense the pulse of the people of this country, and I have wide contacts, my feeling is that, at a very modest and conservative figure, 65 to 75 per cent of the Canadian people want a distinctive Canadian flag.

I was a little disappointed last night that many of my colleagues were not over in the other place, in the galleries, listening to the discussion which took place—though it certainly was not the Canadian Parliament at its best. What impressed me most was that the galleries were packed. Who made up the majority of the people in the galleries? Young people, young Canadians, the future citizens of this country. I made it my business to move among them and to listen to them. I could be wrong but, as I sensed their expressions, there was a feeling that they, too, wanted a distinctive Canadian flag. They were not unhappy with the maple leaf flag; they might be quite happy with another design, but that is not the point.

In spite of the emotion which has been generated, particularly in the other place, on this issue, Canadians are not basically an emotional people. We are true to the traditions of all northern peoples. We find it hard to become excited and steamed up about any issue. I sometimes feel that it would be better if we were a little more emotional, and injected into our national life a little more colour and pageantry, both of which are associated with emotion.

Like many honourable senators, I have travelled in many parts of the world. One of the things which impressed me while driving through the countryside of Denmark, Norway and Sweden, was to see their national flag flying on every schoolhouse and public building, and frequently in the farmyards and over the farm gates. I like to see that sort of thing. It is colourful, has meaning and gives distinction to the people. In Canada we do not practice that to anything like the extent I would like to see. I hope that when we evolve and accept a new Canadian flag, we shall fly it in thousands, and thus inject a little more colour into the life of this nation.

A great deal has been said in the past about symbols. I listened to Senator O'Leary with interest when he spoke of the place of the shamrock, and as far as the Irish are concerned I agree with him. I think the only reason the Irish did not put the shamrock on their flag is that they never thought about it.

As one of Scottish descent, I might feel equally fervent about the thistle. In all frankness, as one whose family, like others, was deeply involved in World War II, particularly at sea, having had eleven relatives of one branch of the family perish at sea, under the Red Ensign, I must say that I would have been quite happy to go along with the Red Ensign. However, I know from my experience of the Canadian people that the great majority who came from other lands have no particular feeling about the Union Jack or the Red Ensign. It is not that they do not respect them, it is that they do not feel they

are part of their life, but rather a certain acquired characteristic.

Reference was made some time ago by Senator Crerar to the role of Ukrainians in Canada. I have always had an affection for them. Often I go to Toronto, and listen to the Ukrainian choir. I love their folk singing and dances. I think there must be some affinity between them and the Scots, because their music and dancing express a similar vitality and life. Ukrainians have added much to the life of Canada. From the very days they came to this country they have been, as described by Mr. Sifton, former Minister of Interior, as "the men in sheepskin coats." No people are making a greater contribution to our universities than are the Ukrainians. They are talented in music, painting, the theatre, and in many other ways. One of the reasons for this is that they are a volatile, emotional people, who express themselves vigorously in emotional ways. I am quite sure that if 10 years from now I were to go into a community like Smoky Lake, Alberta, which is 85 per cent Ukrainian, and the maple leaf flag were flying over the schools and public buildings and elsewhere in that and similar communities, those people would venerate that symbol of Canada and Canadianism as strongly as they do now the Union Jack or the Red Ensign.

We are on dangerous ground when we talk about symbols. The shamrock is the symbol of Ireland, and the thistle is the symbol of the Scottish people. Both the Irish and the Scots are proud of their symbols, but they are no more proud than are Canadians the world over of the maple leaf. Wherever you see the maple leaf today it means Canada. At the gravestones, throughout the far-flung corners of the Empire, and in Hong Kong, Italy, France, Flanders, the maple leaf means Canada. People who served under that distinctive symbol believed in what the maple leaf stood for. So I am quite happy with the maple leaf. I would have been happy to accept three maple leaves, but I like one better. Therefore, I am quite in favour of this distinctive symbol.

I have been rather pained and disturbed to hear some people say that you cannot distinguish between the maple leaf flag and the Peruvian flag. All I can say to such people is that if that is the case, they should pay a visit to their local oculist.

I have with me an edition of the *Encyclopaedia Britannica* in which there is a picture of the Peruvian flag, and I will pass it around, or you may obtain it at the library, so that you can see the difference between the two flags. If anyone could possibly mistake that flag for the single maple leaf flag, he had better, as I have said, go to the oculist at the earliest possible moment.

I agree that symbols are vitally important. The shamrock generates in my friend Senator O'Leary all the lyric poetry of the Irish people; it gives him a sense of the smell of the boglands, the lilt of Irish laughter, and brogues. I want to see the day in Canada when its young people will feel the same filial affection for the maple leaf—and I am sure that day will come.

When you say we are throwing out the Union Jack, throwing out the Red Ensign, that we are tearing out the roots of the past, that I do not believe and cannot accept. I yield to no man my feelings of pride in the Union Jack and what it stands for—all the things that Senator O'Leary said so well. Certainly that is vital, important and part of our heritage. I appreciate everything the Red Ensign stands for, even in its short career, but I am as sure as I am standing here that if Canadians will do as they have done in the past, stand behind something that is a symbol of Canadian unity, this symbol will hold for them and generate for them the kind of affection given by people of other countries who venerate their own national symbols.

The Union Jack and the Red Ensign stand for fine things in our experience of the past. They do not mean so much to new Canadians. Now we shall have a new flag by means of which we shall also transmit the fine traditions of Magna Carta and everything the Union Jack stands for: freedom of speech, loyalty, courage, devotion, and all that Canada stands for.

Five or six years ago I was in New Delhi, India. I spent half a day in the Supreme Court there. This was under the flag of India, which had been flying there since 1949, a pretty new flag. The men were as black as you like, because many of them seemed to have come from the south. They were colourful in their robes and wigs. Their speech was as English as people in the West. Here these people were carrying the British tradition of law and justice into a completely different environment. If the people of India can transmit the British legal tradition, and if they can understand what those traditions mean—that is the important thing—we can do it too.

Whether the Red Ensign or the Union Jack will be held affectionately in the hearts of the Canadian people, and have the kind of meaning to them as those other symbols of the past, will depend on what we Canadians do about it right now. In Canada we have tremendous opportunities. We have one of the richest countries in the world—rich in resources and people, rich in the heritage from other lands. We have a vital people. We are enriched by the streams of culture, the skills and the traditions of many other countries.

Let us unite these in terms of work, in terms of achievement, in terms of legislation and justice in the solution of the spectres of poverty and unemployment, and let us bring a solution to the problem of automation, and provide those realities in terms of education, health and high living standards. These are the concrete realities which will give meaning and purpose to this new flag in Canada. I venture to suggest that in a short time Canadians will be just as proud of the new flag as any Britisher is of the Union Jack or anyone in the United States is of the Stars and Stripes. It will depend on what meaning we give to it in terms of the things we do, as Canadians, in attempting to solve our problems.

Honourable senators, I had not intended to speak today—what I say is completely off the cuff—but I am delighted with the standard of the discussion, up to this point at any rate, and the tone of conciliation. I believe that we have an opportunity today to justify the responsibility and the trust that has been assigned to us in constituting this the house of sober second thought.

I respect Senator Grattan O'Leary's desire to have another flag, or to come up with another design. I do not think that suggestion is practical. I do not care how much time you gave the committee to do it, you would get no more unanimity than you have at the present time. So I say, let us get behind the design we have and give it meaning and purpose in terms of the potentiality of Canada today. Then, in 10 years it will be the symbol of a united people, through which French, English, Ukrainian, German and even Chinese and Japanese will feel this has meaning to them in terms of opportunity, of justice and of freedom—opportunity that is equalled in no other country in the world. That is the challenge to us today; that is a challenge I am sure all Canadians can and will live up to.

Hon. Arthur M. Pearson: Honourable senators, it was not my intention to speak today. However, I have hurriedly prepared a few notes.

First, I would like to congratulate the Leader of the Government for his words of wisdom and moderation in speaking to the motion. I would also like to congratulate our principal speaker on this side, Senator Grattan O'Leary, for the wonderful address he has delivered. I feel quite moved when I listen to an Irishman speak; and he is one of the best of Irish speakers.

Senator Crerar has said that we should have a distinctive flag. Senator Cameron supported this view, and mentioned a dictionary he had with him which carried a picture of the Peruvian flag. I looked up the Peruvian flag in a dictionary I have, and noted that it is exactly the same as this proposed flag, except that the Peruvian flag has a coat of arms where the proposed Canadian flag has a red maple leaf. At a distance you would not know which flag you were flying, the Peruvian or the Canadian. It might be that if you had one flying in this chamber you could tell the difference right away, but I do not think you could from any distance.

Honourable senators, at the outset I want to say that I love my French compatriots—I think a great deal of them. They are so very hospitable; they love their homes. And what emotion could be more admirable in a man than that he loves his family and his home? They love their church, and from a Christian point of view that is a wonderful emotion.

On the trip down from the west to Ottawa we very frequently have a French hostess on the Air Canada plane. These hostesses are typical of the French people. They are asked to do a job, to make the passengers on the plane comfortable, and in doing so they inject their whole personality into their work. This is so typical of the French make-up, they inject their whole personality into their work, and everyone feels much better for their presence. This is the attitude of the French hostesses, God bless them, and we love it when we travel on the planes. It is typical of all Canadians in Quebec.

However, having said that, I want to emphasize that Quebec has a number of very serious problems. Among such problems are, first, the rural slums in back areas of Quebec; second, there is the lower educational standard among the general populace. These two problems make it very difficult to fit the average man into either a technical or white collar job. So, economics is an important problem in Quebec.

Now let me get down to this amendment. Quebec has been led through a series of emotional concepts. In 1958 the party presently in power federally lost its hold in Quebec at the polls. Again, in 1963 it suffered a serious loss. The question is, what to do to strengthen the position of the party in relation to that overwhelming vote in Quebec and so return the present Government in 1965 or 1966, or whenever the next election occurs.

These are surmises on my part, but one of the first things the present Government did was set up a commission on bilingualism and biculturalism. As was anticipated, this has caused dissension in Canada. In particular, it appealed to the rebellious and noisy young people in Quebec, who are demanding their rights from the English people—from those

"bad" English Canadians. The idea is to divide and conquer.

The second step was to introduce a flag, wiping out the English connection with the past and making the English Canadian anti-Quebec. Having taken this step, this same party prolonged the debate in the other place until they had in the end to use closure, or the guillotine, to close off the debate.

The present Government could at any time during these past few months have set aside the flag resolution in the other place and brought in other legislation that was pressing for consideration. But no, they were anxious to win the next election. They thought that with the aid of the news media they could destroy the Conservative party in Canada and, more particularly, in Quebec. To my mind the flag resolution was sheer political blackmail being practised in the Province of Quebec.

The Hon. the Speaker: Order. I am very sorry to interrupt the honourable senator, but the expression he used is unparliamentary, and I would ask him to withdraw it. During his speech he has apparently gone beyond his intentions. I hope the honourable senator will see fit to withdraw that expression.

Hon. Mr. Pearson: Mr. Speaker, I apologize.

Honourable senators, I have nothing further to say, but I feel that this flag will not now unite Canada and that it never will.

Senator Cameron suggested that 65 or 75 per cent of the people want a distinctive flag. I think he is right. However, in western Canada everybody I spoke to in the German settlements and in the English settlements wanted to know why we prolonged this debate. I said, "Well, do you want a new flag, or are you satisfied with the present one?" "Oh, we didn't want to change our flag," they replied. This is the sentiment I have found all through western Canada, wherever I have been. They did not want any change, but they were quite willing to make a change if it would bring about unity with Quebec.

Honourable senators, I support the amendment.

Hon. Jean-François Pouliot: Honourable senators, I know I tell you nothing new when I say that I was born in Rivière du Loup, Quebec, that my father was born 108 years ago in Rivière du Loup, Quebec, that my grandfather lived 150 years ago at Rivière du Loup, Quebec. Rivière du Loup is 400 miles east of Ottawa, on the south shore of the St. Lawrence River. It is a splendid part of the country. At that point the river is 20 miles wide with beautiful islands, Hare Island, White Island, the Pilgrims, Green Island, and the Brandy Pots which got their name from the smuggling that took place in the olden days. The air is pure; it smells of seaweed when the tide is low, and when it is high the river is like a lake below my veranda.

The people of Rivière du Loup are wonderful people; they are friendly and broadminded, and they would not recognize themselves in the picture that has been painted of them by honourable Senator Pearson. They would ask, "Of whom are you speaking? You are not speaking of us. You are speaking from the planet Mars, or you are lost on the moon—you are the first man to get to the moon." I say that in a jocular way. I am not offended, because I know the honourable gentleman was not serious, and I am sure he has never visited Rivière du Loup. I know he has never met the people of Rivière du Loup. I am proud to be one of them.

Quebec is a delightful province. I am sure his colleagues from the Province of Quebec, or those who have visited that province, will say to him, "My dear Pearson, why did you say that? You don't know what damage you have done to the party." It rather reminds me of the man who was trying to reach the summit of a mountain and he was depending upon his alpenstock, but the alpenstock broke and he fell down.

One point that strikes me is that the honourable gentleman represents Prince Albert, the place where his honourable Leader lives at the present time. I shall speak of him; I know him well, and he is a friend of mine.

I remember seeing on one occasion a picture of a good-looking gentleman with curly hair and with the stature of an officer. He was in front of the Dominion Bureau of Statistics. There was a brass plate at the door on which was written full length "Dominion Bureau of Statistics." He stared at it, rolled his eyes and said "Dominion will stay in there." It was said by no less than the Right Honourable John Diefenbaker, before he became "right honourable". He looked again at that piece of brass. He was so enthusiastic about it that he could have written a poem about the Dominion Bureau of Statistics. He was thinking of that; he did not want to change anything in it. As we know, it remained as it was then.

I know my fellow citizens well enough to give them the benefit of the doubt, and I know very well that in the Province of Ontario and perhaps in the Province of Saskatchewan where my honourable friend comes from, there is the salute to the flag in the morning by the little children who go to school. Sometimes they may miss their prayers, but the first thing they do is to stand erect before the flag and salute it, just as John Diefenbaker stood erect before the Dominion Bureau of Statistics. However, they salute that flag, a flag which has no maple leaf on it at all. It is

the Union Jack. It was done in the Province of Ontario and perhaps it was done in some other provinces as well. I am not sure of that. But I know it was done in Ontario. I do not disapprove of that. But what I do complain about is that the same thing was not done in the Province of Quebec for the fleur-de-lis. In that respect the Province of Quebec is not as far advanced as the Province of Ontario.

I should also say that in my view the national flag has its right to a place in our churches as well as in the public square. Take for instance, the tricolour of France—blue, white and red. If you visit the greatest church in Europe where the kings of France were crowned, Notre Dame de Paris, there you will see the French flag, the tricolour, hanging, just as you will see the Union Jack in Westminster Abbey and, indeed, in Westminster Cathedral, because the English-speaking Roman Catholics have the same respect for the British flag as do the Anglicans.

As I have said, I regret that in the Province of Quebec the schoolchildren have not stood at attention at least before the flag of the province before we had a national flag of our own. But if they were not called upon to stand and salute a flag, it was because the people of the Province of Quebec were intelligent enough to understand that the Union Jack, although it is perhaps the most beautiful flag in the world, was not the flag of our country. It may be the flag of the Commonwealth but it is not the flag of Canada, and that is why the people of the province of Quebec had enough judgment to decide that the schoolchildren should not salute a flag that was not that of their own country.

The people of the Province of Quebec want only one thing in this country; they want to be respected and to enjoy peace. That is all they want. They do not want to quarrel with Canadians from any other province. They respect them, but they also realize, since they are not parochial, that Canada does not stop at the boundaries of their own province. They realize that as they are at home in the Province of Quebec they should also be at home in any other part of Canada from coast to coast, and that is why I am happy to make the comparison between the St. Lawrence at Rivière du Loup and the Juan de Fuca Strait at Victoria. From my verandah in Rivière du Loup I can see the Laurentian Mountains 20 miles away across the river. From there I can see beautiful sunsets. In the same way the people from Victoria, British Columbia, see the impressive Olympic Mountains in the State of Washington. The difference is that the mountains across from Victoria are in the United States, while the mountains that I can see in Quebec are part of our own country and part of our own heritage.

I hope you will understand that when somebody listens to a speech like that made by my honourable friend, a speech of which he could never be proud, while it may not provoke me to indignation—because I like him and I have consideration for him, as I have for all my colleagues—it may arouse in me regret that he had not taken the trouble to inform himself when he was chairman of the Land Use Committee of the situation existing in this country. In that committee he had people coming from all parts of the country and from all parts of the Province of Quebec. They told him about the difficulties of the settlers, although there are as many prosperous farmers in the Province of Quebec as there are in other parts of Canada. Perhaps they do not use mechanization as much as is done in the west, but they are progressive farmers. They are up-to-date farmers who can be compared favourably with anyone. But he did not take advantage of his chairmanship to become informed about the vital problems of Canada, and when I think that the gentleman has spoken in that manner of my Province of Quebec—the province where I am living—I am so disappointed that I cannot express it.

I must tell him something, and I could exchange notes with him, as I could with any English-speaking colleague, about what my family has done as Canadians. In the first place, my maternal great-grandfather, Louis Bertrand, who was born early in the last century, was elected in the 1830s by acclamation as the member for Rimouski, which at that time included Témiscouata. He voted for the 92 resolutions to promote responsible government, and when Robert Baldwin was defeated in York he offered his seat to him, and Baldwin became the member for Rimouski. The thing was done with the help of my paternal grandfather, Jean Baptiste Pouliot.

Moreover, I can tell you that my grandfather, who was a member of the Legislative Assembly, voted against Confederation because he thought it meant legislative union. He was one of the parliamentarians who signed a petition to Lord Carnarvon for the delaying of the adoption of the British North America Act so that the Maritime provinces would have a breathing spell and time to organize themselves to face the situation, and thus be happier in Canada.

I am not going to insist on it, but I can tell you that in my family the speeches of Edward Blake, of Mills, of Alexander Mackenzie, of Cartwright and many other English-speaking Liberals were translated

into the French language and were distributed in Quebec as election propaganda, because at that time, except for Laurier, the Liberal public speakers in the Province of Quebec were very few. Those pamphlets containing speeches made to Ontario English-speaking Canadians were distributed in the Province of Quebec by Quebec Liberals to serve as their own political propaganda. Was it not pretty good?

Now, honourable colleagues, having said that I must tell you that Canada has the right to have a flag. Canada, our country, has undoubtedly the right to have her own flag, just as the Province of Nova Scotia has the right to have its own flag—a flag that was given it by King James—and just as the Province of Quebec has the right to have its own flag, which was voted upon unanimously by the Quebec Legislature and without any consideration of political affiliation.

Mr. Duplessis, the Premier at that time, met the Honourable Joseph Adelard Godbout, who was later a member of the Senate, and mentioned to him his proposal for a flag. What did Mr. Godbout say? Mr. Godbout, who was Leader of the Opposition, said: "That flag will be the provincial flag of the Province of Quebec. It will not be the flag of Duplessis. It will not be the flag of Godbout. It will be the flag of the Province of Quebec." Instead of playing politics with it, Mr. Duplessis moved his proposal for a flag, and it was seconded by Mr. Godbout, and adopted unanimously.

I have written in the local paper down home that Mr. Pearson, the Prime Minister of Canada, should follow the example of Mr. Duplessis, and that Mr. Diefenbaker should follow the example of Mr. Godbout. Mr. Pearson was ready to follow the example of Mr. Duplessis. He did so, and the resolution that is on the Order Paper is precisely what Mr. Duplessis moved in respect of the Quebec provincial flag. But, very unfortunately, the Right Honourable Leader of the Opposition in the other place thought it beneath his dignity to follow the example of Mr. Godbout.

I remember that in this very chamber one day I mentioned what Mr. Frost, the former Premier of Ontario, had said about the Red Ensign. It is fascinating to think that in the Province of Ontario the official flag was the Union Jack. Everybody knows it. But, after consideration, Mr. Frost decided to change it to the Red Ensign. What did Mr. Frost do finally? Mr. Frost said that the time was ripe to choose the maple leaf as the Canadian emblem on Canada's national flag. That was said by Mr. Frost, the former Premier of Ontario, and who could be more Conservative than the former Premier of Ontario, who was a good politician, and an able statesman. He was revered by our Conservative friends when he was Premier of Ontario, but now that he has left politics his opinion does not seem to count with them. Is it not most unfortunate?

But, there are reasons for hope. The tone of the debate here today, compared with what I heard yesterday in the House of Commons, is very different. It is not at all the same thing. Here there is more dignity. Sometimes some people who are misinformed make mistakes of fact and reasoning, but they should be forgiven. One who sincerely believes in the truth, and who knows the facts, must be intelligent enough to understand. I will not say any more about it.

This is the time for us to have a flag of our own. Canada is a great country. All the countries of Central Africa have flags of their own. I remember after Mr. Prudham, a former minister in the St. Laurent Government, went to one of the new African states, he told me that the first thing he saw was the raising of the flag. How can my honourable friends opposite be displeased about the move for a new flag when we think that in the West Indies Princess Margaret, the sister of the Queen, was present when the Union Jack was taken down? I do not remember it positively, but she may well have been the one who raised the flag of the new country. What about Prince Philip, the Consort of Her Majesty the Queen, who did likewise? Nobody was surprised. They recognized the fact that we live in an era of progress within a democracy. From the time that President Woodrow Wilson spoke of self-governing minorities, those people have had the right to be autonomous and to show their independence by flying a flag of their own.

Is not Canada at least the equal of the central, eastern and western African countries? Those countries have pride. They are a proud people. Their spokesmen are eloquent because they speak with their hearts; they are not afraid to behave like patriots. I have heard them at the United Nations in New York. I have heard the representatives of all the new African nations speaking beautifully. Those men were educated at the great French and English universities of Europe, and they were the best of all debaters at the United Nations. What struck me was their patriotism, but does patriotism become an empty word in the context of all that is said about internationalism and federalism?

If I have spoken as I have it is not because I am anti-British, but because I am pro-Canadian. I have great respect for Her Majesty the Queen, who is the symbol of authority, and the head of our Government in the widest possible sense.

I am from Rivière du Loup. I am from the Province of Quebec, but I am also a Canadian, and I am proud of it.

Now, honourable colleagues, what shall we do? How long will you prolong this discussion? What will you have to say about Quebec? What has the Laurendeau-Dunton Royal Commission to do with the Canadian flag? Was that royal commission set up to appease Quebec? Quebec does not have to be appeased, and I have said so many times. The question of the flag exists from the beginning, from a long time ago. If you go back to the volumes of *Hansard* of the 1920's, you will see that the first one who mentioned a Canadian flag at the House of Commons was Cameron McIntosh of The Battlefords, a member whose name should be remembered. What was the flag that he proposed? It was the Red Ensign. That was the beginning. He was a pioneer. His suggestion was the first one for a national flag.

Afterwards, there was an infinity of models of flags. There was the flag of the League, one red triangle, and one white triangle with a green maple leaf in between. I cannot see that any man with a head on his shoulders would propose such a flag. Another one which is proposed is a flag with three triangles. According to the science of heraldry, triangular flags are the flags of the illegitimate branch of the family. They were not proud to propose such flags.

I have written a series of articles in *La Presse* to the same effect as what my learned friend Senator Cameron has said, to tell the readers of *La Presse* what were the different flags of the world. There was the flag of Siam with an emblem on it—it was an elephant. Yet the members of the Opposition said in the House of Commons that no country had its emblem on its national flag. But you did not look at the *Encyclopaedia Britannica* which is here, and which I have also at home. My colleagues may not have looked at the pictures of flags that we find in every school dictionary, when half of the national flags of the world contain the emblems of their countries. I am not questioning the good faith of my colleague. A man of his importance has no excuse to make such a speech, even for the best possible motive. I have a right to disagree, and I do disagree with my friend. I may have disagreed with all my friends, but this time I know that what I am telling you, honourable senators—it is the sentiment of the immense maturity not only of the Province of Quebec but of the whole country.

When you speak of soldiers, we can speak of soldiers. We can speak of the Legion. Who is heading the Legion? It is mostly Imperials. I can speak of the Imperials, because I may be the only member who had the honour to receive a resolution of felicitation from the Imperials of the British Army in Toronto, when I spoke to the honorary colonels. The leaders of the Legion do not represent the sentiments of the members, of the rank and file of the army, navy and air force, any more than the leaders of labour unions represent the feelings of the members of their unions.

Hon. Mr. O'Leary (Antigonish-Guysborough): That is not correct.

Hon. Mr. Pouliot: What is not correct?

Hon. Mr. O'Leary (Antigonish-Guysborough): Your last statement.

Hon. Mr. Croll: Do not argue with him.

Hon. Mr. Pouliot: Senator Croll tells me not to argue. I will listen to him and he will be my adviser.

Hon. Mr. Brooks: He knows.

Hon. Mr. Pouliot: With the experience I have, I shall not discuss it here, but when you come to my office I will show you the files of murder by army doctors, and many others.

On motion of honourable Senator Irvine, debate adjourned.

BUSINESS OF THE SENATE

Hon. A. J. Brooks: May I ask the honourable Leader of the Government what he has in mind for the sittings of the Senate for the rest of the week?

Hon. Mr. Connolly (Ottawa West): First of all, I think everyone agrees that we have made a fine beginning on this debate this afternoon. I understand from members opposite that some of them are not prepared to continue the discussion this evening. In these circumstances, I think it appropriate that we should not sit this evening.

I think we should consider continuing the debate until a conclusion. I would hope that we would resume the debate tomorrow afternoon—Senator Irvine will open at that time —and we should plan, if we do not finish tomorrow afternoon, to sit in the evenings until a reasonable hour. I am not talking about a late, late session tomorrow. We can continue on Thursday. I do not know how long it is planned to continue the debate, but I do know that many senators desire to speak and it is not the intention of anybody on this side to restrict participation in the debate in any way.

Honourable senators, may I say that there appears to have been some misunderstanding last night. I hope that honourable senators will believe me when I say that when I gave notice of the motion which has been presented this

afternoon, I was trying—and perhaps this afternoon's debate proves I have succeeded—to suit the convenience of the Senate. I feel that when honourable senators are here they want to be active and do the work that is available before the Senate. We have been fortunate a few times on the dates upon which we have returned. I think we have been fortunate in being able to make full use of our time this afternoon.

I hope that what I have said satisfies the Leader of the Opposition. We do plan to continue the debate until a conclusion. I think honourable senators will agree that, without overtaxing anybody, we could sit in the afternoons and until a reasonable hour in the evenings until we conclude this debate.

Hon. Mr. Brooks: I wonder what is "a reasonable hour?" That is rather indefinite. Could the honourable Leader give us an idea of what he considers to be a reasonable hour? Would it be 10 o'clock?

Hon. Mr. Connolly (Ottawa West): It might very well be. The rules call for His Honour the Speaker to leave the Chair at 6 o'clock. He has but five more minutes before that happens this afternoon. Normally, under the rules, the Senate resumes at 7.30. I think that if we make the progress tomorrow that we have made today, by 10 o'clock tomorrow evening we might be close to the end of the discussion.

Hon. Mr. Brooks: Will we be discussing any business other than this motion?

Hon. Mr. Connolly (Ottawa West): I think it would be the wish of the Senate to conclude this debate first, and then we might deal with whatever other items we have on the Order Paper.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, December 16, 1964

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

Prayers.

PRIVATE BILL

BANK OF BRITISH COLUMBIA—REPORT OF COMMITTEE PRESENTED

Hon. T. D'Arcy Leonard, for Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the following report:

> The Standing Committee on Banking and Commerce to which was referred the Bill S-20, intituled: "An Act to incorporate Bank of British Columbia", has in obedience to the order of reference of June 9, 1964, examined the said bill and now reports that in the opinion of your committee the preamble to the said bill has not been proved for the following reasons:
>
> At the hearings before the committee, the Premier and other Ministers of the Government of the Province of British Columbia appeared in support of the bill and stated that, if the bill were passed, the government of that province would subscribe for up to 10 per cent of the shares to be issued by the bank; so far as your committee is aware, there is no precedent for the ownership by the government of a province of a substantial proportion of the shares of a chartered bank operating under the provisions of the Federal Bank Act; this could involve the effective control of a federal chartered bank by the government of a province, a situation which would raise important questions of public policy and of constitutional law; your committee is of the opinion that these are matters of general policy which should be determined by the Parliament of Canada in the forthcoming revision of the Bank Act, and that pending such determination this bill should not be proceeded with.

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

Hon. Mr. Leonard moved that the report be placed on the Orders of the Day for consideration at the next sitting of the Senate.

Motion agreed to.

CANADIAN BROADCASTING CORPORATION

PRONUNCIATION OF "NOEL" BY FRENCH ANNOUNCERS—INQUIRY ANSWERED

(Translation):

Hon. Jean-François Pouliot inquired of the Government pursuant to notice:

> When will the Board of Directors of the Canadian Broadcasting Corporation give instructions to the French speakers and commentators to follow the example of their English compatriots and pronounce correctly the word "Noël"?

Hon. John J. Connolly: The Canadian Broadcasting Corporation informed me that according to universal French rules, recognized by every phonetist, the letter "o" in Noël" is an open *o* as in expressions such as "col" or "poli". It is the pronunciation used by the announcers on the French networks of the C.B.C.

Hon. Mr. Pouliot: This is more than perfect.

(Text):

DIVORCE

RESOLUTIONS ADOPTED

The Senate proceeded to the consideration of Resolutions, numbered 616 to 653 inclusive, which were presented on Monday, December 14.

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved the adoption of the following resolutions:

Resolution 616, for the relief of Leonard Marchand, otherwise known as Leonard Mihalcean.

Resolution 617, for the relief of Marie Beatrice Denise Baillargeon Faucher.

Resolution 618, for the relief of Sato Jeannot Richard.

Resolution 619, for the relief of Miriam Dworkin Waddington.

Resolution 620, for the relief of Ian Park Grant-Whyte.

Resolution 621, for the relief of Marie Racine Lizotte.

Resolution 622, for the relief of Gerald Louis Demers.

Resolution 623, for the relief of Liliane Robillard Panichella.

Resolution 624, for the relief of Abbey (Abe) (Abba) Cohen.

Resolution 625, for the relief of Irene De Caen Turcotte.

Resolution 626, for the relief of Alfred Elliott.

Resolution 627, for the relief of Adrian Daniel McLeod.

Resolution 628, for the relief of Barbara Phyllis Lipchitz Leibovitch, otherwise known as Barbara Phyllis Lippman Leibovitch.

Resolution 629, for the relief of Annette Caroline Vachon Robinson.

Resolution 630, for the relief of Edward Joseph Morearity.

Resolution 631, for the relief of Eva Besser (Besszer) Hercz.

Resolution 632, for the relief of Reginald Allison Brewer.

Resolution 633, for the relief of Marjorie Anne Elaine Lovegrove Casey.

Resolution 634, for the relief of Joseph Ernest Leopold Fauteux.

Resolution 635, for the relief of Marc Andre Boisclair.

Resolution 636, for the relief of Barbara Ellen Barry Ferguson.

Resolution 637, for the relief of Margareta Cerncic Chapman.

Resolution 638, for the relief of Irene Lorraine McIntosh Galletti.

Resolution 639, for the relief of Helga Elfriede Muenster Daubert.

Resolution 640, for the relief of Julienne Stalgis Astravas.

Resolution 641, for the relief of Florence Margaret Clarke Kiernan.

Resolution 642, for the relief of Come Richer.

Resolution 643, for the relief of Jeannine Papineau Hebert.

Resolution 644, for the relief of Marie Jacqueline Pierrette Corriveau Hartstock.

Resolution 645, for the relief of Leo Desjardins.

Resolution 646, for the relief of Barbara Ruth Neale Mann.

Resolution 647, for the relief of Victor Maucotel.

Resolution 648, for the relief of Adeline James McKay.

Resolution 649, for the relief of Leona Lemay Therien.

Resolution 650, for the relief of Alfred Laporte.

Resolution 651, for the relief of Rita Pearl Enright Ward.

Resolution 652, for the relief of Merle Newman Silverberg.

Resolution 653, for the relief of June Arnold Stevenson.

Resolutions adopted, on division.

CANADIAN FLAG

MOTION FOR DESIGNATION OF NATIONAL EMBLEM—DEBATE CONTINUED

The Senate resumed from yesterday the adjourned debate on the motion of honourable Senator O'Leary (Carleton), in amendment to the motion of the honourable Senator Connolly (Ottawa West):

> That this house do recommend to the Government that such steps as may be necessary be taken to have designated as the National Flag of Canada a red flag of the proportions two by length and one by width, containing in its centre a white square, the width of the flag, bearing a single red maple leaf, or in heraldic terms, described as *gules on a Canadian pale argent a maple leaf of the first.*

Hon. Olive L. Irvine: Honourable senators, on Friday afternoon, December 11 last, the President of the Privy Council in the other place made a statement of the Government's intention to invoke closure to terminate the flag debate.

This debate has been long, but one can be assured that as a result the people of Canada will have a better knowledge of our history, our traditions, and the meaning of national emblems than they ever had before.

As a student and a teacher in my native Province of Manitoba, it was never necessary in our educational system to deal with this particular problem. I can recollect no mention being made of Canada's flag specifically. We were taught to respect the Red Ensign and the Union Jack, and the peoples from every country who settled in our midst were eager and happy to stand by all that we held dear.

Well I remember my first little country school situated out on the prairie, where children of many lands assembled to receive their education. We were a happy, carefree group. There, each school day, we took turns in raising our flag in the morning, and lowered and folded it carefully just before dismissal time. This short but impressive ceremony remains to this day in the minds of every pupil who attended that little school. We were taught that the British and French came here because of the freedom that could be found in this country. They founded a country that was the first in any part of what is the Commonwealth today to have religious freedom, the first in which slavery was abolished, and the first in which representative government was developed. These are the traditions we have been raised under and which represent clearly to us the fact that we are an independent country.

Sometimes I fear Canadians overlook the fact that Canada is composed of more than the two central provinces, Ontario and Quebec. Do we realize that Cabot came to Newfoundland in 1497, and that in 1583 that island was annexed by Sir Humphrey Gilbert? Newfoundland has had a flag from those early years, the Union Jack. Nearly 400 years have elapsed, and they still look with pride on their flag. Nova Scotia too has its flag, granted by Royal Charter in 1621.

Let us look at the history of Manitoba. In 1610 Henry Hudson sailed into Hudson Bay and touched what are now the shores of Manitoba. During the next few years Captains Gibbons and Baffin sailed into Hudson Bay and again touched these shores. In 1668 the ship *Nonsuch* carried back to England a valuable cargo of furs. The result of these journeys was that in 1670 the Hudson's Bay Company was formed and immediately sent two more vessels into that same territory. On September 1, 1670, Governor Bailey formally took possession of this territory and the surrounding area for the company, under the protection of Great Britain. And what flag was raised?—the Union Jack. However, to keep the record straight, I would like to say that for a brief period of 15 years, from 1697 to 1713, the French controlled Hudson Bay, but by the treaty of Utrecht it came back under British control. Thus, the Province of Manitoba can claim a far longer association with the Union Jack than any other province in Canada, with the sole exception of Newfoundland—over 350 years, to be exact.

With this brief review, is it not a strange coincidence that it was in our City of Winnipeg that the Prime Minister of Canada in May of this year saw fit to present his proposal for a distinctive flag at a meeting of the Royal Canadian Legion, on a Sunday, during a deeply impressive memorial service honouring the 100,000 comrades who lie silent in lonely graves around the world? Personally, I feel this was a serious error on the part of our Prime Minister, and great were and will be the repercussions of the timing of his initial speech.

Throughout this debate much has been said and written, but in speaking on it I feel that I must express my own personal feelings. Judging from the correspondence I have received and what I have read, I am sure that my opinion is shared by many thousands, yes, may I say millions, of my fellow Canadians.

When this controversial issue was first raised I cannot understand why a joint committee of both Houses of Parliament, embracing all political parties, was not set up, as was done in 1946 when there was a recommendation that the Red Ensign should be our flag with but one change, that the coat of arms should be removed and a maple leaf substituted. I am firmly convinced that a joint committee, meeting in calmness and with no political bias, and with no time limit, could have brought in a recommendation acceptable to all. However, this was not done.

It is my hope that the symbol of the Union Jack in the Red Ensign, and the fleur-de-lis, will be maintained in any flag which may be suggested or approved in this country in the future. I feel that once a new flag is raised on the Peace Tower, we will find that many of these things which have gone into our national structure and character during the past century of fairly spectacular progress will be weakened or abolished. Let us not then forget the symbols held so dear by our two founding peoples.

Secondly, I feel strongly that the Prime Minister should have welcomed the suggestion of a plebiscite as a fair means of solving a very difficult problem. There should have been a nonpartisan approach to this matter and it should never at any time have been relegated into the arena of political partisanship. It is true that a government is elected by the people to change old policies or to make new ones. Such questions as the Canada pension plan, income tax rates, agricultural policies, and hundreds of other pieces of legislation are most certainly the responsibility of any government, but the changing of Canada's flag cannot possibly be dealt with in the same general business procedure of our country.

The Conservative party, all through this debate has taken the stand that, after all, it is the people of Canada who are going to live under this flag, so why should they not be given an opportunity of expressing their preference as to the nature and design of their flag. With this view I concur.

It would not be necessary to hold a special election to settle this question. There is absolutely no reason for haste. It could be held in conjunction with the next election, whenever that takes place. A ballot could be submitted to the electorate, illustrated in colour, with the flag committee's choice of five designs, one of which could be marked with an "X" to show the voter's preference. The votes would be counted, not by provinces, but by a central committee, so that there would be no indication as to how any one province voted. By following such a procedure, all would be satisfied that as citizens of this great country they were given the opportunity of voicing their opinion as to what the new national flag should be.

This sums up briefly my feeling regarding the flag issue. I sincerely hope, honourable senators, that when the members of this house decide to have a change of flag it will be done

with a clear conscience. I want it to be done on principle. But whether the Red Ensign is ratified or not, or whether a new distinctive flag is decided upon, I pledge myself to serve that flag in the same way that I have tried to serve the Red Ensign which means so much to me.

I shall support the amendment.

Hon. David A. Croll: Honourable senators, I am glad of the opportunity to speak in support of this motion. As a new Canadian I welcome the new Canadian flag. In saying that I should like to make it clear that I mean no slight or disrespect to either the Union Jack or the Red Ensign. These are two old and hallowed flags of respected lineage, and I, like many Canadians of my generation, served under both of them and am proud of both of them.

I recall an occasion in November 1945 when late one evening I was sitting in the other place minding my own business, while the Opposition was discussing the flag and giving the Government of the day under Mr. Mackenzie King a rather bad time. Ian Mackenzie, then leader of the house, walked over and handed me two sheets of paper and said, "Get out there and pitch." Those are not the words he used, but I got the idea just the same. On that occasion I placed on the record of the other place a statement on the flag, made by the Prime Minister, on May 24, 1945, in Winnipeg, in which he said that at the first session of the next Parliament he would ask Parliament to approve and authorize a distinctive Canadian flag.

The election was held on June 11 of that year, and Mr. Mackenzie King's Government was re-elected. Later on, in a speech in the other place, I quoted from the Speech from the Throne of September 6, 1945, in these words:

> You will be asked to appoint a select committee of members of both Houses of Parliament to consider a suitable design for a Canadian flag.

I then went on with my speech, which was a rather emotional one, in which I supported the "Red Duster", and said that I wanted it incorporated in whatever flag would be decided upon. I used these words:

> I should like to say that I belong to the "Red Duster" school because the Union Jack has peculiar and important significance to me. I want to preserve it. I want to incorporate it in whatever flag we have.

And then I went on to talk about my comrades overseas.

In April of the next year, or about that time, when we were dealing with the citizenship bill, I took the occasion again to talk about citizenship, symbols and the flag, and I said this:

> Maybe we shall have the old Red Ensign; maybe we shall have a crest with the maple leaf.

I was developing like the rest of the Canadians, because here today I stand in support of the maple leaf. There you have the evolution of a politician. I think I am as typical a Canadian as is anyone, and I was trying to keep up with the thinking in the country.

Senator Irvine said that she has received representations from which she has reached a conclusion as to what is the attitude towards a distinctive flag. Throughout this long debate I have kept my ear to the ground and have tried to find out what others were thinking. Perhaps I can speak about it in this way.

All of us know what a Gallup Poll is. Most of us know what a Telepoll is. The purpose of these polls is to assess public reaction to public questions and issues. I took what I might well call a "Croll" poll, which is an assessment of public reaction to the maple leaf flag. It is my view that the flag has caught the imagination and enthusiasm of those of 18 years of age and under. As far as they are concerned there is total acceptance —the reluctance to accept it is infinitesimally small. When you get to those in the age group of 18 to 45 there was some hesitation at the beginning, but they accept the flag by as large a majority as almost 75 per cent.

Those persons between the ages of 45 and 70 grow more cautious and their acceptance, I do not think, is over 60 per cent. Of those over 70 years of age, some were reluctant to change but more than 50 per cent of them accepted. From all I can gather, the score is heavily in favour of the proposed flag, and the young people of this country are delighted with it.

Honourable senators, we have to accept the truth of the old Roman maxim "Times change and we must change with them." We of Canada, and our fathers before us have come from many lands to help build this country. We left behind—and I say this as much of the English and of the French as of any other element of the population—we left behind many things that we and our fathers held dear.

It is well to remind the house and the nation in general that we have not come in the main from some dark European morass where learning and culture never flowered. It was not ignorance that led us to reject our homes and our friends and the countries of

our birth, to choose Canada. We or our fathers were actuated by the same impulses which one or two or three centuries earlier had led the forebears of the honourable members, whether they spoke English or French, to make this same venturesome, sometimes desperate, move from an old world to a new. So we made our choice, gambled our lives and those of our families, and by and large we won. Not without pain were the deep-grown roots of generations wrenched from the familiar soil, but mercifully soon we found new roots were taking hold in new, far more nourishing clay than we had ever known. We settled into the new scene as gradually the old one faded.

This was Canada for us. This is in the background of every Canadian. What we left behind and what we brought to this country were the customs, manners, anthems, languages, and not the least of all, flags.

For some Canadians, history takes them back to the fleur-de-lis or to the Union Jack; for others, it is some less familiar banner but nonetheless dear to them for all that. These old attachments are slow to die in a new country, and perhaps this is as it should be. It has often been said that Canada is not a melting pot like the United States. Someone has coined the word "mosaic" to describe the fabric of our society. The fact seems to be that, for better or for worse, Canadians do not melt. It is my firm belief and hope, however, that we can and do unite. This, to my way of thinking, is a much more fruitful and rewarding concept than a melting pot or even a mosaic.

I like to think that Canada represents a union of diverse people, much of whose innate strength comes from the very fact that they have not forgotten their diverse past. But I think that which is important about this flag debate which we are experiencing now is that it should be directed not to the past but to the future.

Honourable Senator O'Leary (Carleton) made a fine contribution to the debate, at a very high level. It was the eloquence of O'Leary; it was O'Leary at his best.

Hon. Mr. Connolly (Ottawa West): Hear, hear.

Hon. Mr. Croll: It was a delight to listen to him and hard to disagree with him, but I was able to do so.

Hon. Mr. McCutcheon: You made it.

Hon. Mr. Croll: Yes, I made it. When I found out that he was going to move the amendment, I hoped that it would be imaginative, that it would be new and startling. When I saw it, I was rather surprised, for I found it not only innocuous but ineffective and, in the circumstances, I felt it was meaningless Here he was, by means of the amendment, tenaciously grasping for yesterday, and through his own will he was immutably stuck with yesterday's mistakes.

What does Senator O'Leary want by the amendment? He wants more time. Time for what? Time is the thing we have the least of. So far as I am concerned, time is running out. After 97 years, I want the flag now, and I cannot wait. So far as I am concerned, the amendment holds out no hope for any solution.

Honourable senators, we must remember that, within our lifetime—indeed, within the last 20 years—the substance of Canada has been changing, perhaps more rapidly than at any other time in our history. Many of the old ways and the old outlooks no longer are appropriate. If the winds of change have been blowing over the great African continent for years, can anyone say that any country, including Canada, has not felt them? Perhaps we are a little too close to the forest to see anything but the trees; but change there is in this country of ours, and more change lies in store than most of us could have imagined 20 years ago.

I am not one given to predictions or to prophecy, but I venture to say that before another 20 years have passed there will be profound changes in some of the most significant aspects of Canadian life.

Does anyone think that even the Constitution of Canada will not undergo major changes within the next decade? Does anyone think that the great debate which is going on in Canada today will not produce far-reaching changes in our social and educational structure? Does anyone think that Canada can just "stand pat" in the world of today?

Honourable senators, I do not wish to stray from the theme of the debate, but we must view the question of a national flag for this country in its true perspective. Like everything else, the symbols of Canada are changing too.

I well remember the school reader we used, when I was a small boy in Windsor. The frontispiece was a stirring composite of a battleship at sea, surmounted by the Union Jack and the Sovereign, and under it was the caption "One flag, one fleet, one throne". That motto is no longer valid. The old Empire has changed beyond recognition. The colonies have become nations in their own right. They have their own flags and their own fleets, and if they have not their own thrones, they do not seem to have any trouble in finding their own presidents.

Hon. Mr. McCutcheon: Are you recommending that?

Hon. Mr. Croll: I am not recommending anything: I am talking about an accomplished fact. I am not taking issue with this process. It has happened in our lifetime and, let us face it, the end is not yet in sight. But, strangely enough, Canada, which was the first of all the old colonies to proclaim herself a nation, has been one of the slowest to impress both herself and the rest of the world with a sense of her national identity.

I am not proposing to psychoanalyze Canada at this stage, even if I had the professional qualifications to do so, but I do ask this in all seriousness: Is it not time that we stopped living in the past, all of us, and grew up as a nation? We have all heard *ad nauseam* Kipling's old line:

> Daughter am I in my mother's house
> but mistress in my own.

No doubt Kipling meant to flatter Canada when he wrote that poem, but as far as I am concerned it set back Canadian-British relations by 50 years. I think we have not yet managed to escape from that mother-daughter complex.

Honourable senators, is it not high time, in this year of grace 1964, that we stopped thinking about mothers and daughters and stood on our own two feet? Is it not time we grew up? Is it not time we made an end to old scores? Is it not time that we stopped living in the past? These are rhetorical questions, I grant you, and I suggest to you as strongly as I can that the answer to every one of them is "yes."

Those of us who came to Canada, or whose fathers came to Canada, did so, in the main by choice. Like our fathers, we put behind us the old connections, with the intention of building something new. That, I suggest, should be the aim of all Canadians today. I say that, not because of any hostility to the past; we are proud of our past. We new Canadians and sons of new Canadians have a love for British traditions, which is deep in the marrow of our bones. We are not purporting to be anything that we are not. But we ask ourselves: How far have we gone towards becoming a nation—towards offering a symbol to which we can attach ourselves?

There are those who have been inclined to scoff at the forthright American expression at the reverence of the flag. We have no flag of our own to salute. We have not shouted proudly from the housetop the proclamation that we are Canadians, a nation as distinctive as any that ever came down the pike of history, an up-and-coming nation. We have not realized our own greatness. We travel in the strange conflicting shadow cast by our mother, and by our neighbour, and somehow we still refuse to come out into the warm sun of the world's acclaim.

But, like it or not, we in Canada are taking on a new identity. We are heading towards a new unity, and I make bold to suggest that one of the most appropriate manifestations of this process would be a new national symbol —a new flag.

The honourable gentlemen in the other place have laboured long and waxed eloquent for many days and nights. I do not propose that we emulate them, but I do think that the final product of their midnight oil is well deserving of our consideration and approval.

As for the aesthetics of the new flag, well, I leave that to every man's own conscience. Taste is a highly personal matter about which, according to the old saying, we ought not to argue.

I do think that the single maple leaf presents an image of dignified simplicity, which one would have to go far to improve upon. Let botanist and heraldic schools make of it what they will. I like it. I like it because it shows the world a new and yet a well-known image of a nation, which is perhaps not as well known as she deserves to be. I like it because in every civilized country on the face of the earth the maple leaf is instantly recognized as the symbol of Canada. I like it because it is mine, my very own, and there is nothing else like it in the world. Could one say that of any other single emblem?

But more than the image which we as a nation may present to the world, I am concerned with the image which we present to ourselves. I have called for an end to old feuds and differences, and it is high time that such a call were heeded. We may look down our noses at other countries, but the fact remains that we have had more than our own share of "isms"—nationalism, sectionalism, separatism, to name three of them—and the end is not yet in sight.

I see the maple leaf flag as a symbol around which all men of good will can rally, as a symbol of new and badly-needed unity, as a symbol of a more worth-while future for all Canadians. The only "ism" that I will tolerate is Canadianism. I see the new flag as a living symbol of all that can be strong and fruitful in this nation.

Yet, I am well aware that a piece of bunting will not make a nation any more than going to school will make an educated man. The sense of identity that makes up a nation comes from within men's hearts. In formulating such a sense of identity can we deny the value and effect of symbols? They may not be the *sine qua non*, but they are a powerful aid and agent.

The maple leaf, honoured in song and history, is just such a symbol as can lift men's hearts above the humdrum and mundane.

Surely we have had enough of other people's flags, emblems and anthems. Will we ever live to see the day when Canada will not look carefully to London or Washington, or both, before committing herself to any course of action? It took us some 90 years or more to institute our final Court of Appeal. We are now ending our 97th year as a nation, and we have still not repatriated our Constitution. Surely it should not take any more time to decide on a national flag. In the eyes of the world we have grown up, and it is time we began to act it.

In closing, may I commend to honourable senators this maple leaf flag, which is before us, in its simplicity, its freedom from old associations and its appeal to national unity. I stand convinced that it augurs well for Canada's future.

Hon. Joseph A. Sullivan: Honourable senators, seven years ago I had the privilege of making my first speech in the Senate. On that particular occasion I was followed by the honourable senator who just concluded his speech (Hon. Mr. Croll). He differed from me vigorously at that time, but I do not know that I shall differ from him as vigorously today. The subject under discussion at that time was state medicine, a subject which I am sure is going to arise in the future. When it does arise on the next occasion, I sincerely trust that he will be following me.

I consider it my duty to participate in this debate. That this is an emotional issue, goes without saying. I regret that the honourable Senator Cameron is not in his seat this afternoon. He stated that he would like the Canadian people to be a little more emotional. Well, could you witness any more emotion than you saw yesterday, in the speeches of the honourable Senator Grattan O'Leary, the honourable Senator Pouliot, and in the speech today of the honourable Senator Croll, who has preceded me?

There are two definitions of an emotion, the first being an excitement of the mind, and the second, a medical definition, an uncontrolled tendency to troubled feelings. I am quite sure we do not want the latter type of emotion in Canada. To be a good athlete, you have got to be emotional. To be a good surgeon, or a good lawyer, you have got to be emotional. Whether to be a good university professor you have to be emotional, I do not know.

I have three Christian names, Joseph Taylor Albert. I was given the last name in honour of the Prince Consort, Queen Victoria's husband, by my parents. They also taught me to "fear God and honour the King." In my home, from the time I was an infant and until the present day, there has been a statue of Queen Victoria, and following her, King Edward VII.

Senator O'Leary (Carleton) took the words out of the brief remarks which I am making today, when he expressed how we of Irish blood can plead our cause—as he did, in such a reasoned and sincere manner.

I have been a teacher, a professor, and a marker of papers, for over 25 years, and I also know students fairly well. I give Senator O'Leary full marks, not only for his eloquence, but his unsurpassed literary expression and logic, so vividly demonstrated in his memorable speech in this house yesterday.

If there are two institutions in the world today which demand one's respect and loyalty, they are the Monarchy, under which we are fortunate to serve and live, and, secondly, with all humility, the great Church to which I belong. Those two institutions believe in the dignity of man, in the loyalties, and in a Christian family way of life.

A nation which denies its past has no future. I say to the Prime Minister of this country, let the people speak on this matter and settle it once and for all. Take the question out of politics and put it into the realm of the heart and soul of Canada, where it belongs. When the people of Canada themselves have spoken, I for one will be willing to abide by that decision.

Make no mistake about it, there are extremely important principles involved in this question. It is not merely a matter of whose piece of bunting has the most eye appeal. The flag question is symbolic of several more vastly important ones to this country. Among them is this: Has this flag question become a divisive action for a party in the other place to stand against a proposal which a government advances when that proposal does not represent the views of millions of Canadians? Shall we, in common with the eagerly emerging nations, turn in some strange shame from our great heritage and past, or shall we use them as a proud and solid foundation upon which to build our future?

To my Catholic French-speaking colleagues of Quebec, let me say this: In my student days one of the greatest friends I ever had was the late Dave Trottier, a student of St. Michael's College, Toronto, and a member of the great University of Toronto Olympic Hockey Team of 1928. I was proud of his friendship and he was proud of mine. I can count among my French-Canadian friends some of my closest associations throughout life.

The Queen is the symbol of our free association with the Commonwealth—God forbid

that this symbol should ever change—a vast community comprising peoples of very different characters and whose bonds are very liberal. The 1864 conferences that preceded Confederation were convoked by the various sections of British North America to discuss their common interests. At that time the London Government just ignored this project. It can even be said that for the first time in recorded history colonies gave themselves their own constitution.

So in 1964 the Queen came to commemorate the wholly Canadian project. As for the British Crown, after 1760 it has in a way been a traditional ally of the French-Canadians seeking to ensure their survival. This it did for its own interests so that French-Canadians would contribute to the stability of the country and to the maintenance of its own identity, which they have done in a supreme and elegant manner. Away with the bigots—that day has passed. So it was that 55 years before the Catholics of Britain obtained their religious freedom, the French-Canadians gained theirs, as was so well expressed by Senator Grattan O'Leary. The Act of Quebec (1774), which remains the great Bill of Rights of the French-Canadian nationality, had brought about some resentment amongst the English-speaking Canadians towards London, and in London itself it was with shouts of "No Popery!" that many people protested this bill. Nevertheless, George III ratified the bill. He even declared in his Speech of Prorogation that this measure was founded on the most manifest principles of justice and humanity.

Let me recall to your memory that an Order in Council of 1945 did not officially proclaim the Red Ensign as Canada's national flag. It did, however, provide for all the official occasions on which this flag would be flown as Canada's national flag. It just happens, of course, that all such official occasions include every conceivable time that a country would fly its flag. On this basis, there can be no question that the flag is flown as such on our embassies abroad and on international occasions when Canada is represented, such as the Olympic Games, which the Leader of the Government mentioned in his speech yesterday, where I was proud to carry that flag in 1928. How intensely proud I was of being a Canadian and carrying the Red Ensign in the Olympic parade, and on my playing sweater an Olympic crest with the maple leaf.

As to the great and beloved Province of Quebec, on official occasions they have accepted the Red Ensign, and whatever flag is adopted now I hope it will be widely accepted in spite of the fact that in that province they have developed their own emblem, the armorial bearings of which consist of a crown atop a three-part shield containing three fleurs-de-lis, a lion rampant, and a sprig of three green maple leaves. This is widely flown in Quebec, and rightly so; but I pray and I ask that we remain one Canada under the Crown, mutually respecting and believing in one another, for the common good of our great and young nation. Having said that, allow me to proceed.

This legislation far transcends political parties and politicians. There must be no partisanship in this issue. I would be losing faith with those of my friends, deceased and otherwise, and my family, if I were not to stand up here today and express myself. I had two brothers serve in the First World War. I was too young, but I was asked to become the chief consultant in my specialty to the Royal Canadian Air Force during the Second World War. I accepted that responsibility and duty gladly, and, again, how proud I was I had been asked to do so. I had the great privilege of serving under the then Minister of Air, Senator Power, who sits in this house today. There was not an airman or officer who would not have stood on his head for him.

Hon. Senators: Hear, hear.

Hon. Mr. Sullivan: As for this flag, surely there is some record of the dedication of this handsome flag under which the finest, bravest of our men have served in three wars? Who can be so ill-informed as to imagine that it is the Merchant Service Ensign when it carries the Coat of Arms of Canada on the fly? Why change it? Who in this still young and dependent country hates Great Britain so much that we must discard the Union Jack which, on a white background, stood alone between us and the invasion in two wars? I repeat, a nation which denies this past has no future. I want a flag just as much as anybody else in this chamber and country, but it must be symbolic and not an arbitrary one, not a piece of bunting, but one which depicts the two founding races of this nation and its other assimilated peoples. What nation worthy of its name flies two flags at its masthead?

I am critical of those who bow to the raucous cries of students who have never known adversity or war, but only soft living today in the universities. I know whereof I speak and I could enlarge on that greatly, but I do not wish to do so. They know only ease and prosperity, and fail to realize that freedom and prosperity were due to those who have gone before and now lie in the cemeteries in Europe and Hong Kong.

This flag issue should never have been brought into Parliament at this time. There is

no reason in the world why, in the middle of a legislative program, which has been outlined to us, the Prime Minister should throw in this flag issue without any authority or mandate. Having made this an issue, when we asked that the Canadian people be given a chance to express an opinion, that request was not granted. Regardless of the merits of a referendum, as has been so well emphasized elsewhere on other occasions, no one can tell me that if the Canadian people are consulted and allowed to make a decision on an issue of this kind, it is going to disrupt national unity. Certainly a decision made by a group of men sitting on the treasury benches, accepted by the majority of a house of minorities, is not the way to achieve national unity. One does not achieve national unity by forcing something such as a flag on the Canadian public. These are harsh words, honourable senators, and it is the first time you have heard me express them in this house, but I speak from my heart. I despise partisan politics, I have no use for it, and particularly with an issue such as this, which affects so many families and their loved ones. It should be above the rancour of political partisanship.

All legislation is founded upon the principle of mutual concession. Let him who elevates himself above humanity, above its weaknesses, its infirmities, its wants, its necessities, say, if he pleases, "I will never compromise," but let no one who is not above the frailties of our common nature disdain compromise.

I wonder how many of you read the enlightening article by Bruce West entitled "The Tale of Two Cities," in which he described the scene of the downfall of Nikita Krushchev and the birthday celebration of the greatest statesman of the twentieth century, Sir Winston Churchill. In his concluding remarks he stated:

> Here, then on this Sunday evening, was a tale of two cities and two men and two ways of life. Each tale was interesting enough in itself, but side by side they contained a profound moral that we might well remember in a day when old values are being weighed and old standards so severely questioned.

In closing, honourable senators, I wish to quote from a poem by a friend of mine, a squadron leader in the Royal Canadian Air Force, who was killed at Singapore:

> So long, my Canada! You may not hear again
> From one to whom your very name is dear...
> And so this message I must send you ere
> The yellow tide of death that creeps so near
> Flows over yet another of your sons
> Whose priceless freedom is your greatest dower...
> To help preserve this birthright for mankind,
> I dedicate my life to its last hour...
> I go to join my comrades of Dunkirk,
> Narvik, Tobruk, Hong Kong, and many more
> Whose names in tears are written on your heart
> From sunlit West to grey Atlantic shore...
> Gladly give I, as they have given, all
> One man can give to pay the debt I owe
> To you, my Canada, who, freedom-blest,
> This blessing on your children still bestow...
> The sands are running out... the yellow pack
> In full and snarling cry is closing in!...
> So little time is left in which to play
> My humble part... but, if my death should win
> One single foothold for the steps of those,
> My brother, who—to save your freedom dear—
> Must follow me, with gladness I shall go
> To meet my Maker... and without a fear.

At least I can speak today for him and others like him.

My epitaph to him—

> He died, this son of Canada, for you, and me
> To help preserve your towns from raining hell—
> Your wives from rape—your daughters from the lust
> Of beasts—your shores from shot and shell...
> He died for lack of guns—of tanks—of planes—
> Of ships—of all that wins in modern war...
> All he had left was courage!

To all my honourable colleagues in this revered and venerable chamber, I say let this Senate, this most essential branch of Parliament, rise in all its majesty and glory and give this legislation a sober second thought. Let Canada speak, let the whole of Canadians speak and I, for one, and I am sure the vast majority, when that verdict is rendered, will accept it in the full and loyally follow. Therefore, in this vein of thought and my own heartfelt reasoning, I support the amendment to the resolution and I thank you for listening to me.

Hon. Harry A. Willis: Honourable senators, it is with a great deal of pleasure I rise to speak today. I congratulate the honourable Senator Connolly (Ottawa West) on his lucid introduction of this legislation. He did it in a very fair, nonpartisan manner, and as always he did it very well. I also congratulate my colleague the honourable Senator O'Leary (Carleton). I do not think I have ever listened to a greater oration than that which he delivered yesterday.

I also congratulate the others who have spoken in this debate. However, might I remind Senator Croll that he was sworn in as a minister of the Ontario Government in 1934 under the Red Ensign. Whatever he may say now, he must remember that. I knew, of course, that my colleague, the revered surgeon Senator Joseph Sullivan was a great hockey player, having played goal for the Varsity Grads in the Olympics of 1928. He is running close to Senator O'Leary as an orator. In listening to him speak I could only wish that I had more Irish blood in me than I have.

Hon. Mr. Flynn: Who wouldn't?

Hon. Mr. Willis: I want to make it clear that we on this side of the house are not filibustering; we are speaking on our own. We have had that privilege conferred on us by our leader, Senator Brooks. We can say whatever we like, and, as I have said, we have no organized filibuster. But, as a senator appointed to this chamber, I feel I have the right to express my view.

Some Hon. Senators: Hear, hear.

Hon. Mr. Willis: I hold in my hand a copy of the Speech from the Throne delivered on February 18, 1964. Is there any mention in that of the flag? No, not one word of it. The word "flag" does not appear.

Now I want to ask the Leader of the Government and honourable senators opposite, why the urgency at this time since it was not mentioned in the Speech from the Throne?

May I remind my honourable friends opposite that at Easter 1964 the Prime Minister of this country made a speech in which he said there are certain priorities in legislation that have to be put through. Was the flag among them? No, it was not. He never thought of it at that time, apparently. The chronicle of the flag is this, and I quote from the Ottawa *Gazette* of December 15, 1964.

Hon. Mr. Connolly (Ottawa West): I think the honourable senator has reference to the Montreal *Gazette*.

Hon. Mr. Willis: Probably it is. At any rate it is not friendly to our party or to this side of the house. It says:

> May 14: Prime Minister Pearson tells a few reporters at confidential briefing that new flag legislation will be introduced in Parliament shortly, says Government will stand or fall on the issue.

Did my honourable friend know about that at that time? Did my honourable friend or the honourable Senator Macdonald (Brantford), who was leader of the house at that time and a cabinet minister, know about that flag? Had he ever seen it, or had any of the honourable senators opposite ever seen it?

What right has one man to stand up and say he is going to introduce a flag, and later show it to reporters, and still later show it to the cabinet and take it to Winnipeg? We of my party are not opposed to a distinctive Canadian flag. We have welcomed it in our resolutions at conventions and at annual meetings. We want a distinctive flag, but we think its selection should be approached in a very careful, considerate and sober way. We do not think it should be introduced by one person, no matter how nice a man he may be, and no matter if he is Prime Minister of Canada.

I think the original design should have been submitted to a joint committee of the Commons and the Senate. Why did they not adopt the course adopted by the Right Honourable Mackenzie King in 1945 and 1946?

What is a flag? A flag embodies the heart and soul of a people. Surely in a period of six or eight months one cannot hope to reach agreement on what the design of a flag should be. As I have said, we of this party would like to see a distinctive flag, but we would also like to see thereon some of the traditions and heraldry of the past. I think we are entitled to that.

I cannot forgive the present Government for having a committee on this flag without having this chamber represented on it. The Parliament of Canada consists of the reigning Sovereign, the House of Commons and the Senate, and I think this chamber was shamefully ignored in that committee. I take the Government to task for that. I ask each honourable senator on the Government side whether they ever saw the design first produced by the Prime Minister to his cabinet. I venture to say that many of them wish they could answer the question as to when they first saw it.

A flag must not be the imagination of one man; it should be considered by a committee of all parties in both the Commons and the Senate. But we were completely ignored.

In 1945 the late revered and great Prime Minister of this country, Mackenzie King, called a committee of both houses under the chairmanship of Walter Harris, who was later the Minister of Finance and house leader, to

consider this matter. He reported that the committee could not agree. Later, in 1946, another committee of both houses was set up to propose a flag, and its report received the approval of a majority of the committee. I think the voting was 23 to 1. Yet, Mr. Mackenzie King at that time refused to accept that committee's proposal. Later they brought in a report recommending the Red Ensign with other amendments, to which Senator Irvine referred in her splendid speech.

Why did Mr. Mackenzie King in that day and age, as Prime Minister of Canada, take that attitude? Why should we today accept a flag that is thrust upon us by the Prime Minister of Canada without the consultation of this house? This is why I agree wholeheartedly with Senator Grattan O'Leary's amendment.

All honourable senators have seen the postcards that are on sale at hotels and bookstores. One carries a picture of a standing boy, saying: "This is my flag." When you open the flap you read inside: "Colour it yourself." It reminds me of the truth squad and the colouring books that were so prevalent during the last election campaign.

I say to honourable members of the Senate that we are here to take a second look at legislation, and I do not think that we should subject this flag to the ridicule that it is being subjected to across the country.

Honourable senators, I do not want to delay you long, but I do say that this flag, in my opinion, smacks too much of Madison Avenue advertising. It does not have on it any symbols whatsoever of our past. We are not saying that we should have the Red Ensign. Nobody on this side of the house has ever said that. We are entitled to have our opinions of a flag. What we want is a distinctive Canadian flag which has on it some of the tradition and heritage of the past of this country. We are entitled to that.

As you know, there were some 2,000-odd flag designs submitted in 1945, and to the Committee of the House of Commons that was appointed this year there were almost as many submitted. When you have as many designs as that submitted to a committee for consideration, why should our new Canadian flag be rushed through in such a short period of time?

I say that we as a nation should grow up. Our hundredth anniversary is not until July 1, 1967. In the time from now until then why should we not give careful consideration to our flag? Some people have advocated that there be a plebiscite. Perhaps that is wrong—I do not know—but I do object to the way in which this business of the flag has been handled. I object to the fact that one man brought in a flag design. I know it is not the one that is before us now, because it was changed by the committee of the House of Commons, but that is where it originated. That is wrong. I say that a committee representing all the people of Canada—representing the House of Commons, the Senate and the ethnic races—should have been called together and told to produce a distinctive flag by 1967.

Honourable senators on the Government side think that we are all in favour of the Red Ensign, or that we oppose a distinctive Canadian flag. That is absolutely wrong. We on this side of the house want just as much as they do a distinctive Canadian flag, but I, for one, am opposed to the design that is submitted to us and which we are asked to approve. Perhaps we should have a referendum. I want something that is distinctive for Canada but which also represents the great traditions of our past and of what we owe to our forefathers.

I was very surprised to hear Senator Croll criticize Rudyard Kipling. I think Rudyard Kipling was one of the greatest poets this world has ever known. He spoke not only for England and the colonies but for the Commonwealth and for Canada. When Senator Croll says his poetry puts us back 50 years, he is speaking utter nonsense.

Honourable senators, I am making a plea for your support of the amendment moved by Senator Grattan O'Leary. I think that amendment is a sensible one at this time. I want each honourable senator to rise in his or her place and state when he or she first saw the new flag that the Prime Minister produced.

Hon. Mr. Smith (Queens-Shelburne): Do you want to swear us in first?

(Translation):

Hon. L. M. Gouin: Honourable senators, the speech I am called upon to make today is one of the most important in all my life, perhaps the most important one. But having just come out of the hospital, I am far from being in as good shape as I would like. That is why I am asking you, honourable senators, to bear with me as much as you can.

Opinions on this flag issue are tragically divided. This makes us realize once more how far we are from having achieved our national unity. To this sacred cause of our unity in diversity I have devoted all my efforts. In this, I have followed as best I could the example set by Sir Wilfrid Laurier, Ernest Lapointe, Louis St. Laurent and his worthy successor, the Right Hon. Lester B. Pearson. I have also been inspired by the political creed of my father, Sir Lomer Gouin.

The flag, honourable senators—and on this point we all agree—is the emblem of the

fatherland. This idea of the fatherland necessarily implies a certain degree of national unity. It will soon be a hundred years that we have been living under a system of federal union. But in Canada, the idea of the fatherland has yet to be adequately defined. Such a vital matter is giving rise to an unfortunate confusion.

For every true Canadian, regardless of his racial origin, his language, his religion or his province, his one and only fatherland must, of course, be Canada. But is our great and vast country really the fatherland for all our fellow citizens?

First of all, we must ask ourselves what is the fatherland. According to the etymology, it is the land of our fathers, the native land. I know of no precise equivalent in English for the word "Patrie".

The words "homeland" or "home" are the terms closest to our word "patrie". Etymologically, the word "fatherland" corresponds to it. As regards the word "motherland", it is synonymous with "mère patrie", which means the metropolis of a colony. For many Canadians, their homeland is still a particular region in the northwest of the old continent, of Europe, cradle of our civilization and of our homelands, English, Scottish, Irish, or Welsh, etc.

In France, as well as in the British isles, the idea of a Homeland with a capital H, the idea of Homeland is clear and precise. Whether he be from Brittany, Poitou, Alsace, whether he be Flemish or Provençal, the Frenchman recognizes without any hesitation France as his homeland. The English, the Scotch, the Welsh, the Irish from Northern Ireland each have their small homeland that they love very dearly, but their homeland is unquestionably Great Britain.

Recently, we heard many people from Quebec state that their homeland is Quebec. In looking at the gigantic map of Canada and considering the space filled by our province, many of our people could say: "Great country, small homeland". It may seem strange, however, to call a small homeland a territory as large as Quebec.

Local patriotism which I just referred to also exists in the Maritimes, in Ontario, in the Prairie provinces and British Columbia. Most of the time, such regionalism has much merit. It is easy to understand and to feel such a particular belonging to our own native region. Such a patriotism is the most natural feeling in the world. In itself, it does not lead to any conflict of loyalty to our great Canadian homeland and our smaller provincial homeland.

If I were to adopt the attitude that my homeland is French Canada only, I should then include in it, in addition to Quebec, the whole of Canada as there are throughout Canada isolated groups, of lesser or greater importance, of French Canadians or Acadians in whose veins flows the same blood as mine, of common origin and faith, in short who are my brothers and who, on their mothers' knees, learned the same sweet French language and the same prayers.

Even those who consider their province as their homeland should see in Canada at least another homeland. Still, it must be recognized that there are amongst Canadians a rainbow of patriotic hues and shades. In addition to the provincial patriotism which I have attempted to describe, there are various forms of patriotic and intellectual colonialism which, in the final analysis, favour the flag of the mother country. However, we should all be mature enough, removed enough from the people of our country of origin to give first place in our hearts to Canada and to want to give, without further delay, its own emblem to Canada. Among international powers we are respected everywhere, but we are the only country in the world without its distinctive flag.

Our patriotism must not be centred on France, Great Britain, the United States or any other country. Canada must not be content to be a mirror faithfully reflecting, in international affairs, either Britain's or the United States' policy. Canada is not a colony, whatever Louis Delboz or any other expert in international law may say. But as long as we fly the Union Jack or the Red Ensign, foreigners will conclude that we are still under London's imperial tutorship. Anglo-Canadians most certainly have the right to cherish the Anglo-Saxon culture from overseas. When the French Canadian sees Old France as his parent, his eternally young ancestor, and the great mother of his own civilization it shows but a highminded filial piety. Both our cultures, the French and the English, are among the brightest treasures of modern civilization. But the English-speaking Canadian, though he may respect Great Britain, is no Englishman, he is a Canadian.

Though deeply, intensely and passionately attached to French culture, I am, nevertheless not a French citizen, but a French-speaking Canadian.

In this respect, we have experienced a thorough evolution. When a child, I saw my relatives on my mother's side proudly unfold the tri-coloured French flag on every great holiday, as did very many people in Quebec.

When I was young, I used, with much feeling, to recite Louis Fréchette's poem "Le Drapeau" (The Flag), of which I shall now quote a few verses:

Regarde, mon enfant, ce chiffon souverain
Qui mêle—avec l'azur du firmament serein—
Dans l'éclat radieux de son pli tricolore,
Aux rougeurs du couchant les blancheurs de l'aurore.
Ces trois couleurs, drapant de leurs pures clartés
Trois principes féconds dans un seul reflétés,
C'est insigne éternel de toute indépendance.
—Chapeau bas, mon enfant!—le drapeau de la France.
Incline-toi devant ses lambeaux vénérés,
Avec amour baise ses plis sacrés;
Car ce drapeau, digne des chants d'Homère,
Ce drapeau, mon enfant, c'est celui de ta mère!
Et toi, mon fils, toujours français comme ton père,
...si la bannière auguste
Devait cesser de luire au soleil canadien,
Sois son appui suprême et son dernier gardien!

For my compatriots of French Canada, as for me, the French flag is not our flag anymore. We still respect it but we are full-fledged Canadians and we expect as much from the English Canadians. We want to preserve and even develop our intellectual ties with France but we are quite different from the French people, as we like to say.

In 1763, the flag of our last king "folded its white wing and crossed the seas again". We had to wait for more than 150 years to see the fleur-de-lis fly again in Quebec and on the Peace tower. It includes as you know, a white cross on a blue background with white fleur-de-lis at the four corners.

Nova Scotia has had its own flag for more than 200 years. The Acadians too had their national banner: the tricolour with a star, if I remember well.

But it is high time that Canada should have her own distinctive flag. That is what this eminent statesman that I am proud to have as chief, the Right Honourable Lester B. Pearson, has thoroughly understood. He realized that the vast majority of people of this country, as a whole, felt an imperative and immediate need for a truly Canadian flag. This symbol is most essential to the full development of our national unity. The Liberal party has strongly committed itself to the national flag issue during the last election campaign and the people, through their vote, have accepted it.

True to his commitment, courageously, patiently, tenaciously, Mr. Pearson and his distinguished colleagues have overcome the obstacles that stood in their way. The representatives elected by the people have adopted by a strong majority the flag proposed and recommended by a great majority of the members of a special committee of the House of Commons. Honourable colleagues, the only thing left for the Senate to do is to reject the dilatory amendment so eloquently moved by the honourable Senator Grattan O'Leary. Personally I intend to support the resolution so brilliantly moved by the Government Leader in the Senate.

This red maple leaf on a white background with two red vertical bands is not the standard of one party; it is truly the free and conscious choice of the representatives elected by the people. It is this choice that we are asked to confirm right now. As for me, it is with joy, emotion and tenderness that I will accomplish this historical gesture giving Canada, "my country, my love", its own truly Canadian flag. The maple has always been for our Canadian land the symbolic tree of our country. No other Canadian symbol has such a sacrosanct meaning to us. A poet of our own, a great historian, wrote an inspired poem wonderfully bringing to light the mystic role played for us by "La leçon des érables". I will use as a peroration the poem thus entitled. Its prodigiously talented author, Canon Groulx, has already given his heart to the fleur-de-lis. I do not know what are his sentiments with respect to the flag we are discussing. But, "La leçon des érables" proves that it is pre-eminently for us the national tree and that history establishes the maple leaf as our most distinctive symbol. Here now is part of the lines of this inspired poem:

La leçon des Érables

Hier que dans les bois et les bruyères roses,
Me promenant rêveur et mâchonnant des vers.
J'écoutais le réveil et la chanson des choses
Voici ce que m'ont dit les grands érables verts.
Si notre front là-haut si fièrement s'étale;

Si la sève robuste a fait nos bras si forts,
C'est que buvant le suc de la terre natale,
Nous plongeons dans l'humus des grands érables morts...
Dans nos feuilles, parfois, une brise commence,
Dolente, le refrain des vieux airs disparus,
Écoutez: elle chante et l'âme et la romance
Des aïeux survivants en nos feuillages drus...
Nous respirons vers Dieu la prière du sol!
Prier, chanter avec la brise aérienne,
Et l'âme du terroir et l'âme des aïeux;
Et puis, se souvenir afin qu'on se souvienne,
Voila par quels devoirs l'on grandit jusqu'aux cieux!
Ainsi, dans la forêt, près des bruyères roses,
M'ont parlé l'autre jour les grands érables verts.
Et, songeur, j'ai connu le prix des nobles choses
Qui font les peuples grands, plus grands que leurs revers.
Ils gardent l'avenir ceux qui gardent l'histoire,
Ceux dont la souvenance est sans mauvais remords,
Et qui, près des tombeaux où sommeille la gloire,
A l'âme des vivants, mêlent l'âme des morts.
Ils le gardent surtout ceux dont les lèvres fières
Ont gardé les refrains du parler maternel:
Épopée ou romance où l'âme de nos pères
Vient prier et vibrer d'un accent éternel.
En parlant bien sa langue on garde bien son âme.
Et nous te parlerons, ô verbe des aïeux,
Aussi longtemps qu'au pôle une immortelle flamme
Allumera le soir ses immuables feux;
Que montera des blés la mâle villanelle,
Que mugira le bronze en nos clochers ouverts,
Et que se dressera dans la brise éternelle,
Le panache hautain des grands érables verts!

I did want to conclude with this poem which glorifies much better than I could the great maples of the land of Quebec and of the whole of Canada.

(Text):

Hon. M. Wallace McCutcheon: Honourable senators, I will detain you but a few moments. I regret that it is not within my competence to rise to the heights of oratory of the honourable Leader of the Government, of Senator Grattan O'Leary, Senator Sullivan, or Senator Gouin, to mention but a few honourable senators who have taken part in this debate. It has been a debate of very high order. I hope that nothing I will say will lower the tone of the debate, though I expect I shall be somewhat less emotional than some of the honourable senators who have spoken.

I think it is necessary to set the framework within which this discussion is taking place. I listened with interest to Senator Croll this afternoon. I am sorry he is not here now to hear the compliments that I propose to pay him. Better than almost any man in this chamber he is adept at setting up straw men, and then proceeding to demolish them. He did an impressive job in that respect this afternoon.

I was particularly interested, of course, in the "Croll Poll," and I would commend him to the marketing division of my friend Senator Molson's company.

Hon. Mr. Molson: A very fine gesture!

Hon. Mr. McCutcheon: The amendment moved by the honourable Senator O'Leary (Carleton) is, in my opinion, an eminently sensible one, and I intend to support it. I intend to support it because it faces reality —the reality of a country already divided on its symbols. It attempts to head off the more serious danger to our national unity if this closure-imposed flag is raised.

Before I proceed further, let me say that I am not here pleading a case for the Red Ensign. What I am appealing for is that we try to obtain a flag that will unite, rather than divide the country. Such a flag, in my opinion, will bear some symbols of our country's history, of our two principal founding peoples and their contribution to Canada.

Many of us here, as well as in the other place and throughout Canada, have been asking—and Senator Willis raised this point —why this debate? Why the insistence on a new flag now? Why has this issue taken top priority in public discussions since last May?

On May 15 last, just two days before he appeared before the Canadian Legion in Winnipeg with his three maple leaf flag, the Prime Minister outlined his list of legislative priorities in the other place. I could bring editorials and news comments indicating that if that were the list of priorities, there would have been, as the event established, no summer recess. As Senator Willis mentioned, there was no mention in that list of priorities of the flag, two days before the Prime Minister's speech to the Canadian Legion in Winnipeg. There was, of course, the usual "out" that any leader of a government announcing legislative priorities must give, that other matters may arise to be dealt with. However, at the time the Prime Minister made that statement in the

House of Commons, he knew he was going to speak to the Canadian Legion on the night of May 17, and he knew what he was going to say. He made no reference to it. Honourable senators can refer to the list of priorities, and check them for themselves, for I do not intend to go over the list. A number of those urgent priority items have not seen the light of day since, and a number of others are mouldering on the Order Paper in another place.

Surely no one will argue that there were not more important things for Parliament to do during these past months—and I remind honourable senators of the days and weeks this house recessed because there was no business before it. Surely no one will argue that the Government, which has the responsibility for arranging the business of the house should not have turned its attention, and Parliament's attention, to some of the real problems facing this country.

The economic and social priorities that must be decided upon on a long-term basis by this country have been suspended in mid-air, without decision, while the Government pressed on and on to divert the attention of Parliament and the country to the question of symbols. When there is so much of substance to be considered and resolved, the Government has been preoccupied with symbols. "Symbols instead of substance" will be a fitting epitaph for the present Government, when that epitaph is written in the not-too-distant future.

The Prime Minister has been proclaimed, by himself as well as by his friends, as the great proponent of national unity. Senator Gouin referred to him a few minutes ago. No one questions the Prime Minister's sincerity, but the sad fact is that his judgment is bad, and that his lack of good judgment has caused more disunity in the country than many of us have seen for long years.

The Prime Minister, it is clear, does realize that we have a problem of national unity. To solve this problem, which honourable senators know runs very deeply, the Prime Minister proposes to invent some symbols. In the event the cure will aggravate the disease, and has aggravated it. This policy is one of tokenism on the part of the Government. They think they can bring about unity by displaying the externals of unity. The sad thing is that they are going to be disappointed, as a result of their naïevete.

The Prime Minister's predecessors in office, to whom Senator Gouin referred, realized that for any measure in this wide and very sensitive area of national unity there must be a consensus of support in the country. It is the way of compromise and conciliation. It is one area where government and people must move ahead together. The process has been slow. At times it has been painful. I know and appreciate the fact that it has also been frustrating, especially at times to our French Canadian fellow citizens in Quebec, who on some measures would have wished to move much more quickly; but there have been times as well when because of Quebec's insistence on its legitimate prerogatives, its tendency to see invasion of provincial rights where the rest of Canada has seen no such invasion, the developing process has been too slow for English Canada also.

Senator Croll referred to the national anthem. I think I can illustrate what I mean by the necessity of consensus when I say this, looking back 20 years I do not think that there could have been any consensus if a resolution had been introduced in the other place—as I suspect it will be one of these days—declaring "O Canada" as our National Anthem. I think that might well have produced the type of disruptive and bitter debate which we have read about as having occurred in another place. I suggest that today that resolution would go through with little or no discussion at all, because by delay and compromise, by dialogue, a consensus has been reached. This necessity for delay and compromise on these emotional issues is the price we all have to pay.

Public opinion in all the provinces of Canada has had to be nurtured and developed slowly on all these issues, for governments of Canada since Confederation, until recently at least, have realized the compelling necessity for a consensus in these areas where unity is involved, before taking any hasty action. Hasty action in these areas is self-defeating; it weakens the very unity we are all trying to accomplish.

It should be clear now, despite the "Croll Poll," if indeed it was not clear before, that there is not a consensus in the country in support of the flag now proposed. On the contrary, there is a deep division.

Only the other day we read in the Ottawa papers of the organizations and individuals in this very city, who stated that they will not fly the proposed new flag. Let me hasten to say that I do not agree with that sentiment. When the Parliament of Canada has decided on a distinctive flag, I will respect it as the flag of my country. I mention these reports merely to show the depth of the emotion and the area of disunity which some people brush aside very lightly. Surely this is no way to herald the advent of a flag that must stand for Canada in the future; but that is the position in which the Government has tried to place us.

We, as members of the Senate, in this chamber, can do a service for Canadian unity, not by rejecting a design, not by imposing one of our own, but by giving, as Senator O'Leary's amendment states:

> . . . reasonable time to the people and Parliament of Canada to reach agreement on a flag which will incorporate appropriate symbols of the founding peoples of this nation and which will be acceptable to all elements of our populations.

If you ask me how long that will take, I say I do not know.

I am not impressed with the glib statements that have been made elsewhere, that we have waited for 97 years, and this must be done now. We waited a long time to achieve the consensus, which I feel we have, for instance, on the National Anthem. We have waited a long time to achieve consensus on a number of other matters. If we have to wait a little longer to achieve consensus on this issue, then I am quite satisfied to do so. It seems to me that is the reasonable course; it is the course of reason and reality.

In this chamber we now have an opportunity to remove some of the sting of the last few months and weeks, to repair some of the damage. We could remove the stigma of closure from whatever new and distinctive flag is eventually raised in this country. We can do all this by conscientiously performing one of the duties that is ours as the second chamber, to examine and re-examine Government legislation and proposals dispassionately, fairly, reasonably and with perhaps a surer appreciation of the long-term national interest.

I support the amendment and I commend it to all honourable senators.

Hon. John Hnatyshyn: Honourable senators, I rise to express my support of the amendment moved by Senator Grattan O'Leary. I would like to congratulate him on the eloquence and clarity with which he presented his remarks. I would also like to congratulate the Leader of the Government (Hon. Mr. Connolly, Ottawa West) for the manner in which he introduced the subject in this house. There have been many interesting speeches, and I agree with previous speakers who have said that the debate has been on a very high level.

In my opinion, this amendment was moved in a spirit of compromise, in the hope that we shall adopt a flag that will be acceptable to the great majority of Canadians. I do not think the flag submitted meets with the approval of the majority of Canadians. It is felt by many that a new flag should include symbols of the founding races of this country and other groups that have helped to build up this great nation of ours. Many people in Canada feel that the flag should have thereon the Union Jack and the fleur-de-lis.

Along with many others who have spoken, I am in favour of a distinctive Canadian flag.

Hon. Mr. McCutcheon: Hear, hear.

Hon. Mr. Hnatyshyn: The party to which I belong is in favour of a distinctive Canadian flag. I agree with Senator Grattan O'Leary that both leading parties in this country want a distinctive flag. What a chance was missed to set aside party politics and to bring in a flag in a way that would not have created as many difficulties as has the manner in which the flag under discussion has been handled.

In my opinion, the creation of a distinctive flag does not mean that the past should be ignored. I speak as one whose origin is not that of either of the founding races. I am proud of my origin and proud of the contributions that my ancestors made to Canada. However, I am also equally proud of the contributions made by the founding races to make this nation what it is today. I would like to see a flag that recognizes these contributions.

People of the same origin as myself came to this country because of the freedom that existed here. The Union Jack was respected by these people because it stood for freedom. No nation can be great if it ignores its history. We are not forming a new nation. Canada has existed for 97 years, and I say, with all the sincerity I can command, that though there have been some difficulties we have done extremely well, and there is no one today who cannot be proud to be a citizen of Canada.

Hon. Mr. Connolly (Ottawa West): Hear, hear.

Hon. Mr. Hnatyshyn: The present design does not embody our history. It does not represent the sacrifices, experiences and achievements of the past. I am afraid that it will cause more disunity than unity. There are millions of people in Canada who strongly feel that the Union Jack should have a place on a distinctive flag. They are not just stubborn about it, for they are also of the opinion that the fleur-de-lis should have just as prominent a place. Surely it should be possible to work out a compromise by which the vast majority of our people would unite and agree on the type of flag Canada should have.

It is too bad this important issue has been handled the way it has. I think it would have been possible, and still is, to come to a decision that would have the support of all parts of Canada. I agree with previous speakers that

the way the flag question was introduced was unfortunate. Last May the Prime Minister said, "We shall have a three maple leaf flag, and the Government will stand or fall on the issue." He threatened the people of Canada with an election unless we accepted a three maple leaf flag. There was a deadline set. First it was July; later it was the occasion of the Queen's visit. The Prime Minister modified his position as far as an election was concerned by saying, "There will be a free vote." Then the question went to a committee of the other house. A most unfortunate thing occurred while the flag question was being studied by that committee, and it was that during that time the Prime Minister set yet another deadline and said, "We shall have a flag by Christmas and it will be the maple leaf design." Honourable senators, in my opinion that made the flag a political issue, which it need never have been.

I suggest the flag is such an important matter for our country that there should be no hurry in choosing it. It is one of the most important matters that Parliament has been called upon to decide. It would be tragic if a decision were arrived at without exploring all the angles, so that we had reason later to regret it. A flag is a symbol of a nation, a symbol for which the people should have a warm attachment. It is important to the people of the nation that any flag chosen should have the support of the vast majority.

It is unfortunate we did not tackle the problem by appointing a joint committee of the Senate and House of Commons. I repeat the flag should never have been a political issue. We are all interested in a new flag, as Canadians and not as party members, no matter to what party we belong.

Surely it is not too much to ask that we take our time and select a suitable design, one that would be less controversial than the proposed design. I feel strongly that a committee of both the Senate and House of Commons could introduce some new ideas so that we could adopt a flag which would be genuinely accepted by the Canadian people.

There should be no winners or losers on the flag issue. The flag adopted should promote national unity, not bitterness. That is the reason I support the amendment.

Hon. John J. Kinley: Honourable senators, the story of the flag is getting rather old, and I do not know of anything I could say that would add much to our knowledge of the subject. However, we do say things in a different way, and we are anxious at an important time like this to say something which will show the people we represent that we are interested in the matter and we want to give them leadership on an important question such as the flag.

Honourable senators, may I say just a word with regard to my old friend Senator Horner, who died recently. As I approached Parliament Hill yesterday morning I saw the flag flying at half mast, bearing a message from the Hill that a member of Parliament was dead.

Senator Horner was a unique and good man, and a good senator. He was a warm-hearted man who loved his friends. He was always close to the grass-roots, and that is where the real strength of our country is to be found. I wish to take this opportunity to extend to his widow and his distinguished family the heartfelt sympathy of my wife and myself. We will miss him here, but to them comes the real sorrow.

Now I turn to the flag. In the House of Commons last week a distinguished member said this:

> My people came to Canada 150 years ago. The German people made their contribution to this country in the area of Nova Scotia around what is now Lunenburg when they came there in 1750. In western Ontario and eastern Ontario many of the United Empire Loyalists were of German . . . origin.

Well, I come from Lunenburg. I was born there. I think it is a progressive town. We are told it is a town with character, and it has the atmosphere of the old and the new. We think the people there are progressive, and we think they are excellent Canadian citizens.

When Louis Prince of Lunenburg became King George of England, he and his successors, other Georges, wanted to have Nova Scotia as a common denominator of the kind of citizens that were in this country. So he went to his camp followers and friends in Germany and arranged that they should come to Nova Scotia. They came to Halifax in 1749—900 of them at that time, and the next year 1,000 more came. Then it was decided to move them down the shore to Lunenburg, and 1,500 went to Lunenburg. About 400 stayed in Halifax.

My mother, who was German, comes of that stock; her ancestors were among the German settlers who came in 1753. My father was a Scot from Prince Edward Island. So we have mixed blood too, and we can share with others in that we are citizens of Canada largely because our people have been here for a long time, and a divided ancestry makes it most interesting.

Now, I have said my mother was of German stock; and I would add that she had nine children, four of them sons. There was mention today of allegiance to the Queen. I should say that of the four sons every one was in military service. My youngest brother

was a surgeon in the army. Our only son was an officer in the navy.

When I first entered the Legislature of Nova Scotia there were two members from many counties in Nova Scotia, and in many cases one was a French member and the other British. When I was a member of the legislature in 1916, I think there were five counties having French representatives in that house. We came to be good friends; they were splendid people; we had no differences because of race or religion. I considered them to be a little better than I was because they could speak two languages, while I could speak only one. One of them is now a senator, the honourable Senator Comeau. He is, I think, the oldest member of this chamber, being about two months older than Senator Crerar. While his children were brought up to speak their mother tongue, French, his daughter won the gold medal for English at Pictou Academy.

Later I came to Ottawa and became a room-mate of a French Acadian, Vincent Pottier, M.P. He is now a judge in Halifax. We spent nearly 10 years together, and I learned much from him because he had the better education. However, I had more experience, and together we worked out many problems satisfactorily. We came to have the highest regard for each other.

At the present time I do business with many French people. It is not necessary to have a contract; their word is as good as their bond. There are no conflicts about freedom or place. We all have equal opportunities. They are splendid artisans and great citizens; they are a God-fearing people who attend their church, and in my view they are a tremendous asset to the province from which I come.

Let us also take a look at New Brunswick. Recently the Premier of New Brunswick, a brilliant young Acadian, has been advocating unity with Nova Scotia. Well, he must come down to the British of Nova Scotia, since they are now in the majority in the legislature. It seems to me that this is a situation where we find citizenship at its best. We live happily together. We do not like to think that there is anything that pulls us apart. We in Nova Scotia know that while we do not become wealthy, we do live well and we live in a way which, I think, makes good citizens.

Now, if any person had told me five years ago that I would subscribe to a new flag I would have been angry. The flag means much to the maritime people. It is really part of their language, and the Union Jack is very popular. The Red Ensign comes to us, however, from the British merchant marine. In 1930, when the Statute of Westminster proved to be our emancipation, we retained the Red Ensign which was still the flag of the merchant marine. It was declared Canada's flag by order in council, which denotes that it was to be temporary, with a view to being changed when necessary. I think Mr. Mackenzie King said at that time that it would be the flag of Canada until Parliament decided otherwise. Parliament has now decided otherwise.

I have been a borderline case since the discussion started. I went so far as to design a flag and submit it to the committee. It had a Union Jack in the corner. That design was deleted by the committee when they made their selection. That committee has now reported to the House of Commons, and by a large majority the maple leaf flag was selected when the committee reached the hour of decision.

In my public life and in business I have made many decisions, some good and some bad, and sometimes under very difficult circumstances. In the existing circumstances I now support the maple leaf because I think it is timely, and I think it is of benefit to the country.

I may say that my wife, who is of German stock as well as having an Irish mother, is rather like Senator O'Leary (Carleton) in that she is a little slow about forsaking her idols and joining in the parade. However, she is liberal, and I think she will stay in the fold.

When mention is made of the maple leaf, I am reminded of a young lady who appeared on the television program "Maritime Gazette" some time ago. Her name is Miss Dorothy Walker. She is a physical education teacher in Halifax, and she chaperoned the women members of the Canadian Olympics team that went to Japan. She recounted that when she and her party arrived there wearing sweaters bearing the maple leaf emblem, the Japanese girl who met them said: "Oh, you are from Canada. What a beautiful emblem."

Honourable senators, I think that Mr. Pearson has given us an official Commonwealth flag. We have never had one before. In my area we are pretty close to the Crown. Our people do not change very much. On the waterfront in Lunenburg, the town where I live, the Union Jack is flown, and the idea of retaining the Union Jack as the Commonwealth flag seems to me to be something that will please the people there very much.

I should point out that the red flag is very much misunderstood. I have travelled in Africa, along the Mediterranean coast, and also in Europe. When I am abroad I usually go down to the waterfront of the different cities I am visiting to look at the ships. When you see a ship flying the red ensign you know that it is part of the British merchant marine. You have to look very carefully to see the Canadian flag flown by a Canadian ship, and if there happens to be no wind

it is even more difficult to find the red flag bearing the Canadian emblem. The people in those countries do not know anything about it, and the Canadian coat of arms on the fly does not mean anything to them. Of course, many Canadians do not know about it, but the whole thing is completely misunderstood by people abroad. If they do happen to understand it they usually say "Oh, well, you are under Great Britain. You are a colony of Great Britain." That is not good enough in the present day.

We all know that wonderful Canadian song:

> In days of yore, from Britain's shore,
> Wolfe the dauntless hero came,
> And planted firm Britannia's flag
> On Canada's fair domain.

He planted Britannia's flag; he did not plant the Canadian flag. The flag that he planted has been with us for a long time, and I think that we have now grown old enough to have a flag of our own.

The Red Ensign is, after all, a mercantile flag. The Union Jack is the real flag of Britain, and I know that the proposal to fly it as the Commonwealth flag will please many people in Nova Scotia, because they fly it now.

Much has been said about the imposition of the closure rule in the House of Commons. Mr. Howe invoked closure in 1957, and there was much said about it. There is not much said about it today because the pipe line was built, and is still operating. Mr. Howe was a businessman. Perhaps he went a little too fast, but I think it would be a good thing if we had Mr. Howe with us today because he was a great Canadian who did a great job for this country.

Honourable senators must agree, after the long debate in the House of Commons, that people were getting discontented with the fact that it seemed to be going on endlessly. Now that it is all over I think that there is a better feeling in the country. Moreover, Nova Scotia has a flag of its own. It is an emblem of which the Scottish people especially are very proud. I read in the press the other day that the Premier of Manitoba is going to propose a flag for that province, and will bring it up at the next session of the legislature.

The three maple leaves are on the escutcheons of Quebec and Ontario. One morning I came out of the Lutheran church which is near the Garden of the Provinces, and I said to the minister, "Let us go down and look at the flag of Quebec." He sent one of the young men down to look at it, and then said: "Well, that is Quebec's coat of arms, on which they have the three maple leaves." Ontario's coat of arms also has the three maple leaves. It seems to me that the maple leaf is the real emblem of this country.

The maple is a fine tree. It seems to me that when we are talking of selecting a flag we must acknowledge the fact that we are not going to select one that suits everybody. I have never known of any reform that did not cause some friction. If a reform did not cause friction, then it was not much of a reform. In my part of the country people say: "A little rough water doesn't hurt a good ship." It brings out the merits. Let us have a little rough water with respect to this new flag, but let us be sure that we are right. If we are right then time will cure all the troubles.

The idea that we should not have this flag is wrong. We are not hurting anybody in having a flag of our own. The maple leaf flag is a distinctive flag, and a flag should be distinctive. It is a flag that is easily interpreted. The maple leaf is an emblem that the world knows about through the activities of our country in war and in sports. We could not get a better emblem.

Hon. Mr. Choquette: Is this a sales talk?

Hon. Mr. Kinley: I was opposed to this flag for quite some time, but after I had heard the speeches and had really thought about it I came around to the belief that this is the right thing to do, and we should do it. I hope that we shall pass this resolution. I hope that we shall all learn to love this flag. To love a flag, honourable senators, you must be acquainted with it. You must have it with you for a time. It must not be thought that all at once it will be embraced like the old flag.

Honourable senators, this flag is emblematic of the changing world. Canada is changing, as the world is changing. It is sad to think of what happened at the last Commonwealth Conference of Prime Ministers when our good friends, the South African people, who are splendid, God-fearing people, and who were in dire danger, were eliminated from the Commonwealth. Many people in this country did not like it. But we are learning. In the Congo we learned a lesson. We learned that the old friends are the best friends, and I think that in the future we should be more careful.

The Constitution of the United Nations says that no one country shall interfere in the internal affairs of another country. In South Africa the people must be able to live in safety in the country that they have made and which they regard so highly. They have made a nation for themselves—a nation that is one of the best in the world.

I shall not take up any more of your time, honourable senators, because we must bring this debate to a conclusion. However, I think that when our people read the *Debates of the Senate,* and especially the great oratory of the honourable senator from Carleton (Hon. Mr. O'Leary) and others, they will say that the Senate is a valuable second chamber. They will say that this has been a good review of what was done in the lower house. I shall be glad to have been able to give a little leadership in respect of a problem about which our people are disturbed. This is a change for the better. It is for the good of Canada.

The Honourable the Speaker called it 6 o'clock and left the Chair until 7.30 o'clock.

At 7.30 p.m. the sitting was resumed.

Hon. Gunnar S. Thorvaldson: Honourable senators, there is one thing that I have discovered in this debate and that is that to do real justice to it you need to be one of two things, you must be either an Irish Canadian or a French Canadian; the rest of us are out in the cold. Such has been the quality of the oratory in this debate of members of these two races.

Hon. Mr. Connolly (Ottawa West): You do not put the Catholic Church into that?

Hon. Mr. Thorvaldson: When I tell you that any Irish in me goes back about 1,000 years, you can understand that I feel quite alone in participating in this discussion this evening.

However, honourable senators, we are engaged in a discussion which is of tremendous significance to our country, but what is really involved now is that most important attribute of a sovereign nation, namely, the unity and harmony of its people. It is true that it has taken a long time for the resolution on the flag to get here, and we are aware that all sides of this question have had ample exposure in the other place.

Consequently, there may be no great purpose in debating the subject further here, if this side of the house deemed that in the result we would be crushed merely by the weight of numbers and a partisan spirit. On the contrary, we have some conviction that reason and good judgment may prevail in the deliberations of this body. That is the reason for the amendment presented by the honourable senator for Carleton (Hon. Mr. O'Leary), which I am proud to support with all my conviction.

As my remarks will be directed entirely to the amendment, I shall read it into the record. It is as follows:

> That the motion be amended by striking out all of the words after "Government" and substituting therefor "that the Government suspend further action on the proposal for a new Canadian flag in order to give reasonable time to the people and Parliament of Canada to reach agreement on a flag which will incorporate appropriate symbols of the founding peoples of this nation and which will be acceptable to all elements of our population.

However, with reference to the Senate's part in this debate I was somewhat shocked when I turned my radio on yesterday morning and listened to the program, "C.B.C. News Commentary". These were the words I heard by a C.B.C. representative on a C.B.C. station, speaking of the Commons flag debate. He said: "Well, it is all over, all over except possibly some shouting in the Senate."

"Shouting in the Senate". This, to my mind, was a most disrespectful and insulting remark, if I may say so, made by this C.B.C. commentator concerning the senior parliamentary body of this country.

Some Hon. Senators: Hear, hear.

Hon. Mr. Thorvaldson: I believe it would have been at least educational for him if the gentleman who made this statement had been in our galleries yesterday and had listened to some of the very thoughtful and restrained speeches made here, including of course those of the honourable Leader of the Government (Hon. Mr. Connolly, Ottawa West), of the senator from Carleton (Hon. Mr. O'Leary), the senator from Churchill (Hon. Mr. Crerar), the senator from Banff (Hon. Mr. Cameron), the senator from Toronto (Hon. Mr. Walker), and others. Indeed, I wish to pay my very high respects to those gentlemen on the quality of their contribution to this debate yesterday. The gentleman who spoke on the radio might not then have called it "shouting in the Senate". Perhaps I might send the C.B.C. a copy of our *Hansard,* at least for yesterday.

Nevertheless, perhaps a reason for this person making this unprovoked attack on the Senate may have been induced by the manner in which the Senate has been ignored and brushed aside in the proceedings that have taken place in regard to the selection of a design for the proposed new Canadian flag. I object most strongly that this body was not, as in my judgment it should have been, made

a part of or had representation on the committee of Parliament to select the design for a national flag for Canada.

In the result, a flag comes to us from the other place, ready made, and without anyone here having had anything to do with the selection of the design. The proposed design is simply brought to us and we are told to take it or leave it. We are asked to be a rubber stamp for the other place. Indeed, I was somewhat surprised when the honourable senator from Churchill (Hon. Mr. Crerar) suggested yesterday that the Senate, being a non-elected body, should not be too concerned with this question of Canada's national symbols. Surely we should not agree with that proposition, in the light of the very strong emotions aroused in our people on this issue and indeed in the light of the great importance that it has for the people of Canada.

In respect to this matter involving, as I have said, the basic symbols of our nationhood, arousing as it does the deepest emotions of many millions of Canadians, the present Government has, to my mind, unwisely, seen fit to throw this time bomb into the other house where it lacks a parliamentary majority. It has stubbornly and obstinately demanded that the debate on it must have priority over other matters which in the national interest required to be dealt with.

More recently it has kept the debate going under circumstances where ministers of the Crown have been immune from answering questions in Parliament, at a time when the country's newspapers have been making disclosures of improprieties by ministers that have literally rocked this whole nation; and, finally, it has applied the ultimate weapon of closure in the other place.

What, may I ask, was the real purpose of all these unorderly events? It was so that a Prime Minister with an obsession could have Santa come down his chimney with a flag for his Christmas stocking. Surely such procedures need to be reviewed in this house.

As the honourable senator from Carleton (Hon. Mr. O'Leary) said yesterday, the occasion of the changing of our symbols of nationhood is a time for greatness, not a time for petty politicking. I have no objection to the Liberal Party putting a plank in its platform promising a new flag in two years; but I object most strongly when a new Prime Minister fails to recognize the precedent established by wiser men and, instead of following their example, adopts measures which have created national division and disunity in our country, unprecedented except in time of war. Indeed, such a degree of blundering and misadventure has been the history of the present Government that any measure coming from it to this house of sober second thought should be highly suspect, and certainly should not be rubber-stamped here without the most searching inquiry and critical debate.

I am far from being alone in saying the present Government has been a fumbling one. The editor of the Montreal *Gazette* put the matter very succinctly in one paragraph of the edition of November 30. This newspaper referred to the Government as "The awkward Squad" and went on to say, in the editorial, in one paragraph:

> The storm in the House last week, which came close to bringing the Government to defeat, is something far more than an incident. It dramatically demonstrates the Government's primary weakness. It is its perverse disposition to take its stand on shifting ground. One measure after another is poorly planned and publicly corrected, with retreat and humiliation. This constancy in fumbling, and talent for misadventures are seriously undermining and obscuring much of the Government's good intentions and real achievements.

I ask this question at this time: By what standard of parliamentary democracy should the Senate of Canada be expected to concur in a decision of this importance, involving the most sacred treasure of the Canadian people, our national flag, just because 11 out of 15 members of the other house choose to come and approve the one design selected in this manner, and at which committee, by all reasonable standards, this body should have been represented, but was not.

We, in the Senate, are placed in the position that not one of us had anything to do, nor anything to say, in selecting the design of the flag which is now brought to us for approval, involving, as the honourable leader's resolution does, the depriving of millions of Canadians of the symbol which for almost 100 years, has had such an important place in the heart and soul of this nation.

I for one condemn in the strongest way possible the fact that up to this point the Senate of Canada has been ignored and treated as a class in a kindergarten school. I say that the method adopted by the Government in this matter is both as wrong and humiliating for this body as it is disruptive of the unity of our country. It has set race against race, region against region, family against family. By the conflicting emotions it has engendered, it has set father against son, mother against daughter, and has made no pretence whatever of seeking that amicability or unity which is so essential to our well-being as a nation.

Apart from being an error in judgment, which should be severely condemned here,

it consists also of a needless departure from parliamentary precedent in our own country.

Compare and contrast if you will, the action taken in 1945 by a seemingly much more responsible government, in regard to the issue of symbols of our nationhood which required consideration at that time. Did the government of that day throw the flag question willy-nilly into the House of Commons? Would either the Right Honourable Mr. Mackenzie King, or the Right Honourable Mr. Louis St. Laurent do anything like that? The answer is definitely no. The government of that day did what any wise government, without thought or expectation of political advantage, would reasonably do: It appointed a committee of Parliament, not only a committee of the House of Commons, but of the Senate and the House of Commons. To my mind, that was proper, highly proper, and conformed in those circumstances to the best traditions of a democratic society such as our own.

I have referred to the Joint Parliamentary Committee on the Flag of 1945-46. I have read our Senate *Hansard* of the time, and I have read most of the proceedings of the committee. Let me pay my tribute to one member of that committee who is here today, the honourable Senator Lambert, who was a joint chairman of the committee. The record discloses that he did an extraordinary amount of work and played a tremendous part in all the proceedings of the committee of that day.

Any one who is really interested in this question should pay to Senator Lambert the honour of reading the speech that he delivered, when the resolution for the appointment of the committee came to this house in 1945. It is thoughtful and thought-provoking. Perhaps he might express the identical views today as he did then, I do not know. However, I suggest that this speech revolved largely around the question of what is a "distinctive national flag." And I am well aware of the fact that Senator Lambert was one of the 23 persons out of 24 who voted on the final report of that committee, which decided in 1946 that the flag then approved by that committee, and which included the Union Jack in the top left corner, was a "distinctive Canadian flag". Certainly this selection could not be confused with any other, except at a distance, when, indeed any flag can be confused with another.

However, it was interesting to me to note a statement made by Joseph Howe quoted in Senator Lambert's speech as appears in Senate *Hansard* of November 21, 1945, at page 301:

> A wise nation gathers up its records, preserves its muniments, and fosters national pride and love of country by perpetual reference to the sacrifices and glories of the past.

Senator Lambert concluded his speech as follows:

> It seems to me that at this time, as we in common with the rest of the world enter upon a new era of history, a Canadian flag should suggest these things increasingly to the mind of our people. It is this thought which should be ever present with the members of the joint committee that will be appointed after the adoption of this resolution.

The honourable Senator Lambert, for whom I have always had the highest regard, may suggest that I have quoted him somewhat out of context. If I have done so, no doubt he will make reference to the fact. I merely wished to quote part of his speech.

Hon. Mr. Connolly (Halifax North): Would the honourable senator permit a question?

Hon. Mr. Thorvaldson: Yes.

Hon. Mr. Connolly (Halifax North): In view of his reference to the utterances of Joseph Howe, it seems to me that the implication is created that because there may be a new national flag, one would desecrate the graves of illustrious ancestors. Would he say that that was correct?

Hon. Mr. Thorvaldson: I doubt very much if the honourable senator's question is relevant to this discussion. I think perhaps I should not be sidetracked by answering at this stage.

Hon. Mr. Connolly (Halifax North): A nice way of avoiding it!

Hon. Mr. Thorvaldson: It would take too long to answer.

I want to say that I hope that Senator Lambert still believes in the principle he enunciated so many years ago. Indeed, don't we all?

A flag should represent the glories of our past, and the greatness of our heritage. Why not, therefore, join with us in support of Senator O'Leary's amendment? It envisages, I believe, a joint committee of this house and the other place—men of good will coming together, as they did 18 and 19 years ago. This time, however, I suggest that we need such a procedure, not only to select designs for a flag for Canada, but also for the purpose of binding the wounds and repairing the broken hearts of those who have been so

grievously afflicted by the debate of the past six months, and the results flowing therefrom.

We have spoken overly much of a distinctive national flag. What, for instance, could be more distinctive than a flag containing those eternal symbols of our past: the Union Jack, the fleur-de-lis, and, if you wish, a maple leaf emblazoned on such a flag.

Yesterday I listened carefully to Senator Cameron's extremely able and persuasive speech. I congratulate him on it. Indeed, I would wish that the result he envisages could come true, but I am afraid it will not; at least, for a long time there may be many sore and severe wounds to be healed.

Senator Cameron never gave one thought or phrase to those millions of Canadians who feel mortally wounded at the tearing away of the Union Jack as part of our national emblem. Furthermore, let me say that Senator Cameron based most of his argument on his statement that he was sure 60 per cent to 70 per cent of Canadians wanted a distinctive Canadian flag. It is just a matter of definition of the word "distinctive". I would say that 100 per cent of Canadians want a distinctive Canadian flag, in so far that it is not the flag of any other country—which even the Red Ensign is not, inasmuch as it distinctly contains on the fly the Canadian Coat of Arms.

If the honourable senator looks at the terms of reference of the 1945-46 Joint Committee on Canada's National Flag, he will ascertain that by a majority of 23 to 1 the committee deemed that the flag it accepted, which included the Union Jack, was a distinctive Canadian flag. That is what the terms of reference required the committee to do, to present a design of a distinctive national flag. As far as I can see from the reports and proceedings of that committee, no one suggested that the flag recommended by the committee—although not adopted, it is true—was not a distinctive national flag. Would not such a flag be even more distinctive if it also incorporated the fleur-de-lis, which that proposed flag did not? Surely, such a flag is more distinctive than the proposed flag vis-à-vis the flag of Peru?

Honourable senators, you can be as callous as you like about this matter. You can wield your majority rights if you wish. Nothing can stop you in this house from crushing a minority like a bulldozer wipes out a fly. But let me say this: I doubt if there is a case in history where a flag was born in circumstances paralleling what we have here, where a Prime Minister set deadlines and then put his majority into action against the minority, and finished the deal by the lethal weapon of closure.

I say that is not the way to give birth to a national flag; that is a serious error, the ultimate result of which will be bitterness, division and disunity, and may eventually help lead to the disintegration of our nation as we know it today.

I plead with honourable senators to give to this matter sober second thought, as it is our duty to do in this chamber, and to support the amendment proposed by the honourable senator from Carleton.

Hon. Norman P. Lambert: Honourable senators, my first word must be one of appreciation and gratitude to my friend from Winnipeg, Senator Thorvaldson, for his reference to myself in connection with the joint committee of both houses which considered this same problem in 1945-46.

In connection with that I would like to offer, first of all, a word of sympathy and approval regarding the unenviable task just performed by the parliamentary committee which, after several weeks of intensive discussion, produced in its final report the recommendation which is now the subject of our debate.

To a certain extent, I contrast some of the circumstances which characterized the meetings of the committee on this occasion with those which I had to deal with some 20 years ago. First of all, the joint committee of both houses in 1945-46 had to sit in the humid, hot weather of the summer months, and I remember very vividly that despite the fatiguing course of the discussion, the hearing of many resolutions and many witnesses, and the hanging of many samples and designs of flags on screens in the railway committee room, the membership of that committee stayed with its job consistently and, I think, devotedly, without regard for any sort of distinction that might have aroused either racial or sectional feelings at any time. Ultimately, when the report was made, it was made with a very large measure of unanimity. With one exception, the members of that committee, who were present at the final drafting of the report, voted in favour of a distinctive Canadian flag. I believe I am not exaggerating in the slightest degree when I say that, as I recall it, the obvious purpose and intention of the membership of that committee—which represented a pretty broad cross-section of all parties at that time, including Mr. Coldwell of the C.C.F.—was to display a magnanimous attitude towards the prospect and project of establishing a distinctive flag for Canada, regardless of its design or anything else.

In the end, as is well known now, in the exhibition of the flags which was presented in connection with this report in the upstairs

room there was a design which was supposed to have been a fair representation of what was recommended at that time, but I found it had certain shortcomings because it was not an exact replica of the submission in 1946. The submission at that time of a flag that would have been acceptable, with one dissentient, was a modification of the present merchant marine flag, so as to reduce the size and proportions of the Union Jack in the corner by half its present size, leaving in the fly a large area which was to be filled with a white circle superimposed upon which was to be a maple leaf of autumn colourings of red and gold. That represented the submission that was made at that time with the unanimous approval of the committee, but for this one exception.

I should have said, in the first place the resolution to set up this joint committee emanated from the Government of the day, in the name of the Prime Minister, and when the report was presented to the house for adoption, objection was taken to the presence of the Union Jack, even in its reduced form in the flag. When it became evident that a definite cleavage of opinion existed on this point, the Prime Minister was instrumental, I think, in having the whole subject of the report referred to the Governor in Council for consideration. In that way I believe he wisely forestalled or anticipated possible disruptive discussions that might not have been fair to the whole conception of the committee. That was the last that was heard of that report of the joint committee over which I presided.

I think it is only fair to say that in the early forties a directive was issued from the Department of External Affairs to its representative legations in different parts of the world, that for purposes of Canadian identity during that period, and until further instructions were issued, the merchant marine flag with a Canadian Coat of Arms in the fly should be flown at the masthead of our legations abroad. That has continued to be the case during the past 20 years, until this resolution which resulted in the appointment of a new committee was adopted, and the report which we have before us today is the result of its deliberations.

Hon. Mr. Brooks: May I ask the honourable senator, did not that also specify it was a distinctive Canadian flag that was to be flown?

Hon. Mr. Lambert: In the report, as I recall it, there was no reference made to those words, but it was quite well assumed that the reference to the committee in the first place, coming as a result of the Prime Minister's resolution, was that it should inquire into the possibilities of introducing a distinctive Canadian flag. To that extent the report might be considered as representing the fair and unbiased opinion of that committee.

Hon. Mr. Brooks: The Prime Minister used the word "distinctive".

Hon. Mr. Lambert: He may have used that word. I cannot recall the wording of his resolution but, at any rate, that was the request of the committee.

That is quite right; I will accept that reading of it. There was no question about the purpose or objective of the committee as I presided over it. My colleague at that time was Mr. Walter Harris, later to become the Honourable Walter Harris, and he shared with me some of the responsibilities of presiding over that committee. He was party to the report as well.

However, I would like to point out that this report that we have before us today and the pros and cons of which we are considering, comes 20 years later. I submit that the report of this most recent committee of the House of Commons, which was presided over by a very able and responsible chairman, Mr. Batten from Newfoundland—and from what I know of his performance I think he was just as good a chairman as could possibly have been appointed to head that committee—reflects an objective point of view which was adjusted to the changes that have taken place during the past 20 years. It reflected the will of the majority of the committee. I do not think there was any great difference between the findings of that committee and the findings of the committee in 1945.

I think it is very important in our approach to this subject to remember that the priceless value of compromise is in the liberty and freedom which is involved, rather than in the arbitrary alternative of autocratic action. The feeling in 1945 was unmistakably as favourable to a distinctive Canadian flag as it has been in the most recent report.

Hon. Mr. Brooks: But there is the question of definition.

Hon. Mr. Lambert: If I may proceed with a few remarks—I do not want to be too long because much has been said on this subject already.

I should say how much I appreciate the contributions made to this debate from the very beginning. I think the Leader of the Government (Hon. Mr. Connolly, Ottawa West) made a very comprehensive, acceptable and able presentation of the whole subject from an objective point of view, without partisanship and without any particularly invidious connotations. I would also like to refer with deep admiration to my friend and colleague Senator O'Leary (Carleton), for his

eloquent presentation of his point of view in relation to the future of this flag.

I think that when one has considered all that has been said in both houses so far, one realizes that if there is any point of contention at all, it boils down to whether or not this is a distinctive Canadian flag—whether or not it may or may not be an ideal design, reflecting fully and adequately the aspirations of the present Canadian people, or expressing the potential measurement of future generations in connection with the insignia that we call the Canadian flag, representing us at home and elsewhere in the world. Time alone will reveal its true significance. But what is really being expressed here today is not the be-all and end-all of the great desire for national identity. The crystallization of sentiment in metaphorical form, whether it be in verse or musical measures or physical guise, is the process which must be subject to the profound and subtle influences of evolutionary advancement in the life of this still young country.

It may be said with much truth that great national symbols are born, not made. The Union Jack itself in its final form has been the by-product of the gradual processes of evolution. The Stars and Stripes was born of the deep and simple devotion of an unknown woman whose attachment to her native soil was the source of her inspiration. It is worth noting that for a period following the secession of the thirteen colonies and the Declaration of Independence, the Union Jack continued to adorn the upper left-hand corner of the first version of the Stars and Stripes, and the respect for their British background in the old dominion of Virginia is still manifested in the flying of the Union Jack over the replica of the old Government House in Williamsburg, which with so many other structures now memorializes the pre-revolutionary days in that state.

It surely suggests, in that respect alone, a gratifying recognition of the common historic origins with so much that is cherished in the history of Canada as well.

And so I submit that out of this declaration which is contained in the resolution before us today we can develop even larger conceptions than are expressed in this initial effort to proclaim the note of nationhood. Particularly will this come to pass if through school and church, and the parliamentary councils of the nation, the vital attachment of the people to the soil of Canada receives due emphasis and attention. Let the positive and not the negative note be emphasized at this time for the future of this historic venture.

Let us also remember the spectacular increase in the population of Canada since the end of the last war, consisting mainly of largely diverse peoples and races in this new land to which they have come from countries and continents in other parts of the world, and whose regard for the adoption of a new Canadian flag by the representative action of those who represent them in Parliament will do much, in my opinion, to enhance the bright future that Canada will have in its aspirations towards nationhood.

The gratifying background of the whole thing is that we have today in Canada, I think, in contrast even with the point of view expressed in 1945 and 1946, when I was chairman of the joint committee, that it is undeniably reflected in the viewpoint of the younger generation which has matured and increased in numbers since that time. I feel through my own family, which has grown up during those years, that there is only one point of view, and it is to have definite recognition in the world where we have made the pretension, at any rate, of having some determining voice in its future affairs.

Hon. Clement A. O'Leary: Honourable senators, before I proceed with the main text of my brief remarks I should like to refer to the fact that today before the Orders of the Day were called I asked that a correction be made in the report of the *Debates of the Senate* of December 15, I was referring to an interjection that was incorrectly attributed to me. However, I did make an interjection which is correctly reported as:

> That is not correct.

That was when I advised Senator Pouliot that his statement was not correct.

Since that time I have apologized personally to Senator Pouliot for the rudeness of this interruption, but I did not apologize for the substance of my challenge.

Senator Pouliot said, in part:

> The leaders of the Legion—

And I presume he was speaking of the leaders of the Royal Canadian Legion.

> —do not represent the sentiments of the members of the rank and file of the army, navy and air force, any more than the leaders of labour unions represent the feelings of the members of their unions.

To my mind, this was a general and rather sweeping statement of condemnation of the Royal Canadian Legion. That is the way I interpreted it. It was a condemnation of the effective democracy of that organization. I want to say simply—and I think I have a

right to do so—that I have been a member of that organization for too long, and have participated in too many of its democratic processes, right through from its branches to its provincial commands and to its dominion command, to sit idly by and allow such a sweeping, destructive condemnation to appear on the record of this house. As a one-time member of the Standing Committee on Veterans Affairs of the other place, I can say that my colleagues and comrades there never shared a view such as that expressed by Senator Pouliot.

I should like to add further that the well-trained veterans' officers in the service bureau of the Dominion Command can render efficient and valuable service to members of Parliament, and, yes, even to senators, all of whom at some time or other must be asked to assist in the problems of veterans.

Suffice it to say, I have the highest respect for the Royal Canadian Legion, for its executive and staff from the top down. In saying that I am sure I have the support of the majority of veterans of this country, and the support, I might add, of a notable upholder of the Royal Canadian Legion, its efforts and its work, in the person of a former Minister of Veterans Affairs and the present distinguished Leader of the Opposition in this chamber.

Without either condoning or condemning the practices of some labour unions, I should like to point out that the comparision that Senator Pouliot made was not valid in that he was comparing voluntary membership, on the one hand, with compulsory membership on the other.

I am sorry that Senator Pouliot is not in his seat. However, he will read my remarks tomorrow morning and, being the distinguished gentleman that he is, will understand the point I am attempting to make.

In considering the resolution as amended, I think most of us will agree that it would be rather difficult to ignore much of what has already been written and said on this subject. In my remarks I promise you I shall make a conscientious effort to deal with the subject as objectively as possible, and attempt to remain strictly relevant, by first granting that the topic under discussion is an entirely new one for this chamber as of December 14. In so doing, it is nevertheless necessary to review the background and the purported reasons why we have this subject of a distinctive national flag—to use the words of the resolution—before us now. I might say as well that I may not find it the easiest thing in the world to remain entirely objective, because by its nature the subject is a very personal one for most Canadians and, I am sure, for all parliamentarians. Most honourable senators who have already spoken have pretty well demonstrated that fact.

In so far as background is concerned, it is my understanding that this subject is before Parliament in the year 1964 because the promise to "adopt" or "attempt to adopt, if possible" a distinctive national flag within two years of being elected to office was included in the platform of the present Government party prior to the last federal election. I want to state immediately that I recognize and accept the fact that its background extends considerably farther back than that, which fact, incidentally, Senator Pouliot brought out very well yesterday afternoon. However, I repeat that this election promise has been offered as the basic reason for this resolution being before us at this time.

I then ask: Is this good and sufficient reason in itself? I think not, and I do so not because I consider the subject unimportant, nor do I seek to dismiss responsibility on the part of those so promising. I do feel, however, and very strongly, that this should be a question of relative values, and in the light of the events of the day a party, once having assumed power, must make a responsible and realistic assessment, and thereby establish priorities. I believe, too, that in this instance the mood of the day should have dictated that discussion and decision on such a subject was indeed untimely, and, heaven knows, there were and are priorities sufficient and grave enough to excuse any government for not proceeding in this direction at this time.

Notwithstanding these much more urgent and pressing problems, this Government strove and finally succeeded by rather drastic and questionable practice to bring this very contentious issue before us for discussion at this time. And it anticipates, I presume, decision and disposition of the matter to that degree within the powers of this chamber.

Thus, it is not at all strange that many very strongly suspect the Government's real reason for this action—quite over and above the keeping of an election promise within a defined time limit. Surely, it cannot be argued that there was any great public clamour for a new flag at this time. I know of none, but I will say that once the Government of the day introduced the subject in the other place, I am sure all honourable senators here will have noted that the greatest, strongest and most united representations we have since heard come from those who support the retention of the Red Ensign as Canada's flag. I am not advocating that course, because I fully comprehend the necessity for understanding and compromise, thereby automatically but consciously and willingly sacrificing even some of those things we cherish.

Senator O'Leary (Carleton) gave us a rather lengthy list of those in his speech yesterday when moving the amendment. I will not repeat them.

In a recent major speech by the Prime Minister of this country, one further reason was advanced for introducing this very contentious topic, and I must say that in this instance the argument for "at this particular time" was not put forward too strongly. His argument was in support of the necessity for "change", and on this occasion he cited the example of that which was done in 1945 when the Union Jack was replaced by the Red Ensign. He pointed out that although many people opposed that change he now felt certain that such action was, and I quote, "a desirable and inevitable stage in our national progression". Perhaps I will have more to say on this particular point when another resolution will, I understand, appear before us shortly.

Honourable senators, up to this point I have attempted to refute what I believe were the two most substantive arguments raised for bringing forward this resolution to both Houses of Parliament at this time. At least I would hope that they are the most "substantive", in that they were the key ones advanced by the Prime Minister himself. Now I come to the point where it is necessary to face the fact that, whether we like it or not, the subject of a distinctive national flag is before us here and now. I believe it will be well at this stage to state what I feel is my objective. I can only say that I am very unhappy with this design we have been asked to approve. Were I to list all my reasons, many of them would simply be a repetition of those outlined when the amendment was proposed.

I believe the reasons outlined when the amendment was proposed were "substantive ones." Following my line of argument, this is the reason that I heartily endorse the amendment.

Someone has, perhaps unkindly, called this proposed design an "extinctive" rather than a "distinctive" flag. In all seriousness, this pretty well describes my feeling about it. To be more specific, I sincerely feel that our loss has been too great. In the spirit of understanding and compromise to which I have referred, I personally would willingly and very gladly accept the third choice of the Commons Flag Committee. To my mind, this design made room for both: it allowed for a retention of the history, culture and traditions of the two founding nations, and it was very obviously conceived in the bicultural mood of the day.

I apologize for referring to Senator Pouliot by name when he is not here, but I must quote his words. Yesterday he stated, in part, that the Union Jack was "perhaps the most beautiful flag in the world." I concur with him wholeheartedly, except that I remove his "perhaps". Therefore, the closer we come to such beauty, even with certain variations, I say that we would then be giving our country a flag second to none, a beautiful, meaningful flag for a beautiful country, meaning everything to us as Canadians. Then we could be truly as proud of our flag as every last one of us is of our country. I believe this should be the case.

Now, I have just expressed my view, but what of the views of the majority of Canadians? Here I do not agree with the proposer of the amendment, in that I maintain that neither the elected representatives of the people nor we here in this chamber, nor both combined, have the right to decide for all Canadians on a matter of this deep personal significance. I stand for a plebiscite in the next general election, but I will not argue the case here because it would not be relevant to the amendment and, incidentally, I have no intention of proposing a further motion. Consequently, I will support the amendment, in the hope that before another year has passed, perhaps others will see this subject as I do at the present time.

Senator Cameron has indicated that there will be no unanimity, irrespective of the length of time we may take. Another senator from this side of the house has agreed with him. I shall not prejudice the mentality and future views of Canadians except in a hopeful spirit, and I believe that time can soften the "hard-shells" and make possible a worthy compromise. Very true, it can be said that one body of this Parliament has already spent much time on this subject, but I was very happy to hear Senator Crerar say, in effect, that in his view this time was not wasted by any means. I believe he referred to it as healthy controversy.

Again, speaking on the time element, in so far as this arm of Parliament is concerned, no opportunity was afforded the members of this chamber to participate in any way in this most important question until December 15. I deplore the fact that there was no joint committee of both houses set up for purposes of recommendation, if for no other reason than to serve as a guide for the Canadian people, offering them suitable and appropriate choices for their final decision.

Senator Pouliot said yesterday that if the Leader of the Official Opposition had followed the example of Mr. Godbout, there would be no problem at all and we would not be faced with a contentious issue, that unanimous approval would have been the order of the day. All I can say to this is that, if I followed

Senator Pouliot correctly, and from what I can read of the procedure followed in Quebec at that time, if Mr. Diefenbaker had followed Mr. Godbout's example we would have a resolution before us today dealing not with one symbolic maple leaf, but three. To my mind, however, the making of a choice between the two was not an earth-moving decision, because there is little beauty or substance in either.

Honourable senators, in summary, I have criticized the timing of the introduction of this subject in Parliament; I have criticized the technique and manner of its introduction; I have criticized the present proposed Canadian flag, not for its content, but for lack of it; I have indicated my choice of a flag; I have stated that all Canadians should make the final decision; and I have questioned the time element in so far as this chamber is concerned. Yet, I have not been unmindful of the proper and expeditious dispatch of public business, and I hope I may be forgiven if I say that neither am I unmindful of Christmas holidays.

With these thoughts in mind, and with the sincere hope that possibly Canada may yet receive its just dessert in the matter of what I feel is a worthy distinctive flag, I repeat that I will support the amendment. Unlike Senator Croll, I can wait, and I feel we must wait, otherwise we are inviting disunity, and consequent disaster for our country.

Hon. Sydney J. Smith: Honourable senators, there have been just about 300 speeches delivered during the flag debate, which is now in its thirty-fourth or thirty-fifth day. There is little that can be said now that has not already been said repeatedly, so I do not propose to add another version of the same theme. In fact, I had made up my mind that I would refrain from speaking at all, but that was before my honourable friend Senator Grattan O'Leary introduced his amendment yesterday. That made me change my mind.

I want to congratulate Senator O'Leary on making the finest speech of his career in the Senate. His dramatic appeal for unity was masterly, and I endorse it with all my heart. However, I cannot endorse the amendment with which he concluded his speech, which I considered to be completely contrary to his appeal for unity.

At about two o'clock yesterday morning the proposed new distinctive Canadian flag reached a point that was closer to unanimous Canadian acceptance than had ever been accomplished previously. The flag that had been chosen from among thousands was endorsed by an overwhelming vote in the House of Commons. All that remains to be done now is for us to lay aside our differences and grudges, as suggested by the honourable Senator O'Leary before introducing his amendment, and to unite behind the flag that has been recommended and adopted in the other place.

Let us examine the exact wording of the resolution. It has already been put on record by the honourable senator from Winnipeg South (Hon. Mr. Thorvaldson). I do not wish to take anything out of its context, so I am going to repeat the body of the amendment, which reads in part as follows:

> In amendment, that the motion be amended by striking out all the words after "Government" and substituting therefor "that the Government suspend further action on the proposal for a new Canadian flag in order to give reasonable time to the people and Parliament of Canada to reach agreement on a flag which will incorporate appropriate symbols of the founding peoples of this nation and which will be acceptable to all elements of our population.

I will repeat the portion that I want to deal with, leaving out the unrelated part. The main theme is that the Government suspend further action on the proposal for a new Canadian flag in order to give reasonable time to the people and Parliament of Canada to reach agreement on a flag which will be acceptable to all elements of our population.

I wonder if my honourable friend who sponsored the amendment seriously thinks that the people and Parliament of Canada have been unduly rushed into coming to a choice of a flag? Does he seriously think that a further indefinite period for discussion would produce a more unanimous decision? Or does he seriously think that resulting from any further period of consideration, any flag could be produced which would be acceptable to all elements of our population?

Honourable senators, I have no hesitation in saying that it is my considered opinion that such an accomplishment is a forlorn hope. We are individuals, and enjoy the freedom of individuality in our tastes and convictions. We are free to belong to the church of our choice, we are free to join the political party of our choice. We also enjoy countless other choices that reflect our individuality.

Many facets of society are better because of conflicting convictions, but not so in the case of a flag. If we could each adopt the flag of our individual choice, the result would be completely useless; it would not serve its purpose.

In the case of a flag, we must be prepared to submit to conciliation, and to compromise in a spirit of give and take. When we have adopted a common choice, the element of time

will start to work and sooner or later, depending on the spirit of our conciliation, the flag will become a valuable influence for unity.

Honourable senators, with due deference and respect for the sponsor (Hon. Mr. O'Leary, Carleton), I find it impossible to support the amendment.

Hon. John A. Robertson: Honourable senators, in rising to take part in the debate on the amendment to the main motion, I do so after considerable thought and a great deal of listening to what has been said in the debate.

I would like first to congratulate my good friend and colleague the honourable Senator O'Leary (Carleton) for what I believe is one of the finest, if not the greatest, speeches we have heard in respect to the flag debate during the past six months.

I also wish to congratulate the honourable Leader of the Government (Hon. Mr. Connolly), and all other senators who have spoken to this date. This has been a most informative and interesting debate throughout.

I listened very closely to the honourable Senator Pouliot yesterday. During his address I came to a number of conclusions. I notice that my honourable colleague Senator Clement O'Leary, is chuckling—he stole part of my speech, and therefore I shall have to follow a different course.

The honourable Senator Pouliot, from that famous town in Quebec, Rivière du Loup, was, as usual, at his vocal best in speaking of the need for a distinctive Canadian flag. He made his usual approach, employing one of his favourite methods of waving an olive branch in one hand and a baseball bat in the other.

Mention has been made of the approach that Mr. Godbout and Mr. Duplessis took about the flag of the Province of Quebec, and that was just too bad that the same method was not used in the present circumstances. That is all water under the bridge. This new flag was launched in a sea of discontent, one of the very roughest of seas. We are all well aware of the reception it received that memorable day in the City of Winnipeg. I say to all honourable senators that if there ever was an inopportune time to introduce a new flag, that was the day. It was a very sad occasion, and the flag presented at that time is not the flag under discussion and consideration today, but a different one.

In reading *Hansard* of the other place one must assume that the policy of the Government must have been this: If you cannot say anything good about the new flag, don't say anything. So, honourable senators, they said practically nothing, and this proposed flag was adopted by nearly all Government members along with nearly all those of the smaller parties. This must have been the policy projected through caucus—I can only guess this much, because we do not know what they said and what they did not say. I can assure you that these members will have to answer to their constituents when they return to their constituencies at a later date. Of course, the answer is one for which we shall have to wait.

I listened in this chamber as the honourable Senator Pouliot ran down the Royal Canadian Legion brass. I am sorry he is not here tonight so I could look over and smile at him. He also ran down labour unions and their leaders. Not speaking for the rank and file, I immediately thought of the Bar Association when he said that, and I wondered if he attended all their meetings.

Speaking for myself, I served in the armed forces, along with four of my brothers, under the flag that is presently flying atop the Peace Tower. Like my father and my grandfather, I have lived in happiness and security under this flag throughout a lifetime.

I listened to the honourable Senator Croll's remarks earlier today, and he called himself a new Canadian. I wondered, if he thought he was a new Canadian, what his idea would be of an old Canadian, because I think he has been with us for some 60 years, and if he is a new Canadian then I guess I must be too.

With respect to the "Croll Poll," as he called it, I was most impressed. In fact, I was going to ask him if he conducted that poll in his own backyard. I assume that he did. Then, when he said, "Time is running out. I want a flag now and I cannot wait," I felt like saying, "Maybe Santa Claus will be good to you too." With regard to his remarks about a changing world, Canada, like the rest of the world, has been changing vastly over the last 100 years, and I do not think we have to be advised of that fact.

Then the good senator mentioned living in the past. Well, I can only say that I wish for my family and relatives the same happiness living in Canada this next 50 years that I have experienced during the past 50 years. Certainly, a new flag will never change our standards of living. Again, in reference to the past, I told Senator Croll as he passed out of the chamber, hustling to a committee meeting this afternoon, "Senator when you start speaking of the past I immediately think of the members of your profession. On any occasion I have had the opportunity to sit and listen to a lawyer, in court or in one of the offices upstairs, I have come to the conclusion that they are the champions at digging into the past."

But what about the new flag? What do you think of it? Personally speaking, I cannot say too much for it right now. Being a man of many flags, a railroader, as you all know, I have great respect for flags. The colours are many. We have a white flag, a yellow flag, a green flag, a green and white flag, a blue flag, and a purple flag. All these flags mean something. I could go on and explain to you what they mean. I have only worked with them for the past 25 years, but those who went before me used them too. And what do they mean? Green: "Go!" Red: "Stop!" Yellow: "Proceed with caution!" I could go on and elaborate, but I am sure honourable senators who have served on the transport committee know the answers.

In reference to polls, when I heard of the "Croll Poll" I searched through my pocket and plucked out this article which appeared in the Toronto *Daily Star* of December 12, 1964. It is headed:

> Opinion poll favours maple leaf flag

I did not stop there, but kept on reading.

> A privately-organized opinion poll taken in Toronto, Montreal and rural Quebec shows 81 per cent of those polled want a red, white and blue maple leaf flag.

We are away off base. If 81 per cent want this type of flag, then the one that is being suggested today is not the right one. However, I would not want to think that polls are wrong. It says 81 per cent. It mentioned 16 per cent here too:

> Of the total sample of 411 persons, 81 per cent liked the blue version, and 16 per cent liked the red version. Three per cent refused to make a choice.
>
> The red version is the choice of a parliamentary committee which has completed a study of the flag question. The red flag is now before the House of Commons.

—in more ways than one. I thought that was a terrific figure, 81 per cent—better than the "Croll Poll," as Senator Croll called it.

If I may, I would like to read into the record a letter I received a day or two ago: It is addressed:

> 8559 89 Street
> Edmonton, Alberta
> December 13, 1964
>
> Senator Pete Robertson
> Kenora, Ontario
> Ottawa, Canada

So he is going to make sure the letter gets to me!

> Dear Sir:
>
> Two of the most beautiful flag designs in the world are undoubtedly the Star Spangled Banner and the Union Jack.

This has been said in this chamber this evening, and was mentioned by Senator Pouliot yesterday. I agree. Then he refers to the Pearson red maple leaf flag:

> The Pearson red maple leaf flag is too plain in appearance to look good flying beside either of these two, and the enclosed flag designs that I have submitted are much more complimentary—all three being stripe designs.

—though there were only two in the package when it arrived, so one must have dropped out. Nevertheless, he said there were three.

> It is my opinion that if the Pearson maple leaf design is adopted it will split the country more than ever. As while the Red Ensign is too British, the maple leaf flag is too extreme the other way. I feel the Pearson design is too plain and meaningless. While on the enclosed designs each blue stripe or pillar, as I choose to call them, is representative of the ten provinces, while the gold band ties in all the provinces to the maple leaf as a wedding ring. The fleur-de-lis occupies one-third of the shield but having top position gives both the French and British equal representation and also shows that the French were here first.

That is something to be considered too.

> I believe that unity can be helped if both the British and French are equally represented on the flag which is a good compromise between the Red Ensign and plain maple leaf design. I hope you will favour bringing these designs to the attention of the Senate.
>
> I knew you in the army in Winnipeg.
>
> Yours respectfully
> (Signed) William McCulloch.
>
> These flag designs were submitted to the chairman of the flag committee at a late date but before their design was chosen. I received no acknowledgement from them which would make me feel that their design was pretty well cut and dried.

I have another letter here, but I do not think I will bother reading it.

Hon. Mr. O'Leary (Antigonish-Guysborough): Is the last part a P.S. or did you write that in yourself?

Hon. Mr. Robertson (Kenora-Rainy River): It is in the same handwriting as the signature.

Honourable senators, as I said, I would have liked to spend a little more time on this, but the honourable Leader of the Government presented this resolution so soon, and since we did not get a stay of execution for a day I did not have time to prepare anything more lengthy than this. Nevertheless, I was happy to be able to voice my opinion in respect of the new flag and the amendment to the main motion. I can only say I am heartily in support of the amendment. Thank you.

Hon. Malcolm Hollett: Honourable senators, I have had no time to prepare a speech for tonight, having arrived back from Newfoundland late last evening. Let me first of all extend my congratulations to honourable senators who spoke yesterday; although I did not hear them, I have read what they said. I also want to congratulate those who spoke today. Most of the speeches were on a very high level and made me feel proud to belong to a gathering such as we have in this house. I regret that my speech will not be in the same category, for I do not have the ability nor have I had the time to make adequate preparation.

We all understood we were to get a distinctive Canadian or national flag. But nobody has yet been able to explain to me what is so distinctive about the red maple leaf in Canada. Why is it distinctive in Canada? Maple leaves are to be found in many places, including Europe. I remember reading that Tennyson once said that the maple leaf will turn to blood in the fall. He was, of course, referring to the turning red of the leaf. Therefore, it follows that there must have been plenty of maples leaves in England or in Europe away back in Tennyson's time.

I do not wish to cast any aspersion on the flag, because it looks as if we will have to accept it. But will somebody tell me what is so distinctive about it? Surely in Canada we have other things more distinctive than the leaf of a tree. We do not have very many maples leaves in Newfoundland unless we import the trees and plant them in our backyards. We have quantities of spruce and birch and other trees, but no maples. I suspect that in some other provinces there is a scarcity of maple trees. It is true that maple sugar is excellent. In that sense the maple tree is distinctive, but that does not make the maple leaf so distinctive that we should have it as a national emblem. If we have it, of course we must respect it, and if it is embodied in our national flag I shall respect it in the same manner as every other Canadian. I am quite sure, however, we could have found, particularly if there had been a joint committee of both houses, other emblems to submit to the people and then let them decide which one they liked. I think then we would have had something very distinctive as far as Canada is concerned.

Somebody has said we are a young nation. Very well. It has been said we want a flag. That may be, but we do not want any design forced down our throats by somebody who thinks that he or she can do so. Somebody thought about a red maple leaf and said "We will get them to accept that." I do not like it.

I come from Newfoundland, and therefore I am only a young Canadian. There has been talk about old Canadians and young Canadians—I am a youngster. Many of my friends from Newfoundland are also youngsters, as far as Canada is concerned. We in Newfoundland, as you know, are practically all of English, Irish, Scottish or French descent. Whenever England got into trouble we did all we could to help out. As an example, I mention the First World War.

Many of the senators here served in the First World War; there may be one or two young enough to have served in the Second World War. Are you all in favour of throwing out the Union Jack and the Red Ensign? You men who served in the First World War and those of you who lost your sons in the Second World War and who fought to preserve what the Union Jack stood for, are you going to give up the Red Ensign and the Union Jack?

I was afraid I might become emotional, because it is an emotional subject for some of us. Every one of us who fought in any war in which Canada, Newfoundland or Great Britain was involved must have respect for the Red Ensign or for the Union Jack. Whether we are of English, Irish, Scottish, French, or of any other descent, this must be true. We fought under that flag. I fought in France side by side with Frenchmen. I saw Frenchmen die alongside our own Newfoundlanders and Englishmen. What did they die for? They died to preserve that freedom which their forefathers had won and with the loss of which they were threatened.

Are the French Canadians in this country prepared to drop the fleur-de-lis? Are they prepared to drop some connection with the mother country, and are you of English, Irish and Scottish descent prepared to drop all connection with Great Britain, alongside whose people your sons, and indeed some of your daughters, probably died in the Second World War, as did your friends and relatives in the First World War? Do you want to sever all connections? Is there nothing we can put in our flag which would make it distinctive and keep it in touch with our mother countries?

I lay this before you, honourable senators. I said I was proud to hear such excellent speeches, but tonight I am also disappointed. This is supposed to be the place where legislation is given sober, second thought. What do I find? I find that the senators on that side of the house, as well as some on this side, are making this a political issue in the Senate. This is disgusting, to my way of thinking. We should not allow the flag question to be brought into this house and to be handled here as a political issue. In my opinion it is discreditable to this honourable chamber that this should happen, and I ask you all, honourable senators, to consider what you should do with this amendment of the honourable Senator O'Leary. Is it not reasonable? Is he not asking you to do exactly what you are appointed to do, namely, to give it a little more time and to think it over? I ask you to think it over so that the people will have more respect for us.

I do not care what the percentage is for any particular flag, but I do think it would be wise of us to discard political thinking on this and vote according to our consciences, to lay before the people of Canada a sample of distinctive designs, one of which they would choose as a flag for Canada.

Honourable senators, I do not wish to delay you unduly, but today I received this telegram from Burin, where I was born. It is from the Burin branch of the Royal Canadian Legion, and reads as follows:

> Burin Branch Royal Canadian Legion expects you to use your good office to protest against the new flag.

It is signed by Gordon Cheeseman, President. I have numerous other telegrams like that from branches of the Royal Canadian Legion.

I am not protesting against the new flag, but I am arguing for giving our people in the ten provinces of Canada some time in which to think it over. Let them look at it, and let them decide.

It is my personal opinion that we should certainly retain in our flag some symbol of the two founding nations, Great Britain and France. There is nothing of that nature in this red maple leaf which, as Tennyson said, will turn to blood in the fall. I am pleading with you, honourable senators, not to vote down this amendment; do not let it be a political issue with you. We are here to give this resolution a second thought and to take a good look at it, and we should support the amendment moved by Senator O'Leary (Carleton). Let our people make the decision. If Senator O'Leary's amendment is defeated, then we shall not be giving them a chance of making a decision. We shall be saying to them: "Look, this is your flag. This is what you have got to fly over your store or place of business."

Honourable senators, wherever you look across Canada you see the maple leaf. You see it on cans and packages. You will not find the Union Jack on that sort of thing in Great Britain, and neither will you find the fleur-de-lis being used commercially in France. Yet in Canada you see the maple leaf on all sorts of goods that are sold to the people. It would be very strange indeed if one went to England and found the Union Jack on a can of beans. Something has to be done if we are to have the red maple leaf on our flag. There will have to be legislation prohibiting its use in advertising.

It is not my intention to delay this issue. I think Senator O'Leary's amendment is something that should be considered seriously, and not politically. Our people should decide upon the flag they want. In Canada there are people from almost every country in the world, and they are not being given a chance to choose their flag. They are being told: "This is your flag." It is not right for us as senators to allow this matter to go through in that way.

I am not speaking in a political sense. I do not mind what sort of flag we eventually adopt, but I would like to see whatever flag is adopted contain some device emblematic of the founding nations, France and Great Britain. However, if whatever flag is adopted is not the choice of the people of Canada, then it is not going to receive the love and the preparedness to die for it, which any flag deserves.

Our comrades gave their lives for their flag. We buried them in France and around the world because they fought for it and what it represented—justice, peace, honour and security. Let us not sever our connection with the people from whom we came. Honourable senators, I am pleading with you; do not let this be a political vote. The honour of the Senate is in your hands during the next 24 hours. Let us stand by that honour.

Hon. A. K. Hugessen: Honourable senators, I can appreciate that this is to some extent an emotional issue. We have had an example of that in the speech we have just heard from our honourable friend Senator Hollett. In fact, I am afraid he made use of some expressions which I think upon sober, second thought he will be sorry he used, because he told us the proceedings in this Senate were disgusting and discreditable. I was going to commence my remarks this evening by saying that during the whole of my 27 years of experience in this house I have never known of a debate that has been conducted on a higher plane than this.

Senator Hollett besought us not to deal with this matter in a political way, and I agree with him that we should not. All he asked us to do was to consider very seriously the amendment that stands in the name of Senator O'Leary (Carleton). I propose to do just that for the next moment or two, and in no political way whatsoever. Senator O'Leary asks for delay:

> ...to give reasonable time to the people and Parliament of Canada to reach agreement on a flag which will incorporate appropriate symbols of the founding peoples of this nation—

He and other honourable senators who have spoken have made it quite clear that what they mean by "appropriate symbols" is the Union Jack and the fleur-de-lis.

> —and which will be acceptable to all elements of our population.

There is a fundamental mistake in these two suggestions, namely, "a flag which will incorporate appropriate symbols of the founding peoples of this nation" and "which will be acceptable to all elements of our population." The reason I say that is that every single representative of French-speaking Canada that I know of has said repeatedly throughout these last six months that he has no desire whatever to have the fleur-de-lis as part of the flag of this country. So, you cannot have a flag incorporating appropriate symbols of the founding peoples which will be acceptable to all elements of the population.

So much for the people. The amendment also asks that there be reasonable time so that the Parliament of Canada can reach an agreement on an acceptable flag. Does Senator O'Leary (Carleton) or any other member of this house, or indeed anybody in this country, believe for a moment that under conditions as they exist in the House of Commons today there could possibly be agreement as to a flag, under any conceivable circumstances?

Some honourable senators who spoke this afternoon and evening made rather bitter attacks upon the behaviour of the Prime Minister in connection with this flag issue. I am not here to defend the Prime Minister, but I will say in answer to those charges—and this is the only political element that I am going to introduce into my speech—that so long as the party opposite is led by its present leader in the House of Commons we shall never have agreement on anything. That is as far as I propose to go in this respect.

An Hon. Senator: You are referring to Mr. Tommy Douglas, no doubt.

Hon. Mr. Hugessen: I was glad to hear Senator Hollett discussing the First Great War. We have heard one or two people tell us that they were Canadian soldiers serving under the Union Jack in two wars. He and I served in the First Great War, and I think we are members of a somewhat diminishing band. There are only a few of us who served in the First War remaining in the Senate. When anybody tells me that we in the First War served under any particular flag, I am apt to regard that statement with a certain amount of irony.

The western front, as Senator Hollett well knows, during nearly four years was a front of fixed trenches with no movement of any kind—trenches extending back two or three miles from the respective front lines—and we lived in those trenches. My honourable friend knows as well as I do that from one month's end to another we never saw a flag, and that a flag had nothing whatsoever to do with our life in the trenches. In fact, if anybody were so ill-advised in our trench warfare as to stick up a flag on the top of the trench, the only result would have been that it would have attracted the fire of the enemy artillery.

Now, as Senator Hollett knows, and as some of my honourable friends know, in the First World War—and I served a year at the front—we had no concern about flags; our interests and concerns were on a very much more personal and perhaps a lower level. We were concerned more with when the next rum ration was coming round and, even more important than that, how we were going to get rid of our lice. Perhaps I might have gone on and expatiated a little on the system we adopted to achieve that result, but I will not do that, other than to say that a flag would have been of no use for the occasion whatsoever.

The only time we ever saw a flag in the First World War was when we were sent away back to divisional headquarters or army headquarters, or to a point miles behind the front line. There perhaps one might see a pennant flying on the hood of some general's car. That was the only connection that we ever had in any way, shape or form with any flag.

Hon. Mr. Hollett: No, no.

Hon. Mr. Hugessen: My honourable friend's experience may be different from mine, but that was mine.

To turn to another subject, this resolution is designed to change our present Canadian flag, to bring in the new maple leaf flag. As honourable senators know, our present flag is the Red Ensign, of which the most important and outstanding feature is the Union Jack in the top left quarter of the flag.

Hon. Mr. Flynn: Would the honourable senator permit me to put a question? I am not too sure if it is correct to say that the Canadian Red Ensign is the Canadian flag at this time. I understand that the order in council said that this is the flag that should be flown over public buildings, but that is all.

Hon. Mr. Hugessen: Well, it is generally recognized for the time being as the flag that we recognize as our own. As I say, its outstanding feature is the Union Jack in the top left-hand corner. It is true that on the fly it does have, in a rather insignificant way and not very easily seen, the Canadian crest. But the important thing about it is that our present Canadian flag has its entire emphasis upon the Union Jack.

I have given a good deal of thought to what our Canadian flag ought to be. It goes without saying, I have the deepest of love and respect for the Union Jack. It symbolizes many things. Those were very well expressed by Senator Grattan O'Leary in his speech, but basically the Union Jack symbolizes something that people have forgotten about. During the weekend I happened to be reading an article in the *Encyclopaedia Brittanica* about flags, and I came across some rather interesting information about the Union Jack.

The first Union Jack was designed at the time when, after the death of Queen Elizabeth, James VI of Scotland, the first Stuart king, became James I of England. At that time, for the first time, the crowns of England and Scotland were united. So James I issued instructions that a new union flag was to be designed to represent the two united countries. That was done. The new union flag was a combination of the Cross of St. George, representing England, and the Cross of St. Andrew, representing Scotland. It was officially called the Union Flag, but in common everyday language it was even then referred to as the Union Jack. The reason for that is rather interesting, too. As I said, this flag was designed by order of James I. James I had the habit of signing all his official documents and orders with his name, not in English but in French. He did not sign "James": he signed "Jacques". That was why the union flag designed on his order was called the "Union Jack".

That flag, that first Union Jack, continued with a slight interruption during the time of Cromwell, until the year 1801. Here I think I have to call upon the knowledge of Irish history of my friend Senator O'Leary (Carleton). In 1801, the independent Irish parliament—which, incidentally, was called "Grattan's Parliament", was it not?—was abolished, and the Irish parliament was combined with the English parliament and the three kingdoms were combined into one. Therefore, in 1801 it became necessary to create a new flag representing the three countries. That flag was designed to include the Cross of St. George for England, the Cross of St. Andrew for Scotland and the Cross of St. Patrick for Ireland, and that is the Union Jack as we know it today.

All honourable senators know, the union of England, Scotland and Ireland no longer exists. Ireland, or at least the greater part of Ireland, has gone out of the union. The question which comes to my mind is this, what connection has the union of England, Scotland and Ireland in 1801, a union now partially dissolved, with the Canada of 1964? That is the question which strikes me as being rather basic in this whole consideration.

The position we have at the moment is that our flag, the basic design of our Canadian flag, the Union Jack, represents, you might say, the past history of less than 50 per cent of our people. I think Senator Crerar gave the figures of the population, the racial origins of Canada, in his excellent speech yesterday afternoon. As I recall them, it was 30 per cent French origin, 44 per cent Anglo Saxon origin, which included English, Scottish, Irish and Welsh, and about 26 per cent of other diverse origins of various kinds.

Honourable senators, you have to ask yourselves this question: Facing that situation, and with the Canada of today and with its population of today, in the proportions which I have mentioned, is it right for the flag of Canada to have the Union Jack as the only really important element in its composition?

I must say that, much as I love the Union Jack, I do not think that the people of English-speaking origin should monopolize our Canadian flag.

I fully agree with Senator O'Leary (Carleton). We have a wonderful history that lives on in the Union Jack; but, after all, we are going to preserve that tradition in the second part of the resolution which will come to us when the House of Commons has dealt with it. We will still be able to fly the Union Jack, or Red Ensign, whichever is decided upon, as representative of our membership in the Commonwealth and our love and affection for everything that the British tradition represents. On the other hand, I do think that we should give the most serious consideration to having a new flag of our own for use within Canada, which every element of our population will be able to look up to with an equal sense that it belongs to them all.

That is about all I can say, honourable senators. That is the reasoning that has led me to the conclusion, quite apart from any matters of political interest—and I do not stand second to Senator Hollett or anybody

else, in my belief in the independence of this chamber and our right to make a completely independent choice in these important matters. I say that is what has led me to the conclusion which I want to express, in favour of the adoption of the resolution that is now before us.

(Translation):

Hon. Cyrille Vaillancourt: Honourable senators, I have no intention of trying to convert anybody. If I mention the fact, it is because the senator for Winnipeg South (Hon. Mr. Thorvaldson) took Senator Lambert to task a while ago for apparently having changed his mind in the last twenty years. Do not imagine that I shall try to change the mind of those who do not have my opinion. However, I do want to say how glad I am to see the present debate taking place in such an atmosphere of serenity.

Most flags came out of a revolution or a coup d'état, where a dictator takes over, but very few countries proceeded as democratically as our Government has. That is what a people living under a true democratic system—as ours does—can do—

Since this debate started in the Senate, it seems to me that we are dealing with this matter in a true democratic manner. I found one or two speeches deplorable, however, because they contained some unfortunate remarks about the Province of Quebec. Eventually, those people will no doubt, on second thought, be sorry for having said such things.

After the speech of our leader, senator Connolly, there is no need to review the history of our country since confederation. He did so with a great deal of appropriateness and eloquence.

At every international conference that I attended, I have always been embarrassed to note that our country was the only one without a distinctive flag, while the smallest nations represented were proud to display theirs.

It will be argued that we have had the red ensign for some time. But we know its history, and the difficulties it went through since Confederation, but we cannot say that it is truly a national flag, it is the flag of our navy.

At the time of Confederation, England refused to give us the right to have our own distinctive flag; consequently, the red ensign was proposed by Sir John A. Macdonald as second best.

At first, it was tolerated, but later on the permission was withdrawn. There was even a day in South America when diplomats were in an uproar because certain countries objected to our flying this merchant marine flag.

Some suggest that the adoption of the proposed flag will divide the nation. I rather think that speeches delivered in certain quarters and that certain press reports will promote the division of our nation far more than would a flag. Quite the contrary, a Canadian distinctive flag will unite the whole nation. It is obvious that unanimity can never be reached on a flag design, but once we adopt this flag, such unanimity will be achieved gradually, and in a few years everyone will be glad to fly the new distinctive Canadian flag which will be a rallying sign and a symbol of loyalty towards our country.

Some accuse us of ignoring our ancestors because the Union Jack and the fleur-de-lis do not appear on our flag. We are even called ingrates. The fact that I do not wear a necktie which my grandfather or my father wore, does not mean that I do not appreciate my ancestors. Similarly, when our children are leaving us, it does not mean that they do not love or appreciate us any longer because they establish a home and live as they wish and not as people lived 25 or 50 years ago. They are not ungrateful because of that.

As a symbol to represent our country, is there anything better than the maple leaf? As far as I am concerned, I have personal feelings about this whole matter of the maple leaf, and you realize why. To me, it is a symbol, it is the image of the strong and powerful tree rising straight up to the sky with its roots digging deep into the ground. The maple resists every storm and can live hundreds of years. Is that not a symbol of vigour and strength aptly representing a nation that wants to be strong and vigorous? When looking at that tree, you find an inspiration of greatness, beauty, pride and nobility. Could there be a finer symbol than that maple leaf? Some people say that the maple leaf was selected to please the province of Quebec. If that were the case, they would have selected the sugar maple leaf—acer saccharum—but they preferred to select the red maple—acer rubrum—which is found just about everywhere in all Canadian provinces, and not only in the province of Quebec.

I should like, at this point, to volunteer information on the colour of the maple leaf. When fall comes and the leaves fall, the red maple leaf grows a deeper red, while the leaf of the maple sugar tree—the acer saccharum—becomes yellow, not red.

To leave out the Union Jack or the fleur-de-lys from a distinctive flag does not mean that we forget our ancestors or that we disown them; on the contrary, we are proud of them.

Still, it does not suffice to say that we are proud of our forbears; let us also be proud fathers of our sons, for tomorrow. That is how we will develop this country of ours, that we will grow, that we will prosper.

If I were allowed to do so, I would ask every Canadian to rally around that symbol so that it may be truly ours. One must realize that since the treaty of Westminster we are a free country, master of our destiny. Canada not only has the right to appoint commissioners but ambassadors also to other countries and to sign treaties and enter into trade agreements and other treaties with all the countries of the world. Therefore, we are an adult country and we must act like adults.

May that single maple leaf flag fly over our buildings and may we say proudly and sincerely when looking at it: "O Canada, mon pays, mes amours."

(Text):

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

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, December 17, 1964

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

Prayers.

HON. C. G. POWER, P.C.

FELICITATIONS ON FORTY-SEVENTH ANNIVERSARY IN PARLIAMENT

Hon. John J. Connolly: Honourable senators, every once in a while we have occasion to pause and to say something that we are all particularly anxious to concur in. On this occasion, it is especially easy for all of us to give our concurrence.

On December 17, 1917, Charles Gavan Power was first elected to the House of Commons. He was re-elected in 1921, 1925, 1926, 1930, 1935, 1940, 1945, 1949 and 1953. He was appointed to the Privy Council in the year 1935. He was, in turn, Minister of Pensions and National Health, Postmaster General, and Minister of National Defence for Air during World War II. He was appointed to the Senate on July 28, 1955.

I do not suppose there is, or ever has been, a man on Parliament Hill as well liked or admired more than "Chubby" Power. If Parliament is an institution, he is one of the bulwarks that has made it the kind of institution it is, because he too in the public life of our country is the kind of institution I think all of us would like to be. This is the kind of career he has had.

From the personal point of view, of course, all of us have deep and abiding affection for Senator Power. Perhaps I speak with too much emotion, but in everything I have said I know you all feel as I do, some perhaps more deeply than I.

Hon. Senators: Hear, hear.

Hon. A. J. Brooks: Honourable senators, as I came into the chamber a few minutes ago the honourable Leader of the Government acquainted me with the fact that today is the anniversary of the long period of time our colleague Senator Power has served the public as a member of Parliament and as a senator. I entirely endorse what the leader has said.

I remember my first introduction to Senator Power. It was when I entered Parliament as a member in 1936, and Senator Power had been chosen then as a minister in the Mackenzie King cabinet. In the first caucus our party held Mr. Bennett, our leader, was reviewing the ability and standing of the members of Mr. King's cabinet. I might say he was not altogether complimentary to most of them. However, when he came to Senator Power—"Chubby," as he was then called—he said, "In my opinion, 'Chubby' Power has more brains than any other man in the King Government."

I followed his career in the House of Commons. I admired him as a Minister of Veterans Affairs for the wonderful work he did for the veterans, and I admired him for his work in assisting to organize the air force in the Second World War. I may add that when I was Minister of Veterans Affairs, no matter where I went across Canada visiting veterans' hospitals, one of the questions I was always prepared to answer, because I knew it would be asked, was, "How is 'Chubby' Power?" Because of his great human qualities, he gained the affection of the veterans.

It is a pleasure for me to join the Leader of the Government in paying this tribute to a very deserving colleague.

Hon. C. G. Power: Honourable senators, the speech I am about to make has been made quite a few times. These anniversaries have this advantage for me, but they may become somewhat of a nuisance to you because I am called upon to impose a speech upon you about once a year when the house is sitting at this particular time.

The speech is nearly always the same, but occasionally new things come up. For example, yesterday I received a Christmas card and a note with it saying, "In two and a quarter years you and Mackenzie Bowell will have filled a complete century in Canadian public life." Now, I am not quite sure whether that was intended as a compliment or not, or whether it was intended to be a mention of that union between orange and green, of which we heard a short time ago.

On reflection, I began to think that Mackenzie Bowell may have been lucky, although in many respects the fact that he sought and obtained high public office was not of great advantage to him because when he reached the high places, which were the aim and object of his ambition, all he found there was a nest of traitors.

I also began to recall a bit of the past as I listened to that eloquent speech of my good friend, Senator Grattan O'Leary. It occurred to me, in looking back over the past, that among all his other great efforts in Canadian politics and public affairs he had almost made me immortal by reciting in extenso before a Conservative convention a speech I had made at a Liberal convention. I was not invited to the convention that he attended, but listening to his voice over the radio the thought occurred to me that if he

had made that speech in my place—that is to say, had the words been by Power and the music by O'Leary—the result might have been somewhat different. He might have reached the top, and then what a mess we would have been in.

It is true, it would not have been the first time that the Liberals had had a Tory leader, but never would it have been so obvious a case of the right man in the wrong place.

These things are bound to occur to us as we listen to debates. The present debate, which is quite a serious one, reminds me of many of the same kind that have occurred in the past. As I listened to my honourable friend sitting behind me, Senator Gouin, I remembered that many years ago there was a motion on the Order Paper of the Legislature of Quebec calling for Quebec to get out of Confederation if the rest of Canada did not want to remain in. I remember that that motion was laid on the table by a very prominent man, the Honourable Joseph Francœur, who was afterwards Minister of Public Works in the Taschereau Government, and later a member of the House of Commons of Canada and a judge of the Court of Appeals. That motion was squelched and rejected after a brilliant speech by the father of my honourable friend, Senator Gouin. So, there is nothing much new under the sun.

The same thing occurs time and again as we go through life. Crises, difficulties, factions, and strong divisions, all appear to be healed as time goes on. As one looks back, one is impressed more and more by the unanimity of willingness to agree to give fair play and to listen fairly and decently to those on opposite sides of politics. Politics is not a bad game, I repeat—and I shall repeat it many times. Politicians are not all damned scoundrels. Some of the finest people in the world have been in political life.

As I look back over the 47 years I have been in politics, and to the time a little before that when I was interested in politics, I find there is much to be grateful for. There is much to be thankful for. One of the principal things is the good will and unanimity of good will among people who take part in public affairs.

I thank you, my friends.

DOCUMENTS TABLED

Hon. John J. Connolly tabled:

Order in Council P.C. 1964-1920, dated December 10, 1964, authorizing under section 21 of the Export Credits Insurance Act, contracts of insurance by the Export Credits Insurance Corporation, for shipment of approximately 100,000 metric tons of wheat to the People's Republic of Bulgaria, in the period October 8, 1964 to October 7, 1965, pursuant to section 21B of the said act, chapter 105, R.S.C., 1952, as amended 1960-61. (English text).

CANADA PENSION PLAN BILL

SECOND REPORT OF JOINT COMMITTEE

Hon. Muriel McQ. Fergusson, Joint Chairman of the Joint Committee of the Senate and the House of Commons appointed to consider Bill C-136, to establish a comprehensive program of old age pensions and supplementary benefits in Canada payable to and in respect of contributors, presented the second report of the committee:

> Your committee recommends that its quorum be further reduced to ten members for the time during which the Senate shall recess, provided that both houses are represented.

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

Hon. Muriel McQ. Fergusson: With leave of the Senate, I move that this report be considered now.

Report adopted.

SPECIAL COMMITTEE ON AGING

INTERIM REPORT

Hon. David A. Croll: Honourable senators, I have a short report to make.

The Special Committee on Aging, appointed by the Senate on July 29, 1963, has now completed the second stage of its investigation.

The first stage, which continued throughout the fall of 1963, was essentially one of exploration and planning. During this period attention was devoted to examining the problem of aging in its various aspects, to determining the aims and limits of the inquiry, and to establishing contacts with governmental and other bodies in a position to be of assistance.

The second stage was that of public hearings which began in February last and were concluded on December 10 of this year. While the committee from the outset recognized the important contribution which these hearings might be expected to make, it was not prepared for the widespread response its invitation would evoke, nor for the trouble and expense to which interested parties would be willing to go in order to share their experience and concern with us.

In total, 71 submissions were received, which far exceeded our expectation. It might also be observed, as an indication of the spread of interest, that presentations were made to the committee by six departments

and agencies of the federal Government and by all provinces except Ontario, which has since launched a wide inquiry of its own; and further, that the 50 voluntary organizations and groups of older people, which appeared or sent in briefs, are situated in different parts of the country and represent not only the fields of health and welfare, but such varied interests as religion, education, business and labour.

What the Senate committee has accomplished in the brief period of its existence must by any reasonable standard be regarded as impressive. It has assembled a body of fact and opinion about the situation of older people on a scale never before attempted in Canada, and its printed evidence, running to some 2,000 pages, will undoubtedly serve as a source of information on the subject for many years to come. Also, the very nature of its inquiry, involving as it has the co-operation of governments at all levels and a wide variety of citizen organizations, has served to direct public attention to the problem of aging and in some instances has already stimulated constructive action.

The committee has now entered the third stage of its inquiry, which is that of sifting the evidence received and preparing its final report. How long this stage will take, it is difficult to estimate. I would remind you that the Ontario Legislature Select Committee on Aging considers three years the minimum time necessary to bring its work to a conclusion, and that a committee appointed by the Saskatchewan Government in 1960 took more than three years to complete a similar study.

Our study is now completed. We began in October 1963 and concluded in December 1964—a little over a year.

The genuine interest of the committee members is attested by their faithful attendance, often at great inconvenience and during periods when the Senate was not in session. The over-all attendance was excellent.

The members brought to the subject not only their interest but both breadth and depth of knowledge and experience. The committee membership included doctors, lawyers, farmers, housewives and businessmen. They were drawn from all ten provinces and were well acquainted with rural as well as urban life.

The Deputy Chairman, the Honourable J. Campbell Haig, and I wish particularly to thank the Steering Committee, made up of Senator Quart, Senator Fergusson and Senator Lefrançois. They were always available to us and their co-operation was forthcoming.

Your committee will continue to push forward with all possible speed, but it would be a mistake to minimize the considerable distance we have yet to go before a carefully considered report can be submitted to this house.

PRIVILEGE

CANADIAN FLAG DEBATE—WITHDRAWAL OF REMARKS

Hon. David J. Walker: Mr. Speaker and honourable senators, may I rise on a question of privilege.

In the heat of the debate the other day I made some remarks about the honourable Senator Roebuck. I was surprised afterwards to read the report of my remarks, and I would ask permission of the house to withdraw those remarks and to express my regret to the honourable senator for any pain those remarks may have caused him. After all, I must not forget that I am not in the other place, where I used to love the cut and thrust of debate. This is the house of sober second thought. Also, as Senator Power has said, it is the house of good will, and this is the season for good will. I trust you will grant this request.

The Hon. the Speaker: Honourable senators, has the honourable senator leave to withdraw the words mentioned?

Hon. Senators: Agreed.

CANADIAN FLAG

MOTION FOR DESIGNATION OF NATIONAL EMBLEM—DEBATE CONCLUDED

The Senate resumed from yesterday the adjourned debate on the motion of honourable Senator O'Leary (Carleton), in amendment to the motion of the honurable Senator Connolly (Ottawa West):

> That this house do recommend to the Government that such steps as may be necessary be taken to have designated as the National Flag of Canada a red flag of the proportions two by length and one by width, containing in its centre a white square, the width of the flag bearing a single maple leaf, or in heraldic terms, described as *gules on a Canadian pale argent a maple leaf of the first.*

Hon. George S. White: Honourable senators, my first words are congratulations to the Leader of the Government (Hon. Mr. Connolly, Ottawa West), on the fine and appropriate manner in which he introduced this motion. The Canadian historical background he gave and presented was both interesting and instructive.

I would also like to offer my congratulations to my colleague, Senator O'Leary (Carleton), for his magnificent speech. While

like him, I also can claim Irish ancestry, I readily admit that I can never match his eloquence or Irish wit.

Various honourable senators have mentioned that this is an emotional debate. True, any debate on the flag is emotional, because any discussion on the flag reminds one of loyalties, honour, duty, traditions, liberty, freedom, wars, celebrations, and, most of all, home.

It may be true that Members of Parliament are the ones who eventually will decide the shape, colour and design of the Canadian flag. However, whether it may be an entirely new flag, rather than the present Red Ensign, or a combination of the present flag with certain changes and additions, Members of Parliament are not the real flagmakers. The people of Canada alone are the real flagmakers. They are the mothers who maintain our Canadian homes; the teachers who mould the minds of the youth of the nation; the men and women in industry, who day by day operate and maintain the machines of industry; they are the farmers, the miners, the foresters, the fishermen and others, who produce wealth from our natural resources. Most important of all, the real flagmakers are the hundreds of thousands of Canadian veterans, both men and women, who in two world wars wrote the name of Canada in flaming capital letters for all the world to see. All these have contributed in their own way to make the flag we have today and what it stands for.

Our flag is still the Red Ensign, and to many it is a distinctive flag. Upon the field of red is the shield of the Canadian Coat of Arms. The emblems on the shield all date back to very ancient times.

For England, there are three gold lions on a red field. The lion came from France and was the emblem on the flag of William of Normany, and ever since 1066 has been incorporated in the heraldry of the British kings. For Scotland, a red lion rampant on the golden field is even more ancient. It was the emblem of the Scottish kings and came to them from ancient Ireland, where it had arrived from the east in about 580 B.C. But it was also the family emblem of Brutus the Trojan, who founded the City of London in about 1100 B.C. For Ireland, there is a gold harp on a purple field. This emblem is equally ancient. For France, there are three golden fleurs-de-lis on a purple field. This emblem held a proud place in the Arms of the British kings from the time of Henry II to George III, proclaiming the French ancestry of the sovereign. There is also a sprig of three maple leaves.

Thus, we can readily see and understand that these emblems represent the early pioneers who were instrumental in laying the foundation of this great country—English, Welsh, Scottish, French and Irish, all branches of one great race, who coming together in Canada have built a nation of which we may all well be proud.

This shield on the flag, therefore, while essentially new, since it represents a young nation, has its roots firmly in the past, and speaks of the very beginnings of our race.

Our flag also has incorporated in it the Union Jack. This emblem denotes our membership in the Commonwealth.

Some resent the Union Jack, because they believe it represents only England. This is not correct, since England's own particular flag is the Cross of St. George, just as Scotland's is the Cross of St. Andrew.

How can anyone argue that any flag of Canada should not have incorporated into its design some emblem or insignia which denotes our past as far as the two founding peoples of Canada are concerned?

Last night, Senator Hugessen gave some brief historical notes of the origin of the Union Jack, of how the first Jack had the Cross of St. George, and later the Cross of St. Andrew. For my part, I was more interested in his all too brief remarks as to how and when the Cross of St. Patrick was added to the Jack. History records that it was about the year 1690 that the diagonal red cross on a white field became known and recognized as the fighting flag of Ireland. This flag had been used in Ireland for many years prior to 1690, but it has been more or less accepted that the year 1690 denotes the date when it was accepted and used as a national emblem. Thus Ireland had a national emblem well over a century before the Cross of St. Patrick was added to the English and Scottish Jack in 1801. Thus the present Union Jack, this emblem of the crossed crosses, is of great significance because it has been the sign of our ancestors from far-distant ages.

We regard Canada as a Christian country. For this reason the Union Jack has an added appeal, because it enshrines the upright cross, the emblem of our Lord's death at Calvary. Personally, I want the Union Jack on our flag because it has the Cross of St. Patrick, which represents Ireland, the home of my ancestors, who came to Canada long before the Cross of St. Patrick was added to the Jack in the year 1801. The Union Jack in our flag indicates that a very large number of Canadian citizens trace their ancestry from the British Isles.

Every one of us has great respect for the past. In your own family you prize and treasure family heirlooms of yesterday, pictures, furniture, jewellery, silver, glass, cer-

tain types of clothing, the family home or farm. In business, the older the firm the deeper the pride. The number of years that the family name has been carried on, or the family business or firm—who can deny it? We all take pride in our past. The same applies to one's school, or the "old school tie."

True, Canada is a fairly young country, but over the years we have slowly acquired certain achievements, backgrounds, history and traditions. We have our loyalties, our priceless heritage from the lands of our ancestors. Honourable senators, traditions form the backbone of any nation.

We have today in Canada a Commission on Biculturalism and Bilingualism, investigating and attempting to save and preserve the two cultures of the founding races of Canada. How strange, then, that in the designing and creating of a new flag, apparently no attention, and scant respect, if any, has been paid to the historical background loyalties and the great heritage, traditions and customs of the founding races in Canada.

In Canada, unfortunately, there has always been a body of people who want to tear down and destroy the past. They have no pride, no respect, and care nothing for loyalties, our heritage, traditions, customs or historical background. Their sole aim is to discard and throw out the window all our past, and to buy a 1964 model.

Honourable senators, today is a very good time to pause, to pause well, and take a good look at the past, to review our mistakes and errors of yesterday, and to make sure we will not make the same mistakes tomorrow.

Speaking for myself, while I greatly admire the Red Ensign, I am not committed to it as the only suitable flag for Canada. I am satisfied to accept any flag which will have incorporated in its design appropriate symbols representing the founding peoples of Canada. The flag I suggest is the one that was chosen by the committee in 1946, a red flag with the Union Jack and fleur-de-lis in the upper two corners, and in the centre a golden maple leaf. In my opinion, such a flag and such a design will satisfy a very large body of Canadians. It will satisfy a much larger body of Canadians than the present proposed design passed by the House of Commons. Do not let us deceive ourselves that the proposed flag, while it may be approved by the House of Commons and this chamber, will ever be accepted by tens of thousands of Canadians. This flag has become a political issue. It is being forced and rammed down the throats of Canadians who will never forget the manner in which it is being done.

A new flag will not be accepted by various veterans' organizations. The Canadian Legion, in its brief to the Canadian cabinet, presented on Armistice Day of this year, had this to say at page 13:

> We again bring to your attention the following resolution adopted at our convention with respect to the National Flag:
>
> "Be it resolved, that the delegates to this, the 20th Biennial Convention of the Royal Canadian Legion, assembled at Winnipeg 17th-22nd May, 1964, reiterate the stand taken by the delegates of our 18th and 19th Biennial Conventions that we urge the Government of Canada to, by act of Parliament, adopt the Canadian Red Ensign as the national flag of Canada . . . "

All honourable senators received a copy of a brief from the Canadian Corps Association, dated June 8, 1964, a copy of which I hold in my hand. This brief indicates, in no uncertain terms, the support of this veterans' organization for the Red Ensign.

Speaking to his men one day, one of the heroes of the Crimean War defined the flag as follows:

> The Flag—It's the Homeland—It's Pride—It's Safety—It's Glory—And it's Memories.

These words sum up in a very adequate manner what our flag inspires in us—the ideals of honour, liberty and home. It recalls, at least indirectly, the duties it imposes. The flag is well nigh an animated being. When it is unfurled before troops it is rendered distinguished acclaim, the drums roll, the bugle sounds, the band plays, the officers salute with their swords, the rank and file present arms, and the citizen bares his head in respect. Honour always stands high in the army, and it was to this sentiment of honour that Napoleon often appealed in his immortal proclamations to the army, such as that celebrated message to the army of Egypt, in which he said:

> Soldiers, forty centuries look down upon you from the heights of yonder pyramid.

One can readily understand why veterans of two world wars and Korea wish to retain the Red Ensign, or at least part of it, in any new flag. As I mentioned, the flag plays a large part in any military operation. Certainly, in World War I the flag was not in the trenches, but it was in France. Last night Senator Hugessen mentioned that fact, and I agree with him. In his remarks he immediately identified himself as an old soldier when he mentioned the rum ration and other things. He could easily have gone on to mention some

of the other rights of the soldier, who was always interested, in addition to rum, in more rations, the right to salvage, the right to grouse and above all, the right to damn the sergeant-major.

Hon. Mr. Hugessen: Hear, hear.

Hon. Mr. White: Any soldier who was on the Somme, or at Passchendaele, Vimy Ridge or Amiens, or at any other engagement, will readily understand and appreciate the life the soldier lived in the trenches. Certainly, there were no flags; but, as I said before, the flag was in France.

Any soldier who was in France will know what I mean when I mention the green envelopes. Our letters from France were censored, but once every week or two each soldier was issued one green envelope, and the letter that was placed in that envelope could be sealed and was not read by the censor. These green envelopes were much cherished, and I am sure Senator Hugessen will agree with me when I say that they had some value on the market.

Old soldiers will also recall the type of writing paper we used. At least one particular type was a rather small sheet of brownish-coloured paper of rather poor quality, and in the upper left-hand corner there was the Red Ensign.

If you will look at the first painting on the walls of this Senate chamber, which depicts the landing of the Canadians in the First World War at St. Nazaire, France, you will notice a large red flag in the stern of one of the ships. While it is difficult to make out all the details, it looks very much like the Red Ensign.

Reference was made yesterday and the day before to the graves of Canadian soldiers around the world. I have visited many of these cemeteries; they are all very beautiful and are a credit to Canada. Like other soldiers, I have helped to bury young Canadian soldiers who did not have the dignity of being buried in a coffin or at a funeral service. Like other soldiers, on occasion behind the lines I have taken part in that sad ritual when one of your comrades was given a burial with at least some dignity. There, a young Canadian soldier, wrapped in a service blanket, was placed in a rough, home-made box, and covering that box was a flag. I have seen both the Union Jack and Red Ensign used on such occasions.

In those days we were all very young. You stood there in silence. Outwardly, but silently, you cursed war and all its tragedies, but inside you wept, for that is the only way one retained his sanity. There we buried a young Canadian, and with him all the hopes, ambitions and dreams of youth. In that far-off land we covered with earth our chum, our friend, our comrade, and, to paraphrase what Rupert Brooke wrote, in some corner of a foreign field there is a spot that is forever Canada.

The press has said that any reference by veterans to the flag has no connection with the issue and should not be mentioned in this debate, that it is only sentiment, and mawkish sentiment at that. Of course, I realize and appreciate there are some Canadians who think little of, or care little for, the welfare of veterans or what the veterans did for the world and Canada in two world wars and in Korea. How can anyone expect these veterans—the blind, the paraplegics, the amputees, the veterans of Hong Kong—to forget the past? Their flag was the Red Ensign, and their flag is going out the window within the next few days. This flag formed part of their lives, and they can never forget it. That is why they wish to retain their Red Ensign, or a new flag that incorporates some appropriate symbol of the Union Jack.

In hundreds of churches of every denomination across this country you will find a shrine of some type with a plaque or tablet. On this plaque are inscribed the names of the boys and girls from that community and vicinity who served in the wars, with a special designation for those who did not come back; and hanging over this plaque or at the side of the plaque, what do you find? You find our flag, the Red Ensign. Does anyone expect that these flags are going to be removed, or replaced within the next few years, or at any time in the future, by what is called a distinctive Canadian flag which has only a single maple leaf? If anyone thinks they are going to be replaced, just ask the parents and the brothers or the sisters of the boys whose names appear on these honour rolls.

We are told that this flag will unite the people of Canada. In my opinion there has never been in a hundred years of Canadian history any act of Parliament more likely to create more confusion, dissatisfaction and disunity than the so-called new flag and the manner in which it is being brought in. Many of you will not agree with that statement, but it is true.

The amendment moved by Senator O'Leary (Carleton) gives us the opportunity even at this late date to prevent this tragedy to Canadian unity. Honourable senators, I suggest that you take a long, hard look at what you are doing before you vote against this amendment, and that you take a still longer and harder look before you vote for the main motion. Everyone who votes for this motion will have to take his share of the responsibility for the disunity this new flag is going to create in Canada.

Before sitting down I wish to refer to the remarks made by honourable Senator Pouliot

when he spoke in this house on December 15 as reported at page 1193 of *Hansard*.

> When you speak of soldiers, we can speak of soldiers. We can speak of the Legion. Who is heading the Legion? It is mostly Imperials.

And later in the same speech he said:

> The leaders of the Legion do not represent the sentiments of the members of the rank and file of the army, navy and air force, any more than the leaders of labour unions represent the feelings of the members of their unions.

I would say to the honourable senator that the Canadian Legion is not controlled by Imperials. If you look at the contents page of *The Legionary* you will see there a long list of the officers of the Canadian Legion. Looking over that list every honourable senator will recognize some of them: they represent leading Canadian citizens in both the business and professional world. In my view it is entirely wrong for the honourable senator to make the statement that the leaders of the Legion do not represent the sentiments of the rank and file of the Legion. The Legion in Ontario is operated and conducted in a most democratic manner, and to me it is most unfortunate and regrettable that a Canadian senator should make such remarks about the Canadian veteran organization which has such an outstanding and distinguished record. There are over 2,000 Legion branches across Canada, and I am quite familiar with the manner in which the Legion branches operate in Ontario. I am satisfied that the great majority of Canadians are well aware of the record of the individual branches. They know and appreciate the work done by the Legion branches in the community.

At this season of the year many families will have a much happier Christmas because of the Canadian Legion. It leads in sponsoring and providing facilities for sports for young Canadians. It creates and donates sports fields, provides equipment and operates rinks, ball parks, and tennis courts. It gives scholarships. It provides braces, spectacles and other medical equipment for children. In fact the list of achievements to the credit of the Legion and the Ladies Auxiliary of the Legion is almost endless.

No doubt the stand of the Legion on the Red Ensign has displeased the honourable senator, but I would ask, who in Canada has a better right to express their views on what should be the flag of the nation and what emblems should be incorporated thereon? Who has a better right than the Canadian veteran, and who has paid a higher price for that right?

I have always been proud to be associated with the Legion in my small village. It is a fraternity of army, navy and air force veterans and it is the finest fraternity in the world. Class, creed or colour make no difference. They are all bound together by their service to Canada and the Canadian flag. Their motto is that the Red Ensign is Canada's flag and that they intend to keep it flying.

It is my intention to support the amendment moved by Senator O'Leary, and if the amendment is debated, I intend to vote against the main motion.

Hon. Mr. Pouliot: I did not want to interrupt the honourable gentleman, who made an eloquent speech, but I wonder if I could ask him a question?

Hon. Mr. White: Yes.

Hon. Mr. Pouliot: Thank you.

What does he think of the suggestion made by Honourable Leslie Frost, the former Premier of Ontario, that we should accept the maple leaf as the national Canadian flag?

Hon. Mr. White: The Honourable Leslie Frost is entitled to his opinion, as is every other Canadian. I cannot speak for him.

Hon. Frank C. Welch: Honourable senators, coming as I do from one of the Atlantic provinces where the Canadian Red Ensign still proudly waves, I would hang my head in shame if I willingly accepted this new flag that will be known in a few days as the flag that was forced on the people of Canada—the people of Canada who did not have a chance to speak.

While I am very sad, and feel our Government is taking our beautiful flag from us and giving us a maple leaf in return, my main concern now is the disunity that it is causing from east to west and north to south in our nation. In fact, the Government has made so many blunders and has caused so much havoc that other countries are taking a dim view of Canada today. It is my belief, and this belief is shared by millions, that unless the Government gets down to business soon, Canada will be the laughing-stock of the world. They say that Diefenbaker obstructed. This is nonsense. That is what the Opposition is supposed to do, provided they are not satisfied that the legislation is right for the country.

Honourable senators, if you think this country is not being divided let me read to you an article which appeared in the Halifax *Chronicle Herald* dated December 16. It reads as follows:

> Royal Tour Controversy
> Made Miss Canada "Most
> Unpopular Contestant"

> St. John's, Nfld. (CP)—Mary Lou Farrell of St. John's, Miss Dominion of Canada for 1964, says she was the most unpopular contestant in the Miss World contest in London in November because of controversy over the Queen's visit to Canada.
>
> Miss Farrell said she was shunned by the press and photographers excluded her from pictures. "They would pick out so many girls to pose," she said.
>
> "When I told them I was Miss Canada, they would take me out and put another girl in." She said one reporter told her he was leaving her out because "you didn't want our Queen in your country."
>
> Miss Farrell was eliminated in the first round of the contest in London...

The issue of a distinctive Canadian flag has raged for a considerable period of time. Yet, despite the duration of the debate, the technical manoeuvring, and the behind-the-scenes play, we are in essence far from having found a sensible solution.

The length and nature of the debate indicates that we in Ottawa have not managed to agree on what flag shall fly over Canada. More important, the lines of disagreement represent the pleasure—or in most cases the displeasure—of our many constituencies. Many organizations and groups have expressed their views as well, and opinion is once again divided. Over the long period of debate, much ill will and hard feeling have been created. The lines of argument have emerged very clearly and, rather than accomplishing a "meeting of minds," the debate has only redefined positions and stands, and forced both sides to solidify their viewpoints.

Looking over the situation does not leave a very desirable picture of what has been accomplished. The House of Commons is divided. Our own body, the Senate, is divided. The feeling in the provinces is divided. Ethnic groups are divided. Various sectors of the country are divided. Indeed, Canadians are divided over the flag issue. I suggest this leaves only one step away from having Canada divided.

This is the doing of our Liberal Government. They are the ones who have forced this flag issue on to the floor of the house. They are responsible for retarding the nation's business while they retreated to search for another design. They are the ones who have resorted to closure to force the issue to an unnatural conclusion, and force a flag of their choice on the people of Canada. Force, force, force—this is what the Government of our nation has resorted to in order to have their ideas and their wishes come into effect.

Well, we have witnessed the first sterling example of their success. They have brought this issue into debate because the Prime Minister and his colleagues were sure this would be the salvation of Canadian unity. They forced it through in the name of promoting unity for the nation. They have stuck to their ideas in spite of all opposition, and now we see the result. Unity? No, far from that; not unity, but division. There is division where there was none before; division where serious lines of split were already evident; division where it can least be tolerated. That is the result of gifted Liberal forethought. This is the type of "brainwave" that we do not need in Canada, particularly at this important point of time.

Why should this issue become so firmly resolved in the minds of the leaders of the present regime? The consequences of the flag proposal were visible long ago. Yet, in spite of the wishes of many Canadians, the flag was pushed and pushed. I fail to understand why the wishes of so many Canadians are being disregarded only to save the face of the Government, when they must surely have recognized that they have bungled the whole affair. Rather than coming out and openly admitting this, however, the Government is bent on maintaining that this shall be Canada's national flag, and the wishes of the electors must be disregarded.

It is within the realm of the possible that some day future generations might consider some design other than the Red Ensign to be the national symbol. At such time the idea might meet with favour. At the present time, however, and this is what must concern us, the overwhelming majority do not desire such a change. Surely, if a flag is to meet the requirements of representing the Canadian nation, it cannot merely be accepted by some Canadians. If this becomes the case, then the undercurrent of opinion will continue to clamour for another change in design in a few months or a few years. That, indeed, would be a sorry state.

What is of even more concern to me is the effect all of this is having on our national image. In the past, Canada has been considered as a young, yet responsible nation, capable of voicing an opinion of some merit on the international scene, and being viewed as a nation with a stable and responsible political tradition and governed by rational individuals. Recently, I have been shocked by the expressions of opinions which I have heard from people abroad. Our image is crumbling. We are viewed as unstable and irresponsible. We are being recognized as another young colonial country "feeling the oats" of nationalism and all the inherent flamboyancy which is bound up in such feelings.

Many people are convinced that Canada as a nation is breaking up and can no longer be relied upon. This thing has gone so far that it is virtually impossible to convince people that we are not in the same category as the newly emerging states with their insecurity. But I must admit our present Government is doing nothing to alleviate the tarnish on our image. Indeed, they are merely contributing to the erroneous impressions already held.

I am embarrassed, when asked what we in responsible positions are doing to close the growing breach within our boundaries, to tell people, "We are bringing in a new distinctively Canadian flag to heal the wound." It certainly makes people wonder. "If a new flag would cure all, then the problem could not have been very serious," they say. But I have to tell them that the problem is serious and the flag will not be our salvation because, in the first place, it deals only with reflection of the problem and not the problem itself, and, secondly, many thousands of Canadians do not want this Liberal banner anyway.

While I believe that a rational, intelligent Government would bring in constructive measures of assistance to help Canada regain her unity, her identity, and her place on the international scene, I have found it is folly to try to convince people of this after mentioning our flag fiasco.

I suggest that it is time our Liberal friends allowed other hands to direct the nation's business. We cannot afford much more Liberal rule. They are capable of doing more damage in the space of a few months than good government can correct in years. Before matters go too far and are beyond saving, we must allow good government to have that chance. I am hopeful that day is not too far hence. In fact, the calling for closure might be the last will and testament of our Liberal friends. Perhaps their realization of what the future holds for them has given them cause to think that we need a memento of their term in office. I should think we have all the mementoes we want or need without having to bear the brand of their chosen flag all our days.

In the light of recent disclosures regarding both members and aides and the incompetent way in which they manage both personal and departmental affairs, I submit that it is indeed a miracle that the country manages to survive at all. The Prime Minister's time would have been better spent trying to put his own house in order and giving it a thorough "housecleaning" than in trying to devise flag designs and scheming to perpetrate ways in which to have his will imposed on the nation.

Many thousands of Canadians will continue to fly the Canadian Red Ensign proudly and happily, and would be pleased to see it wave over a strong unified country, governed by mature and trustworthy individuals who seek to bring all Canadians together for a better Canada both at home and abroad.

Honourable senators, I support the amendment before the house.

(Translation):

Hon. Sarto Fournier: Honourable senators, in the history of all nations, one can see periods of hesitation. We have the impression that is somewhat what is happening now in our country. We have witnessed, as Canadians, a very lengthy debate in Parliament, more exactly in the House of Commons, about the proposal made by the government of Canada to create a Canadian emblem, an exclusively Canadian flag.

The debate was rather prolonged and reading the newspapers and listening to the news, we noticed a lack of forbearance at times. In my opinion, that kind of debate is normal. We are, in fact, on the verge of taking a decision that will certainly have an influence on our country's future. We are under the impression that Canada is on the point of making a fresh start, even though the matter now under discussion is not new.

As far as I know, there has been some talk of giving our country an entirely and exclusively Canadian flag for at least the past thirty years. There is no doubt that such an important decision deserved to be thoroughly considered and should be discussed at length.

Since the decision we are going to make will surely have a great influence on the general attitude of the Canadian people, not only for a number of years, but for centuries to come, I feel, honourable senators, that we are considering now a very serious matter and that we have to settle a more important point than those brought before this house in the past century.

Therefore, I consider it as a great privilege and an exclusive honour to be personally and directly involved in the discussion and to take part in the final vote which will take place in the end.

From the events which we have witnessed since last spring concerning the adoption of a distinctive Canadian flag emerges a fact which, in my opinion, should not go unrecorded.

In our country, a continual phemonenon has been recorded in the history of humanity. Since the beginning of time—to use a known expression—there have always been two schools of thought, those who ponder for a long time, and those who are always ready for action. More precisely, there are those who are devoted to the past, who feel bound to it, who remain prisoners of the things they have seen, known and experienced in their youth. There are also those, always the same ones, who could like to discard the past and look to the future and who reflect on the present, the events of the day, in view of the future and not in view of the past.

The past has seen the quarrel of the Ancients and the Moderns. Every civilized nation went through that—Greeks, Romans, Latins—and we are going through it nowadays.

Some people are conservative by nature, others are liberal. Some people cling to traditions, others favour progress and development. In all fairness, I must say that those two schools of thought are justified. One reflects experience, the other the risk.

Obviously, it is due to the existence of those two schools, from the beginning of time, that we have witnessed progress because, fortunately, the liberal school has always been stronger than the conservative school. If there were only one school, inertia would settle and, consequently, there would be no stimulus, therefore no progress. As a matter of fact, supporters of the liberal school would gladly live under anarchy while those of the conservative school, being traditionalists, would continue to live the way they were born. There would be no progress, no development, nothing would happen. Since the beginning of the debate on a Canadian flag, an exclusively Canadian flag, we have had two leaders, two masters who played a leading part. The traditional school was very ably represented by Senator O'Leary, and the Liberal school was represented very adequately by the honourable Leader of the Government, Senator Connolly.

The honourable Senator O'Leary spoke with a warmth and eloquence which led us to believe that he did not belong to his school, but rather to ours. I have noted that every time a senator stood up to take the floor after him, he always had a word of appreciation and admiration about the approach of Senator O'Leary. I would add that I regret not being able to present my case as warmly, elegantly and eloquently as Senator O'Leary did.

Moreover, it was a great comfort for me to hear the speech of the honourable Leader of the Government, Senator Connolly. Perfectly at ease, he lived up to his reputation. Indeed, we saw that Senator Connolly can deal with an equal mastery with history as well as economy. There is especially a point that I am pleased to stress, namely, his tact in summing up this development of the Canadian policy, especially since Confederation. He also mentioned some important milestones in our history since the first world war.

I wish to pay tribute to each one of them, for their sincerity, their candour and their intellectual honesty. I must say that, if all those who have written or spoken about a Canadian flag had followed the example set by these two senators, who are a credit to the Canadian Senate, the discussion on the Canadian flag would have been of such a high standard, such a high quality, that instead of wearing our people and getting on their nerves, it would have impressed them and made clearer to them the complex problem raised by this question of a distinctive Canadian flag.

Honourable senators, the traditionalist school and the Liberal school are two expressions of relativity. However, for the Conservatives, this relativity applies to what has taken place, consequently, to the past; as far as the Liberals are concerned, it relates to what is going to happen, therefore, to the future. Now, we find ourselves in circumstances where we have to make a choice. Which shall it be? Are we to choose a Canadian flag with yesterday in mind or tomorrow? Should it bring back the past or stand for the future? Will it recall days gone by or represent what we have now and what is to come?

I hope honourable Senator O'Leary will pardon me if I quote him so often, but his speech had the effect of arousing in us thoughts and feelings which cannot be discarded and which encourage us to reason.

I, therefore, take the liberty of participating very modestly to the dialogue which Senator O'Leary opened so brilliantly.

In support of his argument, he quoted the definition of the flag given in 1915 by a former president of the United States, Mr. Woodrow Wilson. In his definition, Mr. Wilson stated that a flag definitely reflects the past and should recall the past.

Yet, if we look at the American flag today, if we glance at the stars and stripes of our friends to the South who, as we did, were living at first in a colonial state and were born in the lap of England and therefore were a British colony, if we look at their banner, their national flag, we will see no sign of their past, nothing to show that the United States were once, as we were in Canada, a British possession, an English colony.

A revolution will generally bring a new flag. Yet, the American flag reflects no sign whatsoever, to the Americans or to the rest of the world—because today it is flown practically everywhere in the world— it shows no trace of the fact that the United States was once, like Canada, a British possession, in other words, belonged to another country, that it was a colony, which is tantamount to saying that they came under another nation and another government.

If we cast a glance at other flags flown around the world, we see that their designs contradict the point of view put forward by the honourable Senator O'Leary. Let us take a look, for instance, at the flag of the Soviet Socialist Republics which has not been in existence for 50 years yet. However, Russia is an old country, an old nation. At one time, for some reason which it is not my object to discuss today, that people adopted another flag, a new flag. I would say it is a little too red, because it looks like a banner often drenched in blood. Just the same, that flag has no indication of the history of that nation or of that country which is Russia.

Another example, and one closer to us, is a flag that is not yet 200 years old, the flag of France, a country that was born and organized in a splendid way, a country that gave itself political, economic and social structures even before the Christian era under Julius Caesar, a country that has existed for more than 2,000 year. By the way, the city of Paris recently celebrated the 2,000th anniversary of its foundation. Therefore, France existed even before Paris.

Now, during the eighteenth century, France experienced its revolution and after its transformation, selected a flag. The French people could justly claim the honour of being one of the most refined people in the world, one of the most civilized people, one of the most intellectual. They have the true sense of history. But that people chose a new flag.

Honourable senators, that new flag carried no symbol of what France was before 1789. They thought up and made a distinctive flag. They also had their hours of hesitation, but decided to start on a new destiny by casting off their past.

As for us, Canadians, we are also looking forward to a flag of our own, a particular symbol, something really Canadian. We do not want to abandon what belongs to us personally, but we try to get rid of what is alien to us. The fleur-de-lis does not belong to us. The royal union flag, which is called Union Jack, does not belong to us. Those are imported products.

Today we want to give ourselves a pennant and a symbol which would be entirely ours.

I wonder by which feat of strength we might look for inspiration for our flag among the foreign symbols and buntings which would only help to create confusion. It is not because we have contempt for the fleur-de-lis or the royal union flag, but we merely want to be ourselves. It seems to me that we have a right to be. We have not only a right, it is even our duty. After Senator Connolly described with historic accuracy and a distinguished talent the constitutional development of Canada, especially since the first world war and since the statute of Westminster of 1931, which sanctioned legally what existed already in fact and in history, it seems to me that the history of our country is now at a stage of development where we must crown that evolution, which is normal and natural.

In the early days, it was the British empire which drew up the legislation which governed us. That was the duty of the Westminster government, namely, the British government. Thanks to the factors of development, a community was set up which is called the Commonwealth. This community is really a family of British nations which maintains itself in time and space, not through force, guns or threats, but thanks to an inner power which has freedom as its roots.

Now, like Australia, New Zealand and other Commonwealth countries, we are members, we are part and parcel of this British family.

We give it a continuous and sustained approval or, if you prefer, an everyday consent. We are members of this family because we want to belong to it of our own free will.

This participation does not mean, however, that we are going to turn the Canadian flag into a British flag. This does not mean that although we were born on the knees of France, we propose that the Canadian flag be a replica of the French flag.

In other words, this does not mean that our flag will show any symbolic elements of France, of the United Kingdom or the British Commonwealth. France has given herself a flag which sets it apart from other nations, because, wherever this tri-coloured emblem is flown, the presence of France is always felt. In the same way, wherever the Union Jack—or, if you wish, the Royal Union flag is streaming in the wind, whatever the continent or country, it represents the United Kingdom. This is to say that the people of those two countries had enough courage and pride to identify all that was dearest to them and to assert themselves distinctively in the eyes of the world.

Let us now turn our eyes to the United States, which also gave itself a distinctive flag, which is everywhere recognized as typically American. It is a beautiful flag. The Union Jack is a beautiful flag. The French tri-coloured flag is also a beautiful flag. All flags are beautiful when they are authentic; all flags are beautiful when they are not a lie; all flags are beautiful when they are not an error.

Honourable senators, our country is the only one who to this date has presented an ambiguous flag, a flag where Canadians do not recognize themselves and where foreigners do not recognize Canada. There was evolution; the time is ripe, and as was stated by our leader, the honourable Senator Connolly, this evolution must be recognized. We must show to the world what we stand for.

Why hide it? We enjoy an excellent reputation, and we are loved everywhere. We are well looked upon at the United Nations. I have just returned, as a matter of fact, from the last NATO meeting, in which Canada took part. I had the honour of being sent there as a delegate of the Canadian government. I must say that we were extended the most cordial welcome.

We entertain trade relations with more than 150 countries. We have established embassies just about everywhere, we have numerous diplomatic missions, we send delegates throughout the world, and yet we fly a flag which even Canadians do not understand.

Honourable senators, how can you expect strangers to believe we are a free people, a proud people, an independent nation, a completely autonomous nation, heading toward its destiny, taking full advantage of its freedom, when the flag we are flying is a foreign emblem?

Keep in mind that we greatly respect the flag of other countries. I must say at this point, as a Christian, how much I respect the British flag, because it was born out of Christian fervour which was stronger then than today. Of what is the British flag made up actually? Of the superimposition of the crosses of St. Andrew, of St. George and of St. Patrick. Not only as a Christian but as a Roman Catholic, I must say that this flag deeply impresses me. All the same, the royal union flag, the British flag or Union Jack, is still not our flag, because it belongs to another country.

Honourable senators, why should we take as our own what belongs to someone else? Do we need it?

As I said earlier, honourable senators, when Senator O'Leary gave the definition of a flag, he said that it was the embodiment of history. In answer to this, I would say that it is the attire given to the soul of a nation. What symbol was chosen? The maple leaf. It could not be a better one under the circumstances. It was a brilliant idea.

Indeed, in our rich, abundant Canadian vegetation, is there any product more valuable than the maple tree? It existed in Canada before the arrival of the pioneers. The maple has been used for multiple purposes. The maple tree has provided us with heat, light and, more than any other Canadian product, it has been a source of comfort. The products of our Canadian forests are nowadays, after two centuries, an important economic asset of our country, because the maple tree has continued to multiply.

Moreover, I think it is the only tree whose sap can be turned into food. As far as I know, there is not in Canada a more natural product, more genuinely, more generally and more basically Canadian than the maple.

For all people there is a native product dear to their hearts. Thus England has the rose, France, the fleur-de-lis and Scotland, the thistle.

Canadians throughout the country see in the maple leaf, and quite fortunately too, the truest symbol of our country. Instead of leaving it on the coat of arms where it still is, we take it and put it to rest in the folds of our flag.

Honourable senators, the maple leaf is more than a product; once it appears on the flag, it becomes Canada's signature.

I do not wish to prolong this debate, but it is important that all Canadians realize now that by including other symbols in our flag, the fleur-de-lis, which is French, the rose, which is British—perhaps there is a sentimental reason for doing that—we are establishing a link with the past and I say that there is a mistake to avoid there. Why oblige the Canadians of our generation and those of future generations to think of France or of England whenever saluting the flag of Canada?

We have nothing to do with foreign flags and their symbols. We have enough imagination in this country to adorn our flag. Therefore we can do without imported designs. Let France respectfully keep its fleur-de-lis and England its rose, but let Canada choose its own design and colours. Everyone of us understands, I hope, the importance of this question. When the time comes to vote, let us consider a little less the past, beautiful undoubtedly, but the future a little more. We will give Canada a flag which will be exclusively and distinctively Canadian. Let our flag be our own choice and it will testify to our pride and will be flown with honour.

Then, when the bitterness of the present fight will be gone—time is a great healer—I have no doubt, honourable senators, that under a true Canadian flag, all citizens living now and the future generations will be proud, and rightly so, to say in chorus, in the same spirit and with the same feelings, considering the future of our country over which our flag will fly, that the most serious guarantees of order, progress and prosperity rest on unity and agreement.

I believe all Canadians, of any generation, will be proud and happy under a flag which will reflect their mood and their ideal; I believe that all Canadians will be proud to sing:

> Sous l'œil de Dieu, près du fleuve géant,
> Le Canadien grandit en espérant.

(Text):

Hon. James Gladstone: Honourable senators, I speak at this time with mixed feelings of sadness and curiosity. I am sad to think that a proposal for a Canadian flag different from the one we now have could be considered. And I am curious to know how the people of Canada have let this matter develop as far as it has. I expected to have my say in the flag debate, but as a voter in my home town of Cardston—not as a senator in Ottawa.

Some time ago I was watching "Front Page Challenge" on television, and an Indian leader from Saskatchewan was on the show. During the discussion period, one of the panelists said that since he was one of the real Canadians he must want a new flag for Canada. The chief answered that the western treaties were made with Queen Victoria under the Red Ensign, and that was the flag his people wanted.

In my travels, I have found that most Indians feel the same way. We love our Queen and we love our flag. Under these symbols of justice, we feel safe. Take them away from us and it will be another sign that we are not safe. If you can take the flag away, then maybe the next time you will want to take our treaties away. Even the recent court cases on hunting rights seem to indicate this may already be happening. If we cannot hunt ducks because of an agreement with the United States made in 1921, what are we to think of our treaties?

Treaty No. 6, signed in 1876, has a clause about hunting. When explaining it, Lieutenant Governor Alexander Morris said this:

> You want to be at liberty to hunt as before. I told you we did not want to take that means of living away from you, you have it the same as before, only this, if a man, whether Indian or half-breed, had a good field of grain, you would not destroy it with your hunt.

Governor Morris was the Queen's representative, and he made that promise to us while the Red Ensign was flying overhead as a symbol of fidelity and honesty. Now, since there has been talk of tearing down the flag, there are also signs of tearing apart our treaties.

In Alberta we have an organization called "The Indian Association of Alberta". We have representatives from quite a few reserves, in both the north and the south. At the 1963

general meeting, the association unanimously passed a resolution that said:

> "Be it resolved that the Indian Association of Alberta favours the Red Ensign as Canada's flag."

A copy of this resolution was sent to the Prime Minister to show him how most Indians in Alberta felt about this matter.

I understand that many groups and individuals across the country have written to the Prime Minister or to their members, supporting the flag we now have. Maybe these form a majority; maybe they do not. But is it not the responsibility of this Government to find out? I am sure there are very few members in the other place who can say with any certainty that their constituents are for the Red Ensign, for the proposed flag, or for an entirely different flag. There is only one sure way that this can be determined, and that is by a plebiscite.

Personally, I would not want to see any other flag flying but the Red Ensign. To my people it is more than just a flag. It is a symbol of faith. When my own people, "The Bloods", signed Treaty No. 7 in 1877, each chief and headman was given a Red Ensign. Many of them erected flagpoles in front of their tepees and raised and lowered the flag each day. Under this flag they expected fair play and justice.

Even in the earlier days, before the west became part of Canada, my people knew the importance of a good flag. The Hudson's Bay Company traders used to give a Union Jack to each chief, and when they came to trade, the chief would often carry it at the head of his procession. It also became a symbol, and missionaries and travellers used to hang the flag from their carts so that they would not be mistaken for Americans. Our people knew the flag and they respected the people who carried it.

To my people, the flag is not just a bit of coloured cloth; it has real meaning for them. When the Northwest Mounted Police came to our land in 1874, we welcomed them because of their scarlet uniforms and their flag, both of which made us realize they came as friends.

As a matter of fact, when Colonel Robertson-Ross, Adjutant General of the Militia, toured the west in 1872, he recommended the colour of the uniforms. At Red River he met an Indian who said: "We know that the soldiers of our Great Mother wear red coats and are our friends."

And the mounted police soon showed us that this trust was well placed. There was not one law for the Indian and another law for the white man. They all came under the Queen's law, and those who violated that law were punished, no matter what their colour.

Some of you may say that this is living in the past, that times have changed and we should change along with them. But do not forget that confidence in the future is built upon a knowledge and appreciation of the past. And do not forget that the best way to generate a feeling of patriotism and pride in our country is to recall the glorious events of our history. At one time part of Canada was under a French flag and part of it was under a British flag. But for generations now we have been living under a Canadian flag—an official Canadian flag, I might add. Never before have I heard of a country throwing away one flag for another, unless chaos, or rebellion had changed its entire constitution and make-up. Perhaps the Soviets, when they overthrew the Czars, adopted a new flag. But we have not been through the bloodshed of a revolution. We have not thrown out our old form of government.

I think, during the reams of flag debate, there have been comments about a new flag to help unify Canada. So what is proposed as a national symbol? A maple leaf—the kind that grows in Ontario and Quebec. All we have on the prairies is the Manitoba maple, and I do not think its leaf looks much like the one on the proposed flag. As a national symbol, the maple leaf is useless. To many westerners, it is just another example of the arrogant east thinking that Canada ends at Algoma.

In my travels, some of my people have been puzzled by this flag debate. Off on our reserves, we may be away from the hustle and bustle of political life. And maybe that is a good thing. Maybe one can see things better when there is not too much city smoke clouding the issues. My people wonder what this flag argument is all about. Are we not part of the British Commonwealth? Has not the Red Ensign been carried in pride to war?

You know, honourable senators, among my people a war honour is a great thing. In the old days, if a man had something that he took to battle with him, and he won the battle, he would never cast it aside. He believed that the Holy Spirit protected him, and that the power of that Holy Spirit revealed itself in many ways. If he carried a special shield into battle and came through with honours, he would feel that part of the Holy Spirit's power was in that shield. He would treasure that shield, carry it in other battles, and carry it proudly. And when he went

into the medicine lodge to recount his war experiences, he would carry the shield with him, for it had helped him when he needed it most. Then, when he was too old for war, the shield might command an honoured place in his tepee. Or he might give it to his son, so that he too would be successful in war.

Are we the savages, because we treasure these things, or are you modern people savages because you cast them aside?

On this whole matter of the Indian's attitude towards the flag, I must give you an example of something that happened in Lethbridge about 1910. There were a lot of Americans around Lethbridge at that time, and feelings between them and the Canadians sometimes ran pretty high. Anyway, at the 1910 Lethbridge Stampede, a bunch of Bloods were invited to participate in the parade. You can imagine the reaction when the Bloods came into sight. There, in the lead, was the old War Chief, Running Wolf, carrying a great big American flag! The Americans laughed and said that at least the Indians knew who should be running the country. The Canadians said that Running Wolf had been put up to it.

People were curious about this, so someone sent for an interpreter, and they asked Running Wolf why he carried the flag. The old chief had a good reason. When he was a young man he had been in a battle with some American cavalry and had killed the soldier carrying the flag. He recognized the great value of a flag in battle, so he won high honour by capturing it. When he carried it in the parade, he was showing off his greatest trophy.

You will pardon me, honourable senators, if I keep talking about treaties. To the Indian people, the treaty is a bond of trust between them and the Queen. In the west we have had 11 treaties, the first signed in 1871 and the last in 1921. My own people, The Bloods, signed in 1877, while our neighbours to the north, the Crees, signed a year earlier.

The promises, or implied promises, made to our people during those treaties, are very important to us. It is not just the dollars and cents, it is the feeling of trust that is important. Many times our older people caution the younger ones about doing anything foolish. "You will be going against our treaty," they tell them. This is a very important matter to us. We try to keep our end of the treaty, and we expect the Government to keep its end.

Therefore, honourable senators, I support the motion presented by the honourable senator from Carleton (Hon. Mr. O'Leary).

Hon. A. B. Baird: Honourable senators, I have very few words to say. As you know, the beginning of the British Empire was in 1497, the year in which Newfoundland was discovered. Newfoundland's loyalty and patriotism will bear strong and emotional reactions when there is the least suggestion of a change being made to old or new symbols.

Honourable senators, the feeling in Newfoundland is so strong in favour of the Union Jack that I think I can say without fear of contradiction that if Newfoundlanders had known 15 years ago that the Union Jack was to be hauled from the mast and superseded by any other flag, they would never have voted for Confederation.

That is all I have to say.

Hon. Orville H. Phillips: Honourable senators, before beginning to discuss the resolution and the amendment may I make reference to the tributes that were paid to honourable Senator Power earlier in the day.

A short time ago it was my privilege to speak at a mess dinner. I spoke on the Senate and its function, and during my remarks I mentioned how interesting it is for me to meet, sit down and discuss various problems with people who have been in public life longer than I have lived. I mentioned many honourable senators, one of whom was honourable Senator Power.

Afterwards I was pleased that many of the officers, especially the junior officers who were in their early twenties came to me and asked questions about Senator Power. I could answer many of them, except the one that came up most persistently. They wanted to know how he had come by the nickname "Chubby". I am afraid I was not able to enlighten them on that. Perhaps at some time in a conversation with the honourable senator I shall be able to learn the answer to that question.

Hon. Mr. Connolly (Ottawa West): Just look at him.

Hon. Mr. Phillips: I would be very sensitive about that, Senator Connolly.

Hon. Mr. Connolly (Ottawa West): No, not yet.

Hon. Mr. Phillips: Earlier this afternoon honourable Senator Rattenbury said to me, "I understand that you and I will probably be two of the last speakers in this flag debate." I said that I was not worried about being the last—I just did not want to be the worst. I know that that is no problem for Senator Rattenbury, but it is for me.

I cannot approach the subject in the manner of a historian, as honourable Senator Connolly (Ottawa, West) did, nor can I approach it with the eloquence of honourable Senator O'Leary (Carleton). But, I can approach it with the feeling of the people of the province which

I represent—a people who have a great appreciation of the past, who have a deep love of tradition, and who, in spite of recent events, still have great confidence in the future. We find ourselves greatly disturbed by trends in Canada. May I illustrate this by pointing out that while many people in the Province of Quebec were objecting to Her Majesty's visit—and I do not want to leave the impression that they all were—

Hon. Mr. Vaillancourt: No, no; please permit me to protest against that remark. The people of Quebec were not against the visit of the Queen. What trouble there was was caused by strangers and some people from the United States.

Hon. Mr. Phillips: I am very glad to hear the honourable senator's correction, for at that time the town council and citizens of Summerside were complaining that Her Majesty's car was being driven through the town at too fast a speed and that the children who were waiting to welcome her did not have an opportunity of seeing her. I mention these things to demonstrate to you that there is a great love of tradition in our province.

During the past year the history of our province, its traditions and accomplishments, were acknowledged in Centennial Days. Every town and village on the Island had a Centennial Day, and in this way we all became very much aware of our history and, I may say, of the contribution of the two founding nations. We do not like the term "the two ethnic groups"; we prefer to call them the two founding races.

We are very proud of the fact that in our province people of French and English origin live in harmony. We of Anglo-Saxon descent find much that we can admire in our Acadian friends, who are most co-operative and excellent neighbours. They have contributed much to our province. They have given us a premier, a chief justice and many outstanding men in all walks of life. In short, we are proud of the past. We are very proud of our nation, and we feel that we all have a common purpose, privilege and responsibility. We are very proud to be called Canadians, regardless of our racial origin.

Consequently, we do not have the strong desire to change our flag that many other Canadians have. Honourable senators will note I said "change our flag." It was, and is, our feeling that we had a flag in the Canadian Ensign. I prefer the term "Canadian Ensign" to "Red Ensign".

Honourable senators, I cannot recall a politician or member of any party making a speech advocating the so-called distinctive Canadian flag in our province. Members of all parties chose to ignore the campaign literature advocating a so-called distinctive flag—and here I am admitting that the campaign literature of all parties did call for a distinctive Canadian flag. We saw far more important things in the campaign literature, such as projects that would contribute more to the development of Canada and, in particular, to the Atlantic provinces. It is said that the road to hell is paved with good intentions. We in Prince Edward Island say that the political road travelled by politicians from central Canada is paved with broken promises. Perhaps we ignored the literature dealing with a distinctive flag, expecting this to receive the same treatment.

Hence, we are puzzled and, indeed, saddened by the haste to change our flag. We ask: Why this indecent haste? Why this sudden condemnation of all our traditions? Why the substitution of an emblem for our heritage? We also ask: Who is behind this move? Who has elevated the flag issue to a place of utmost importance, and, indeed, who has seen fit to make it the only business of our Parliament? This subject, which has monopolized the time of Parliament, did not even warrant a place in the Speech from the Throne.

We ask: Who, and why, in a space of three months catapulted the flag issue to the position of priority? Throughout the whole lengthy debate no one has given us an answer. Our people have made sacrifices in the past, and are willing to make more sacrifices. If it is necessary to have a distinctive flag we shall again make sacrifices, but, first, there are certain aspects of this issue that must be clarified. We must have some means of selecting a flag design. There must be some method which permits us to have some say, or an opportunity to express our views, in the selection of the design.

You may refer to the lengthy debate in the other place and say that an opportunity was provided there. I cannot agree with that view because the original design was imposed on Parliament. No one knows the method of selection of the original flag design by the Prime Minister, and no one knows his purpose.

Honourable senators, if I may digress for a moment, I will say that I am proud of the contribution of the two members from Queens, the Honourable J. Angus MacLean and Mr. Heath Macquarrie, in that debate. At all times they put forward a reasonable conciliatory viewpoint, and one in which I would like to join. Unfortunately, the other two members from the province sat in silent, sullen submission. They shared in the reluctance of their Liberal colleagues to seize an opportunity that could have given their party an honoured place in history.

We must have also a description—a clarification, if you will—of that much maligned

word "distinctive". It is true that many different ideas of distinction have crept into this debate. Unfortunately, most people seem to have accepted what I call the "beatnik" idea of distinction. We all know that beatniks like to discard the customs and they like to wear the same style of dress, so that they become a sort of characterless mass in order to be distinct. I feel that we may be following a certain amount of this trend in our desire to be distinct.

I like to describe those who would completely obliterate our past as nihilites, from the Latin *nihil*, meaning "nothing". They would completely ignore our past and our traditions.

I ask you, honourable senators, who are really the more distinctive, those who would ignore everything of the past or those who would like to point to our traditions, our racial origin and the contributions of various races?

I am sure honourable Senator Pouliot would be rather surprised, in view of some of the comments on this side of the house, if I were to pay him a compliment. I listened with interest when he was describing his family's history in the Province of Quebec. I would like to think of him, not only as distinctive but as distinct.

Hon. Mr. Brooks: Not extinct.

Hon. Mr. Phillips: No, not extinct.

Before discussing in detail the amendment proposed by the honourable Senator Grattan O'Leary, I would like to mention one aspect of the resolution which is causing grave concern all across Canada. I am convinced that at the next general election, possibly in the near future, the Government will use, as an excuse for its many dismal failures, the fact that it is a minority government. In this same vein, many Canadians ask where this Government gets its mandate to force upon us the flag of its choice. I am reminded of a scene in Julius Caesar. Cassius and Brutus are conversing, prior to the assassination of Caesar, and Cassius says to Brutus:

> Now, in the names of all the gods at once,
> Upon what meat doth this our Caesar feed,
> That he is grown so great?

You will excuse me for paraphrasing this by saying: Upon what votes doth this our Pearson feed, that he is grown so great?

Honourable senators, think of the support which was used to force this flag through the House of Commons—that unholy alliance, Mr. Caouette and Mr. Fisher. I wonder if they have that much in common with the Canadian people that this alliance should have been utilized to force the flag through the other place.

I have enjoyed the speeches in the Senate. By their very nature and by their content, they have clearly demonstrated to the Canadian people the wisdom and the necessity of having this upper chamber. There has been a difference of opinion, and this of course is to be expected in any debate. If there were no difference of opinion there could be no debate.

There are several remarks to which I should like to refer. I am sure no offence was intended in those remarks, and I hope honourable senators will find no offence in mine. One thing which has been referred to several times is that the gravestones of our war dead can have the maple leaf emblazoned on them. I dislike the idea of bringing in reference to the graves of our fallen heroes as a means of supporting this flag. Those men made a voluntary contribution, the supreme sacrifice, and I feel they have given enough; they have given their all to Canada, and we should not try to utilize them in this debate.

Senator Hugessen made many interesting remarks yesterday. He was troubled by some small things, which seemed to give him much annoyance. I should like to refer to his remark that it would be impossible to have negotiations while we have the present Leader of the Opposition. I feel this remark was entirely wrong. I am sure the honourable senator was aware that it was the Leader of the Opposition who first advocated a committee to study flag designs, to attempt to find some compromise in the other house. It took him six weeks to get a committee, except on terms that were not entirely to his liking, but there was a spirit of negotiation there and an indication that it was not all obstruction.

Hon. Mr. Leonard: Would the honourable senator permit a question?

Hon. Mr. Phillips: Certainly, sir.

Hon. Mr. Leonard: I think the honourable senator has not quoted correctly the remarks of honourable Senator Hugessen. The word he used was not "negotiation" but "agreement". There is a difference between the two words.

Hon. Mr. Phillips: I may have misquoted, but I do not feel there is much difference between "agreement" and "negotiation". We would hope that agreement would follow negotiation.

I should like to refer to the remarks of honourable Senator Hollett last evening. I must say that I enjoyed the sincerity with which they were made. I believe he was the

first person to express what I know to be the feeling in Newfoundland, the deep love for and affiliation to the Union Jack, which has been confirmed today by the honourable senator from St. John's (Hon. Mr. Baird). I enjoyed hearing his sincere remarks. Senator Hollett mentioned the fact that the maple leaf is not distinctive, that it is foreign to Newfoundland. He mentioned that it is also used for wrapping meats of various kinds. This is a problem that disturbs me. On various inspection services, we use the maple leaf as a symbol that the meat or fish has been inspected. Should this design be adopted for the flag, I hope that some action will be taken to protect it.

When he was mentioning that the maple leaf was not limited and is not considered distinctive, I thought of a friend's home in Summerside. These people served for some time in Kashmir. They have very beautiful wood carvings and silverware. In fact, I have shown some samples to a number of senators. Until this new design came in I always assumed that these were maple leaves, and I was very surprised to find recently that they are not maple leaves but chinar leaves. These people asked me, what identification would this new flag have in this part of the world. This is an aspect which should receive some consideration.

Regardless of the objective of the flag resolution—and I do not intend to attribute any secondary motive to it—it has created disunity, it has created suspicion and bitterness in many minds. That cannot be ignored. I do not feel we can pass over this and say that time will heal those scars. Therefore, the suggestion in Senator O'Leary's amendment has much to merit our consideration. If the Government were to delay—not discard, merely delay—the resolution for a period of time, that would allow us to salvage a feeling of unity from the present feeling in Canada. It would allow us to develop a flag which would be acceptable to all people and be respected in our time. I feel very deeply that the flag should be respected in our time.

It is all very well to say that in 10 or 20 or 30 years' time, or perhaps even in 40, the flag will be accepted. However, within a very short time Canada will be celebrating its 100th anniversary, and I do not think we should have a flag that will not be respected by a great many people during those celebrations.

Honourable senators who quote figures of public opinion polls, stating that two out of three Canadians favour a new flag, are completely ignoring the fact that a large number of people do not accept or are not in favour of this design.

After all these words, I am sure honourable senators would expect me to give some idea of a flag design that would be acceptable; and naturally I am going to think of a flag that would be acceptable to the Atlantic provinces, for I know this area much better than I know the rest of Canada. I would also point out that while we deeply regret the change, I think many people in the Atlantic provinces would be ready and willing to co-operate with other areas in Canada in an attempt to arrive at a new design, if this is really the wish of a vast majority of Canadians.

The committee of the other house considered but did not accept a modified version of the Canadian ensign. Such a proposal, I think, would fit the terms of the amendment and be acceptable to a large number of people in Canada. The modified version, as all honourable senators know, contained a smaller Union Jack in the corner, three fleurs-de-lis of equal size to the Union Jack in the fly, and in the centre, a maple leaf. I feel that the maple leaf should be green, to signify that Canada is a young, vigorous and growing country. When a maple leaf becomes red, it is ready to fall and die. If honourable senators will look upward, they will note that the maple leaves on the beautiful ceiling in this chamber are green, not red. The Senate has sat in session for many years under the green maple leaf.

In conversations with many of my French Canadian friends, I have asked them concerning their objection to the inclusion of the fleur-de-lis in the flag. Some, but not all, said that it is a sign of colonialism, that it reminds them that their province was once a colony. I do not understand this viewpoint. Certainly Quebec was once a colony, so once were Nova Scotia, Ontario, and British Columbia. Indeed, all of North America and South America were once colonies. That was the only form of government at that time.

Honourable senators, I think we must recall that if the various parts which now make up Canada had not once been colonies, Senator Gladstone would be the only member of the Senate today.

As one of Anglo-Saxon descent, I am not going to attempt to suggest to the French-Canadian people what symbol they should put forward, what symbol would be best representative of their province. However, I would like to explain to them that we Anglo-Saxon people, probably wrongly, have come to associate the fleur-de-lis with the Province of Quebec. We see the fleur-de-lis on your provincial flags. It is on the licence plates of your automobiles, and it is a part

of many of the religious flags and shields used in the Province of Quebec.

We have associated the fleur-de-lis with the Province of Quebec, and therefore are putting forward the suggestion of the fleur-de-lis. However if this is not acceptable to the Province of Quebec, I would be perfectly happy, as an Anglo-Saxon, to take any suggestion that my colleagues from that province would care to put forward.

One suggestion among the numerous flag designs which have been received came from the Province of Quebec, and I think this one could be considered under the terms of the amendment. It has ten horizontal bars. The colours could be blue and white, or red and white, or any colour you wish. They come into a circle, and at the end of each bar were the coats of arms of the various provinces. In this design, I found a certain amount of what I would like to see in our flag. Here I found symbols of the two founding races and a recognition of the contribution of everybody to Canada, plus a certain amount of our history.

Many senators have stated that we cannot achieve any more unanimity, agreement, on the design than exists at the present time. I find among the people in the Maritimes that there is no agreement and no acceptance of this flag.

Many sincere people, and they are sincere, keep asking me why the Government seems to consider it to be almost a crime to have a heritage—a descent of Anglo-Saxon origin. These people are not being antagonistic to anyone, they are genuinely confused, resentful and, in most cases, deeply hurt. This I consider to be one of the most unfortunate aspects of this debate.

Before concluding my remarks, I wish to draw to the attention of honourable senators the results of passing this resolution and accepting a flag that will not be accepted by a great many Canadians. Many people are going to feel deprived of the present flag, are going to resent the proposed flag, and will turn to their provincial flags. As honourable senators know, many provinces have their own provincial flag. Nova Scotia has had its own flag for hundreds of years. Quebec, as everyone knows, is proud of its flag. Newfoundland has, as its provincial flag, the Union Jack. Its outspoken premier has left no doubt that he expects the Union Jack to continue to fly in that province.

This year Prince Edward Island adopted its own flag. I am sorry, in one way, to have noticed that in that province the Canadian Ensign and the Acadian Flag are being lowered, and that the provincial flag now flies on the flag poles which formerly flew either the Canadian Ensign or the Acadian Flag. Perhaps I should explain to some honourable senators that the Acadians, in Prince Edward Island at least, fly the tricolour, with the golden star of the Acadians on it. The provincial flag, not the new flag, is replacing the others. I feel that this will further emphasize the provincial trend that is developing all across Canada. The result will not be unity, but disunity.

I urge honourable senators to give consideration to the many merits of the amendment, an amendment that was moved in the spirit of the Senate. I urge senators to take advantage of the opportunity this amendment provides, an opportunity worthy of the Senate. I hope the Senate will rise to the occasion and be worthy of that opportunity.

I make one final plea to you to join us, not in a spirit of partisanship but in the spirit of Confederation. This problem can be solved and we in this chamber can establish a pattern for the solution of future difficulties, a pattern that will stand the stresses and strains of many generations to come.

Hon. Nelson Rattenbury: Honourable senators, I must be frank and admit to a certain amount of soul-searching before I decided to enter this debate at this time. Too much has been said by too many people already. Too much has been said that was deliberately designed to stir the emotions of our peoples to fever pitch. The subject is not a new one; Canadians have talked about having their own flag for many years. Perhaps this debate has served a useful purpose after all because now the temper of our people, as I sense it, is such that they are demanding action and, fortunately, it would appear they are within days of getting it.

I have enjoyed listening to most of the speeches that have been made here in the past few days, and I intend to mention a few of them in the course of my remarks. However, at this time I would like to make a few remarks about the speech made by Senator White this afternoon. He dealt at great length and, I feel, from his heart with the reactions of the veterans of the First World War. He brought us through that horrible conflict. I think he is right. In fact, the press leads us to believe he is right, when he speaks of the reactions of all those veterans of that war and their desire to retain the ensign we have known for the past few years. But I, in my travels, have been exposed to the men and women who are serving today and who, perhaps, served in the Second World War. I sensed in my conversations with them a different attitude, one that is more—I hate to use the phrase "up-to-date", but one that is looking for a change, and that change could very well be the new flag.

I know, even as you do, that there is a certain division among our people as to just what they do want. I think that is a normal reaction. I freely admit that I could not have designed a flag, nor, I suspect—though I have listened to a few suggestions here—could many of my honourable colleagues—certainly, not one which would have satisfied all the people. It would not have satisfied all the people any more than the Government of the day satisfied everyone when they designated the Red Ensign many years ago.

I like the Red Ensign; I think it is a beautiful flag but I do not think, and never have thought, that it should be Canada's national flag; nor, for that matter, any variation or incorporation of it.

It has been said that we cannot or should not forget the past, and I agree that we should not. This country was brought to nationhood by men and women of courage and imagination. They founded a new country in which to live and, in many cases, prosper. The two great founding races were later joined by people from other countries and they, in my opinion, showed equally as much courage as did those who came originally. It has been said in this chamber that only 40 per cent of Canadians can claim an Anglo-Saxon background, 34 per cent are of French origin, while the balance, 26 per cent, came from other ethnic groups. If these figures are correct, they are a truly representative gathering from far and near; and I hope they are all proud of the fact that their ancestors came here and that they are all now Canadians.

I come from an English and Scottish background. My ancestors came to Prince Edward Island three or four generations ago but, to my mother's disgust, I am afraid, I place very little emphasis on that fact. It is enough for me to say I am a Canadian. I was born in this country and when my time comes I hope to die here. I am proud of Canada, as all of you are, but I think a lot of people are placing too much emphasis on where their ancestors came from. That is the point I wish to make.

I have mentioned all this in order to develop the thought that it is necessary to be truly Canadian in our approach to this problem. It might be argued that a flag, to be truly Canadian, should have a conglomeration of symbols, if we were to recognize the background of all our peoples. Why single out only two, as has been suggested by many speakers in the past few months?

Senator O'Leary (Carleton) was at his most eloquent best the other day. He always is when he speaks of Ireland. He brought out the fact that Ireland did not put the shamrock on their flag; but neither, I would like to add, did they use the Union Jack. France has not used the fleur-de-lis, and other countries no doubt have failed to use their symbols as national emblems. But they were not faced with the problem we are faced with today. The Irish are all Irishmen together in one small island—true, it is a little divided at times, but it is all one island. The French are all of a common background in France; the Italians in Italy, the Greeks in Greece, the Turks in Turkey. Oh, I could go on and on ad infinitum, but none of them have had the problem we as Canadians face—a nation of many racial origins, as I mentioned earlier; a nation almost equally divided into three main groups and subdivided into many more, but all united as Canadians. As Senator Cameron said the other day, "We are rich in the heritage of other lands."

On Tuesday last Senator Connolly (Ottawa West), in one of the best speeches I have ever heard him deliver, drew a picture of the growth of our country. He brought us along most eloquently through the pages of our history, from our birth to the present day. It was what I might term a moderate presentation, so typical of the man himself, and he left a message that we would all do well to remember. As a comparatively new member of this chamber, I am happy to see that the same degree of moderation has been shown by most of us during our deliberations.

Speaking in this vein, and assuming it would be a virtual impossibility to please all our people about a design for a new flag, I have asked myself, what is wrong with a flag that has as its motif a maple leaf? What design could have been chosen which would have served to cause less dissension? Quite frankly, I failed to come up with any better solution. Like others in this chamber, I have received many letters dealing with this issue. Those who favoured a new flag have the maple leaf as part of some design or other; others retained the Union Jack in an equal number of designs; while yet a few were adamant that it would be sacrilegious not to retain the Red Ensign.

One gentleman, I might add, an old shipmate of mine, went so far as to say I could not turn away from the old "Red Duster" because I had served under it for so long at sea. I was interested to hear Senator Croll refer to it as the "Red Duster" in his speech. I asked him today about that, and he said the expression was used by the Imperial army in the last war. I did not point this out in my reply to him, but I could have said, "That is one of the main reasons why I favour a new flag."

In fact, I sailed the oceans of the world under the Red Ensign, as we know it in Canada, and we had constantly to point out that it was the Canadian flag, not the more familiar Red Ensign of the British merchant

service. We were never ashamed of our flag but, to say the least, it was rather confusing at times.

I shall continue, if I may, in a nautical vein for a few minutes, because I think it is in that area of our economy that in the past most of the confusion has existed.

We have in Canada, as most senators know, three ensigns—the White, flown by ships of the Royal Canadian Navy; the Blue, flown by ships in our Government service and by merchant ships with a specified number of commissioned officers and other ranks of naval reserve personnel as crew members; and finally, the Red Ensign, flown by Canada's merchant vessels, which is the same Red Ensign as we know ashore as the Canadian flag. But it is at this point that I really enter the realm of confusion. Both the Blue Ensign and the Red Ensign have the coat of arms inscribed on them, but, as many of you know, the White Ensign has not. It is the same ensign as is flown by the British navy.

For the purpose of emphasis, I repeat that the identical flag is flown by ships of two different nations, and it is this similarity that exists in our present use of the Red Ensign which gives me cause to support the use of a distinctive flag of our own.

To avoid confusion—or rather in an attempt to avoid it—the naval service, on their own, decided a few years ago to put shoulder tabs on all personnel, reading "CANADA". This has been mentioned earlier in this chamber. That took care of the situation while the troops were ashore. On the ships themselves they painted a maple leaf on the funnel—yes, this same maple leaf we are discussing today and which I have heard derided in this chamber during the last few days.

From this point onward, anything I might be tempted to say would be repetitious—perhaps I am already guilty of being so. I therefore propose to make this perhaps the shortest speech yet made on the subject in either chamber, and I hope one of the last. I would add that Senator Baird seems to have outdone me. However, there is one thought I would like to leave with you.

All of us, at one time or another, have stood proudly while a band played "The Maple Leaf Forever". I earnestly hope that all of us will in the future be proud to stand while the maple leaf flies above us—forever!

Honourable senators, in closing I wish to say I shall be supporting the resolution.

The Honourable the Speaker called it 6 o'clock and left the Chair until 7.30 o'clock.

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At 7.30 p.m. the sitting was resumed.

Hon. Paul Yuzyk: Honourable senators, I would like to express my gratitude and congratulations to the honourable Leader of the Government in this house, Senator Connolly, and to the spokesman of the loyal Opposition, Senator Grattan O'Leary, for their lucid presentation of two points of view regarding the design of the Canadian flag. Senator Connolly gave us a scholarly historical sketch of Canada's evolution from colonies to national autonomy and sovereignty, and the arguments favouring the maple leaf as the sole distinctive symbol in our flag. Senator O'Leary made an eloquent plea for the retention in the Canadian flag of the symbols of the founding peoples which would be accepted by all elements of our population.

At this time the eyes of all Canadians throughout our country are focused on the Senate. Our people are expecting us to exercise deep thinking, prudence, moderation and a high degree of non-partisanship, ever bearing in mind the best interests of Canada, and, above all, national unity. We are reminded that justice, truth, fair play and conciliation are the true spirits of the Senate. These are high principles to live up to, but we must always be motivated by them.

The Senate is confronted with the issue of a flag that was passed in the other house by a large majority, but not without resort to closure. The new flag did not receive the support of Her Majesty's Loyal Opposition. A considerable proportion of the population is vehemently opposed to this flag. It is being introduced in disunity, turmoil and bitterness. This situation is bad—very bad. A flag should be a unifying, not a divisive thing. It is obvious that Canadians are not yet ready for their distinctive flag commanding the support of an overwhelming majority. It is my humble and sincere opinion that the Senate should insist on a flag of unity that has the support of all parties and all elements of our population. Only then can we be sure that our flag will inspire Canadian unity and pride.

At this time I feel I would be remiss if I did not bring to the attention of honourable senators an open letter sent to the Prime Minister and dated May 27 of this year. It was signed by such distinguished Canadian historians as Professor D. G. Creighton of the University of Toronto, Professor W. L. Morton of the University of Manitoba, Dr. Eugene Forsey, Research Director of the Canadian Labour Congress, and several other prominent Canadian scholars, administrators and artists. Written before the commencement of the flag debate in the other house, this message, with

a plea and prophetic overtone, deserves careful consideration. It reads:

> We have thought deeply about the flag issue, and believe it necessary to write this open letter to you as an expression of our common feelings. May we emphasize that we do not speak as political partisans, but only as concerned Canadians representing several parties.
>
> We applaud your decision to seek a distinctive national flag for Canada, and recognize your courage in doing so. We believe, as you do, that the flag should be a source of national unity, and that it should be unmistakably Canadian in character. However, we protest that the maple leaf flag is neither of these things. Its only advantage is that it is innocuous, that it produces tepid approval, mild disapproval, or indifference, and that it can therefore be adopted without any display of strong feeling whatever. We have a despairing feeling that this insipid flag, instead of promoting national unity, will produce only an indifferent response, and in doing so will subtly undermine the Canadian will to survive.

Hon. Mr. Connolly (Ottawa West): Would the honourable senator again tell me the date of that letter?

Hon. Mr. Yuzyk: The date of this letter is May 27 of this year.

Hon. Mr. Connolly (Ottawa West): It was written before the committee reported on the new design, I take it?

Hon. Mr. Yuzyk: Yes, that is right. I am reading this in order to give the opinion of prominent historians and leaders. It continues:

> We believe profoundly that this negative approach to our national symbol erodes our national spirit.
>
> The very essence of this country's history, and the reason for our national distinctiveness, has been the long and often turbulent marriage of French and English heritages. We have faith that in their depths, Canadians pride themselves on this union, and on its parliamentary and non-revolutionary tradition. Canada has a continuous history of three hundred and fifty years of French-speaking and English-speaking life together in North America, and two hundred years of union. The creative tension between the two founding peoples has been a guarantee to other racial groups of their continued identity, in contrast to the American concept of the melting pot. These are the positive facts of our history; we cannot change them; they give Canada its sinews. The nation is strong enough to face its own past proudly, and to assert it. Whatever may be said about the use of the maple leaf as a Canadian emblem in the past, it has never gained anyone's vigorous allegiance, and it involves no commitment to the human factor of Canada.
>
> We believe that Canada has a distinguished culture of its own. We believe that this is a positive culture. We believe that the basis of this positive culture is a frank acceptance of both the English Canadian and the French Canadian civilizations. We believe that a distinctive Canadian flag should reflect this positive fact.
>
> We are not in the position of a country with a revolutionary tradition, creating itself anew; we exist because we have inherited the past without a revolutionary upheaval. It is false and dispiriting to adopt a flag which subtly ignores the truth of our own nature. This is not the kind of symbol to rally a bewildered and demoralized nation.
>
> We respectfully suggest that you withdraw the maple leaf design for the time being, and that you convoke at once a private meeting of the parliamentary leaders of all parties to agree upon a new design which asserts our history. We profoundly believe that the present proposal will only deepen the spiritual malaise of Canada.

Substantially, I hold the same viewpoint as expressed in this letter. A leaf does not excite me and certainly does not inspire me, no matter what is said or written about it. That the maple leaf is distinctive, I agree, but by itself I cannot associate it with civilization and culture. I am not, however, opposed to its incorporation in the flag, together with other symbols that are representative of human achievement.

The most precious asset that Canada possesses is our human resources. I brought this out in my maiden speech of March 3 this year. Canada was founded by the British and French peoples, who together with many other peoples, now forming a significant proportion of our population, over one-quarter, have developed the civilization, the culture and the way of life that we have today. It is a pluralistic and multicultural society with a Christian foundation, evolving on a democratic basis, which makes us different from that of the United States and gives us our separate identity. By and large we have accepted as our guiding principle "unity in diversity". Because of adherence to this principle of recognizing human values, Canada

has made tremendous progress in every field of human endeavour.

I was glad to hear that some of the senators in the course of this debate have paid tribute to the Ukrainian contribution to Canada. I believe the Ukrainians will play a bigger role in the future. This can be said also of the other ethnic groups such as the Germans, Jews, Icelanders, Poles, Italians, Indians and others. The English, Irish, Scots, Welsh, the French, and the other ethnic groups are united as Canadians. We have come out of the past together, are together in the present, and will go ahead together and united into the future.

"Unity in diversity" is a good and viable principle. It now has official recognition. When the present Government came into power, this principle was inscribed in the first Speech from the Throne of May 16, 1963:

> The character and strength of our nation are drawn from the diverse cultures of people who came from many lands to create the Canada that is ours today. The greater Canada that is in our power to make will be built not on uniformity but on continuing diversity....

Since I had spoken on this topic in the Senate some ten months ago—at which time I had stated that the non-British, non-French ethnic groups of the third element would soon unite to work together for the welfare of Canada—a conference with this objective was held in Ottawa on November 8 and 9 this year, under the patronage of the Honourable Maurice Lamontagne, Secretary of State, and the Honourable René Tremblay, Minister of Citizenship and Immigration, and sponsored by the Centennial Commission. The conference established the Canadian Folk Art Council, supported by government funds, on a permanent basis, with representatives from all the ethnic groups, to plan participation in the Centennial celebrations of 1967 and in the general development of Canadian culture subsequently. This is the putting of the principle of "unity in diversity" into practice and action.

Material achievements of mankind are important, but in my opinion more important are the spiritual and cultural achievements. The imperishable gift of the British to the Canadian way of life is the parliamentary system of government, an evolutionary democracy under the Crown, safeguarding the authority of and equality before the law, liberty, justice, fair play, equal opportunity for all and the dignity of the individual. Through our Parliament we have achieved independence, sovereignty and prestige throughout the world. The French gift of cultural preservation and development, love of Canada, pride in their language and traditions and devotion to religion, have made Canadians more conscious of the meaning of life. All these are profound and precious human values of the highest order, which have been reinforced by the contributions of the other ethnic groups and which should be held perpetually sacred by the Canadian nation. They were gained by great sacrifices and have become our heritage to enjoy, to improve and to pass on to future generations.

A flag should symbolize our great heritage and the undying spirit of the nation. In his admirable speech, Senator Grattan O'Leary referred to the essentials of a national flag, which were outlined by President Woodrow Wilson, himself a historian. It is worth repeating:

> The things that the flag stands for were created by the experiences of a great people. Everything that it stands for was written by their lives. The flag is the embodiment, not of sentiment, but of history.

We are building what we would like to call a great nation. A great and dynamic nation must be dedicated to great and high ideals and principles, which have come from the past and which should be symbolized in the flag. Without the founding peoples and their contributions, there would be no Canada today. It is my conviction that a leaf is too insignificant to represent great human values and the accumulated heritage of preceding generations. What kind of a dynamic spirit can it convey?

I would like to see meaningful symbols of the founding peoples enshrined forever on the distinctive Canadian flag, which could also include the maple leaf. Such a flag cannot be produced in haste. It must be the product of the best minds of our country and should be done in consultation with the component peoples of our population, the provincial governments, the universities, the churches, veterans' associations, the cultural organizations and interested citizen societies. When adopted in Parliament, such a flag should receive the approval of all the parties, at least the two largest. A united effort by the Canadians would produce a flag of Canadian unity which would then be our pride and inspiration. This requires more planning and more time.

Consequently, I support the amendment.

Hon. Léon Méthot: Honourable senators, I have listened very carefully to what was said by the Leader of the Government, and I have also read the French version of what he said in order to appreciate fully the magnificent speech he made.

Starting with the Confederation Debates, he reminded us that Sir John Macdonald referred to the ultimate emergence of a nation "friendly" to Britain, and of the necessity to reaffirm the minority rights consecrated in the Quebec Act. He gave a brief history of our Canada from 1867 up to now, putting in evidence of what was done by our statesmen; and he concluded that no political party claims or should claim sole credit for our achievements. For this I have admired his impartiality and I want to congratulate him.

However, although he made a brilliant exposé of what has been done for Canada, I do not think that those premises draw the conclusion at which he has arrived in regard to the motion we have to vote on.

The intention of everyone in our country is to procure for Canada a distinctive national flag, and on this purpose I agree entirely. I must say, however, that to obtain a distinctive national flag for Canada, we must first agree on what those terms mean.

Personally, I want for Canada a national flag which nobody will be ashamed of; I want for Canada a flag which will be accepted all over Canada; I want a distinctive national flag which will satisfy the thinking and the respect of everyone.

To obtain this result, I think we should first ask ourselves, what is a flag? What is a national flag? What is a distinctive national flag?

To find out what is a flag, I have looked through many dictionaries, and I have finally found the real definition of a flag, which anybody can read in the dictionary of Guerin:

> Un drapeau est un signe metaphorique de ralliement autour d'une croyance, d'un principe, d'un parti.

I will try to translate that by saying that a flag is a metaphoric sign of rally around a creed, a principle, a party.

If we look at the motion on which we have to take a decision, and on the flag that this resolution proposes, we first read:

> That this house does recommend to the Government that such steps as may be necessary be taken to have designated as the National Flag of Canada a red flag . . . etc.

First of all, we are asked to recommend to the Government that the necessary steps be taken to have this flag which, as far as I know, has already been decided upon by a committee of the government. Not one senator was consulted or asked to give his opinion on the subject at this committee. At least, the resolution should have read that the Senate concurs.

Enough, however, on that matter, which is not important, when we have to consider a subject of greater importance.

We are asked to vote for a metamorphic sign of rally. Having read newspapers coming from all parts of this country, anyone must realize that this proposed flag will not bring to the minds of the citizens an idea of unity, but will rather bring an idea of disunion, and even separatism, in some parts of our country.

Does the proposed flag give us the idea of a creed accepted by anyone? Yesterday I was listening to the speech made by the honourable Senator Hugessen, when he was brilliantly revealing the origin and the idea that brought to us the Union Jack. He explained to us that we could see on that flag the Cross of St. Andrew for Scotland, the Cross of St. George for England, and the Cross of St. Patrick for Ireland. Do we see anything like that in a red maple leaf which has not even a colour of life, but represents only a dead leaf? Can we say now that the proposed flag represents a principle, which Webster translates as the beginning, the commencement, the origin, the foundation, which in our case will be Canada? Certainly not; because we do not see in it anything of the great races which founded Canada. On the contrary, in looking at that flag we do not see something which survives in our mind, but that which represents something dead—a leaf that the wind carries away for ever.

A metamorphic sign means something that will immediately, at the sight of it, recall the origin of our country and its founders.

Personally, I want for Canada a national flag. We must remember that the United States was separated from England by a revolution; but that is not the case with Canada.

Hon. Mr. Choquette: Hear, hear.

Hon. Mr. Méthot: We want a flag which reminds us of our founders. This is the flag we need, and nothing else. We need such a flag with the condition that we will be able to carry it not only in this country, not only in one province, not only in one home, but all over the world—even at a meeting of the Commonwealth.

We must also remember that a flag must rally around it and unite the people of this country, and not divide them.

Honourable senators, this is why I am still convinced that the best thing that was said in these last years was said by a Prime Minister who, although not now in office, is still living. I refer to the Right Honourable Louis St. Laurent, who said:

> We want a flag that will unite and not divide, and the minute you will agree, I will give you one.

I am 100 per cent in favour of this kind of thinking. This is the reason I will vote for the amendment. A great majority of the country is not in favour of the flag proposed in this motion; as a matter of fact not one would be ready to vote for it if he had not in mind that we are going to have a second flag, one that would clear the conscience of those who would vote for the first one.

The definition of a flag, which I mentioned at the beginning, is that it must be a sign around which a party can rally. This does not, in the present case, mean one party only, but "Canada as a whole party," as was the case in 1867 when Confederation came into being as the product of the Liberal-Conservative party—everybody being united to decide on the British North America Act. On that subject you can read the speeches that were made later on, even by the Honourable Honoré Mercier, when he spoke on Confederation—and he was the Prime Minister of Quebec and a Liberal.

Can we say that the flag proposed is the result of agreement by the whole of Canada? I think it is exactly the contrary. When I saw people in my city carrying this new flag on their automobiles, I was able to see, without being in error, that it was carried by a *porte-étendard* of only one group of our country, a group supporting the Liberal party.

To try to obtain the consent of a larger group, I noticed yesterday that my good friend, Senator Hugessen, was telling those who were against the new flag, or, at least, not much in favour, that we were going to have another flag. This idea could even be noticed in the main motion, because if we read it we note the words: "That this house recommend to the Government that steps... be taken to have designated as the national flag of Canada..."

In his speech, the Leader of the Government, (Hon. Mr. Connolly, Ottawa West) spoke of a national flag. In the French version, we have the words "comme drapeau du Canada et non comme le drapeau du Canada;" those three different designations meaning that we may, in the very near future, be asked to vote for another flag. I think this would hold Canada up to ridicule.

Does that mean that the motion is asking us to vote for something that we are going to be ashamed of, or for something that we need to correct by a second vote?

Hon. Mr. Choquette: Order.

The Hon. the Speaker: Order, please.

Hon. Mr. Méthot: I will not say anything more now, except to add that we are really confronted by a motion proposing to have a negative flag, not a distinctive one, which will have to be corrected by another.

(Translation):

Honourable senators, I cannot bring this to a close without recalling the speech made by the honourable Senator O'Leary, who proposed the amendment. I already knew his eloquence, I already knew his vigour, but never before had I had the opportunity of appreciating his wisdom as I did the other day.

Another point I should like to add is that I am a French Canadian, both on my father's and my mother's side. Our immediate forebears were born in Trois Rivières or in the vicinity. I have practised law in my area for some 45-odd years and, with the exception of the last few years, my clientele as well as my practice has been 100 per cent French Canadian.

No one asked me, in order to succeed in life, to repudiate my origins; no one asked me to make concessions. I have never made any concessions, nor have I repudiated my origins.

Honourable senators, I may tell you that we must all preserve the memory of our origins. It is all very well to look to the future and then to the past. It is all very well to say that the Conservatives are not progressive, because in order to be progressive, we should forget those who preceded us. That is not the situation. I believe that on the other hand we should retain our origins.

We realize that in Canada various races live together, in a spirit of unity, and that they progress together.

Let us preserve our origin, whether we be Anglo-Saxons, Scots, French, Jews or of any other race. But we must be united in Canada, and in order to do so, we must not repudiate anything; no one asks us to do so. Let our laws be respected, and Canada will continue to develop as it has done since 1867.

(Text):

Hon. A. J. Brooks: Honourable senators, it is not my intention to detain you for any length of time, but I do wish to say a few words in this important debate.

May I say at the outset that I have been very proud indeed to listen to the remarks of my colleagues on this side of the house, and especially to hear what I think are the unanswerable arguments they have presented in support of our amendment.

Before entering into the particulars of this debate, I wish to make it clear that I am not the last speaker for our party on this side. The honourable Senator Aseltine will be be speaking after me. He had a long and tiresome trip to the west and back, and we

gave him time this afternoon to rest a little and prepare his remarks. Also the honourable Senator Grosart, who is the seconder of this amendment, will wind up the debate for the Opposition.

It has been a good debate, honourable senators, and like the preceding speakers I wish to congratulate the honourable Leader of the Government (Hon. Mr. Connolly, Ottawa West) for his presentation of the case for the Government. I listened to his speech with care. From an historical standpoint it was complete and most interesting, but I sometimes wondered, as I listened to him, just what his remarks had to do with the motion before us. He recited a long catalogue of the wonderful things that have happened in this country since the days of Confederation. They have been wonderful events in Canadian history. We as Canadians have every reason to be proud of the accomplishments of our country since the days of Confederation 97 years ago, but I would point out to my honourable friend that the great progress we have made, the many things that we have accomplished, were accomplished under the Canadian Ensign and under no other flag.

Hon. Mr. Roebuck: What about the Union Jack?

Hon. Mr. Brooks: And they were accomplished, honourable senators, not in spite of our British connections, may I say, but due to them and our French Canadian association and heritage—due to the two great strains of Canadianism, the British and French races, which are the undisputed great races of this world.

With regard to the speech made by Senator Grattan O'Leary, it is not necessary for me to add to what has already been said, but I could not proceed without making reference to it. I have been in Parliament for many years, and I think I can truthfully say that with few exceptions I have never heard a finer speech, either in the House of Commons or the Senate.

Hon. Senators: Hear, hear.

Hon. Mr. Brooks: I am not only speaking from the literary standpoint, but more particularly from that of the unanswerable logic of his remarks. Frankly, as I listened to him, and as I read his remarks since, I could not and still cannot see how any member of the Senate, unless he is controlled by a deep-rooted political bias, cannot support the amendment which was presented by honourable Senator Grattan O'Leary.

This is the great opportunity for the Canadian Senate to display that sober second thought for which purpose the Senate was established many years ago; and I do not mind saying that the public is watching the Senate with very great interest, to see whether we are going to be a rubber stamp for the House of Commons or whether we are going to assert our own individuality as a Senate.

Some Hon. Senators: Hear, hear.

Hon. Mr. Brooks: They want to see if we will exercise that independence which is so necessary and so clearly indicated at this time—and, may I add, which would so clearly justify our existence.

The debates, both in the House of Commons and here, as far as the Government is concerned, have not been enthusiastic. In the House of Commons for days there were no speakers at all on the Government side supporting a case. But it is easy to understand why they were not enthusiastic. The speeches on the Government side in this chamber have not been enthusiastic. The reason is there is nothing in this flag to be enthusiastic about. In certain quarters there is satisfaction; we know that. However, it is not because of what the flag contains but because of what has been left out of the flag. It is a negative rather than a positive flag that is being presented today to the Canadian people.

Frankly, I had hoped that it would not be necessary for this chamber to debate the issue at this time. I had hoped that the Prime Minister of this country would realize that there is no unanimity in Canada for the adoption of the suggested flag, which is the subject of the resolution before us and of the amendment. In fact, there is a great difference of opinion, according to the polls across this country.

The honourable Senator Croll said the other day that according to his poll—he did not tell us how he took it—he was of the opinion there was a great majority in this country in favour of the new flag. I remember a few years ago when Harry Truman ran for election in the United States, the opinion polls were strongly against him, and when someone asked him what he thought of the Gallup Poll he suggested a formula for polls. I do not know of any poll that has ever been more deserving of this formula than the poll suggested by the honourable Senator Croll.

Honourable senators, at this season of the year our thoughts turn to peace on earth and good will toward men. The Government commits an act which can only bring sorrow and bitterness to tens of thousands of people in this country. The timing was ill-chosen.

I do not intend to become sentimental in this debate, but I must confess that if and

when the flag now flying over these parliament buildings is run down and another takes its place, that event will cause me, to say the least, considerable sorrow and heartache; and I know it is going to have that effect on many, many thousands of people across Canada.

Some say the debate has been too long; and indeed, it has been a long debate. But there have been many excellent speeches. Time has been taken which the people say could better have been used for other purposes. However, I would point out to my honourable friend the fact that it was the Prime Minister and the Government of this country who introduced this debate, and the Prime Minister was the only person who could have stopped the debate and gone on with the rest of the business of this country.

Senator McCutcheon yesterday mentioned this matter and dealt with some of the items that could have been attended to. Redistribution, of course, has been attended to and it is an important matter. There is the question of the Canada Pension Plan; that has been off again and on again, as the Irishman says, and I do not know when it will be brought forward again. Time should have been taken with the provinces to deal with these very important matters instead of having this flag debate. Then, there is the labour code to be considered, a very important subject. This too could have been attended to by this Parliament, instead of spending weeks debating the flag issue. There is also the recapitalization of the C.N.R. I could go on and on and mention many such matters which should have been attended to by this Government instead of bringing on this flag issue which the people did not want.

I have no wish to be repetitious, but in other speeches it was mentioned that this was the first opportunity the Senate had to express its views. We have been told this was an election issue. I know what went on in the last federal election in this country, and I do not think the matter of the flag was mentioned on more than three or four platforms across the country. The people knew nothing about it. We did not know there was going to be a flag issue before this Parliament. I say there is no mandate from the people of Canada for a flag. It was never mentioned in the Speech from the Throne. The first we heard of it, as has been said so often, was when the Prime Minister himself introduced the three maple leaves design as a flag.

When the matter had been discussed for many days in the House of Commons, pressure was brought to bear to set up a committee. This is something which should have been done at the very beginning. A joint committee of the Senate and House of Commons should have been set up at the very outset. But after the matter had been debated for many weeks and after all members had taken firm stands on the matter then, and not until then, was a committee set up. In my view that was a poor time to appoint a committee, after members had already made up their minds. We know the result; there was a change in the recommendation for a flag—one maple leaf instead of three, and only that.

Now, honourable senators, I want to compare the procedure used in introducing the flag in this Parliament in 1964 to that used in the twentieth Parliament in 1945 and 1946. At that time it was mentioned in the Speech from the Throne, and I would like to read to this house what was said on that occasion for those honourable members who have not already read it themselves. I am sure many senators have gone back and read in *Hansard* the Speech from the Throne at the opening of the first session of the twentieth Parliament. We all know this speech is prepared by the Prime Minister and the cabinet and is read by the Governor General. At that time the words of the then Prime Minister were as follows:

> Honourable Members of the Senate:
>
> Members of the House of Commons:
>
> My ministers believe that the position attained by our country among the nations of the world makes it desirable that Canada, like the other nations of the British Commonwealth, should possess a distinctive national flag. You will be asked to appoint a select committee of members of both Houses of Parliament to consider a suitable design for a Canadian flag.
>
> The Government has directed that, pending approval by Parliament of a particular design, the Canadian Red Ensign which was the flag carried into battle by the Canadian army—

And this was recognized by the Government at that time.

> —and which was flown from the Peace Tower on V-E Day and V-J Day as a tribute to the valour of our armed forces and to Canada's achievements in war, may be displayed wherever place or occasion makes it desirable to fly a distinctive Canadian flag.

There the Government of the day considered the ensign a distinctive Canadian flag. They put it in their Speech from the Throne, and the Governor General read it. Nevertheless, the other day I listened to my very good friend, Senator Crerar—a man for whom I have great admiration, as has everyone in this chamber, because he is one of the great men in Canadian parliamentary life—and I

was surprised to hear him state that he did not consider the Red Ensign a distinctive Canadian flag. I am not sure whether he was in the cabinet in 1945, but if he was not, the men who wrote these words were his colleagues just a short time before.

Now I wish to deal with some of the speeches made on the Speech from the Throne of that year, and while I do not intend to quote extensively from them, nevertheless, I would like to cite one in particular. I refer to the speech of the honourable Senator Hugessen who, I regret to see, is not here this evening. He made a very eloquent speech. I might say, honourable senators, that during the first session I was a member of the Senate I had so little to do, since I was not on any of the committees, I spent a considerable amount of time reading from the speeches of senators in days gone by. I found it to be a very gratifying and rewarding task. Few people are aware of the great wealth there is in the Senate *Hansard*. There you have speeches of men like Meighen and Dandurand and many others. I place Senator Hugessen among those men who have made the fine speeches and also, I may add, Senator Lambert and many others who are still members of this house. I refer you in particular to part of the speech which had to do with the setting up of the committee on a flag, where Senator Hugessen had this to say:

> Now I do not wish to be misunderstood. I am proud of the Union Jack . . . It gives me a thrill to see it flutter in the breeze.

Senator Horner, our late, dear friend, asked: "What is the matter with it now?" Senator Hugessen went on to say:

> The fact remains that it is the flag of Great Britain.

That is right.

> It has no particular designation to show that it has any special connection with Canada—

And I say that that is not what the Government is arguing in the other place at the present time.

> —and, as the Speech from the Throne indicated, I think it is now time for us, like the other members of the British Commonwealth, to design a flag of our own.

He went on further to say:

> I have given some thought to this question of a national flag, and for what it may be worth, I offer some suggestions to the House. It seems to me that it should fulfil three requirements. First, it should incorporate in a position of prominence and honour the Union Jack.

This is Senator Hugessen, who spoke in this chamber last night and defended the new flag, and opposed the amendment of Honourable Senator O'Leary.

Hon. Mr. Aseltine: He must have forgotten what he said in 1945.

Hon. Mr. Brooks: There must be some reason. He went on:

> The second essential to my mind, is that it should include in a position of prominence and honour some symbol or design to represent the blood of France that flows in the veins of nearly one-third of our citizens.

That is what we are saying in our amendment.

> The third requirement should be that our flag must bear some symbol or emblem that is distinctive of our own country, and which all the world will recognize as such. I suggest that the emblem might be, for instance, the maple leaf or some similar emblem. A fourth element which I think would be desirable, is that our national flag should be as simple in design as possible.

One would almost think that Senator Hugessen had prepared the amendment that we are now presenting to the Senate.

There were other speeches. The late Senator Duff, coming as he did originally from Newfoundland and later from Nova Scotia, made a strong appeal for the Ensign and for the Union Jack. Senator Kinley spoke. His only objection to the Ensign at that time—and he did not really object to it—was that he thought it might be our flag with some modification. He said it was a flag that was flown on ships at sea. I have been told, and I think anyone who lives in a seaport will realize, that half the flags of the world are flown on both land and sea. That is no objection to it.

Senator Hugessen made the speech I have referred to on October 3, 1945, and I was reading from page 36 of the *Debates of the Senate* of 1945. I ask myself and all honourable senators—and I am sorry to ask this—how can anyone reconcile the statement made by the honourable Senator Hugessen in 1945, 19 years ago, with the statement he made in this house last night?

Senator Thorvaldson last night quoted Senator Lambert. May I say here that Senator Lambert is another honourable senator for whom I have the greatest admiration, and he also supported, as far as anyone can judge from his remarks, a distinctive Canadian flag which contains something of the history of this country. I shall read what was said by him at that time, and I point out that this

was not said in the debate on the motion for an address in reply to the Speech from the Throne but upon the setting-up of the joint committee:

> In his later years Joseph Howe said this:
>
> A wise nation gathers up its records, preserves its muniments, and fosters national pride and love of country by perpetual reference to the sacrifices and glories of the past.

We have often heard that quotation, and Joseph Howe was a very great Canadian. Senator Lambert went on to say:

> It seems to me that at this time, as we in common with the rest of the world enter upon a new era of history, a Canadian flag should suggest these things increasingly to the mind of our people. It is this thought which should be ever present with the members of the joint committee that will be appointed after the adoption of this resolution.

Senator Lambert was chairman of the committee, and an excellent chairman. I was a member of the House of Commons when this committee sat, as were some other of my colleagues here. Day in and day out, week in and week out, they considered over 2,000 samples, as I shall call them, of flags that were submitted to them. They came to a conclusion. They had a vote, and by a majority of 23 to 1 they recommended a certain flag. It had the Union Jack in the corner and a maple leaf on the fly. The report was never brought before Parliament.

Senator Lambert said last night—and he was more or less correct—that there was a little controversy over the size of the Union Jack. Nobody wanted to discard the Union Jack, but there was a little controversy over the size of it on the proposed flag. Apart from that, there was general approval. It is my opinion—and it was my opinion when I was a member of the House of Commons—that had this report of the committee been brought before Parliament it would have received the support of an overwhelming majority of the House of Commons, and I am sure it would have been passed by the Senate, and we would have had a flag today without all this fuss and nonsense. However, I am told that there were certain few people then who did not want the Union Jack at all, and that that was the reason why it was discarded.

Honourable senators, there are other quotations that I could make, but I shall not do so. I did intend reading some excerpts from the letter of May 27, 1964 that was addressed to the Right Honourable Lester B. Pearson by certain outstanding gentlemen. Senator Yuzyk has already read from it. This letter was signed by such men as Dr. Forsey, Dr. Creighton, Professor W. L. Morton, the President of Trent University, barristers, doctors and so on. They are very outstanding men from every walk of life across Canada. I do not think it will be harmful if I quote just two paragraphs:

> We are not in the position of a country with a revolutionary tradition, creating itself anew; we exist because we have inherited the past without a revolutionary upheaval. It is false and dispiriting to adopt a flag which subtly ignores the truth of our own nature. This is not the kind of symbol to rally a bewildered and demoralized nation.

This is addressed to the Prime Minister of Canada:

> We respectfully suggest that you withdraw the maple leaf design—

As honourable Senator Connolly (Ottawa West) called to our attention, this refers to the design with the three maple leaves, but whether it was a design with three maple leaves or one maple leaf does not make any difference to their argument.

> We respectfully suggest that you withdraw the maple leaf design for the time being, and that you convoke at once a private meeting of the parliamentary leaders of all parties to agree upon a new design which asserts our history.

That is what the people of Canada want—a flag that asserts their history.

> We profoundly believe that the present proposal will only deepen the spiritual malaise of Canada.

All honourable senators received a copy of this letter, and they are familiar with its contents.

May I be pardoned, honourable senators, if I make some remarks that have been made before? A flag designed on the basis of our amendment would perpetuate both the traditional designs, as has been suggested, for which our soldiers have fought in two world wars, and would reflect the long history of a unique racial partnership. Such origins should be perpetuated proudly, and not buried in the bland anonymity of a piece of white bunting. A flag is intended to stir emotions, not to dampen them. Only a flag such as we have suggested can truly reflect this nation's pride in its past, and its aspirations for the future.

Some say: Why bother with our pride in the past? Let us only live for the present and the future. I say that no great nation does that.

We have heard some compelling reasons why the symbols of the past should be retained. I intend to quote from a speech made by a man who was Prime Minister for a far longer time than any other Prime Minister in the Commonwealth. This is what Mr. Mackenzie King said, and I hardly need repeat it:

> The new Canadian flag should certainly contain the Union Jack. It would be unthinkable to have a flag for this Dominion which did not contain the Union Jack.

I shall go this far and say that if Mr. Mackenzie King, or Mr. St. Laurent, Mr. Bennett or Mr. Diefenbaker, had been Prime Minister of this country during the last 16 months we would not be in the position we are today regarding a flag.

I agree that it is utter folly to speak as some have done of breaking up Confederation if this or that design is not chosen. There is more strength to this confederation of ours than that. Yet, once the relative importance of the issue has been established it is quite right that something should be said about the value of retaining in the national flag the symbols of this country's origins, and this is exactly what we are trying to do with this amendment.

The two great facts of our national existence are, first, our British heritage which gave us our language, our laws, our form of government and, indeed, all the principles and values which guard our way of life, and, second, the Empire of New France which joined with the British in North America in equal partnership. Surely, any flag purporting to represent this country must reflect the dual origin of all the institutions and outlooks which are uniquely Canadian, and which impart a distinctly Canadian character to the people and nation. It is the measure of total inadequacy of Mr. Pearson's proposed flag, that its symbolism reflects not a trace of this rich and unique national heritage. In all sincerity and with all common sense and in my humble opinion, it should be rejected out of hand.

Honourable senators, I have some notes on the history of the Red Ensign. I will not read them. We have had speakers most eloquently present the Ensign before the other house and before this house. It has been our accepted flag since Confederation. It is distinctive. We have had ample proof of that from the remarks I have mentioned tonight.

If I may be personal, my mind goes back—one realizes that he is getting to be an old man—over 60 years ago to when I was in a little school in New Brunswick. I heard my good friend Senator Irvine speak last night, and it brought back very fond memories of those days. We flew the Canadian Ensign. That was over 60 years ago. Two boys were always selected in the school each week to look after the raising and lowering of the flag. They were very proud to do it. It was the Canadian Ensign. Under it tens of thousands of men served in the army, in both wars. I never knew that the Canadian Ensign was not our Canadian flag until I came up here as a Member of Parliament. I am sure most of the people in New Brunswick and across Canada have always looked on and have always thought that the Canadian Ensign was the Canadian flag.

It has been said that the provinces have flags. I listened to the honourable Senator Phillips this afternoon speaking about Prince Edward Island and saying it now has a provincial flag. Quebec has a flag, a beautiful flag. Often when I motor from New Brunswick to Ottawa, I come through Quebec and I see thousands of the fleur-de-lis flags flying. They are very proud of it and they have just right to be, because it shows their history and their past. But in Quebec also, besides there being four million or more French Canadians, there are a million English-speaking Canadians. I have never heard one English-speaking Canadian—although I do not believe they were ever consulted—object to the Quebec flag, the fleur-de-lis. They have been very proud of it and I know that many of them fly it. But we do not want flags in every province. We will have balkanized states if we have flags in every province. This flag that is suggested with a Union Jack and a fleur-de-lis surely will represent us all across Canada.

How about the French-speaking people outside the Province of Quebec? Would it not be well for them to look up to a flag that had the fleur-de-lis on it, that represents the great men in Canadian history of the French race? It would represent Champlain, Frontenac, Jacques Cartier and many others too numerous to mention. The British people would see the Union Jack that represents the great explorers and the people of the British race who helped with their French compatriots to build this great country of ours.

I think that in time people from one end of Canada to the other, French and English, would learn to love and respect the flag which gave them the history and told them something about the past.

Senator White, in his excellent speech, spoke of the Canadian soldiers. It has been said the Canadian soldiers did not fight under the Ensign in France. Well, the flags of the day are not like the flags of medieval days. In those days the battles were different. In battle they gathered around a flag to defend it. As Senator White has said, and as Senator Hugessen mentioned yesterday, in the First

World War there were over 300 miles of trenches and mud, and your only associates were lice, rats and the enemy across the trenches. They did not stick up a flag and wave it along the front line. It would have been shot with many bullet holes before it had been up ten minutes.

What happened in France in the First World War? Who were the people who were defending those 300 miles of trenches? On the left we had Great Britain and the Commonwealth; on the right we had France. What were the flags of the countries from which the people came? On the right, from Britain it was the Union Jack, from Australia it was the Australian flag, which is certainly, in their opinion, a distinctive flag, although it has a Union Jack next to the masthead. The New Zealanders had their flag, the South Africans had theirs, with the small Union Jack, and the Canadians went over under the Red ensign. Those were the flags. Whether anybody says that they fought under them or not, those were the flags of the nations which were fighting alongside France in those days when the civilization of the world was in danger. The same was true of the Second World War. It is not necessary to emphasize those facts.

I am sorry that there is dissension in Canada over this matter. I think we could have a great united people, and I think we will have, but this suggested flag has made it most difficult. I was very pleased to hear Senator Vaillancourt speak. He asserted—and I think it is a fact—that it is outside influence which is causing a lot of the trouble, not only in this country but in other countries.

I read an article not so long ago on Cyprus, where the Greeks and the Turks were being stirred up. I read that in Switzerland, where there was a Canton for a thousand years, the French and German descendants had got along well, and that now strife is being stirred up. The same is true in Belgium, with regard to French and the Flemish. The same applies in Viet Nam between the Christians and the Buddhists; and in the Sudan between the Arabs and the Negroes.

This is what the article said:

> We cannot help but wonder if there is not some wicked and sinister influence from outside world which is making dupes and tools of the peoples of those countries.

I think we should be very careful in this country. Let them not make dupes of Canadians. Our flag, if we have it, is to have a maple leaf. I am proud of the maple leaf. You could not travel up the Saint John River from Saint John to Fredericton or up around my home in Sussex, New Brunswick, and not be very proud of the maple.

Again, when I was a boy at school, I remember that we were taught different songs, one of which was "The Maple Leaf":

> The maple leaf, our emblem dear
> The maple leaf forever.
> God save the Queen
> And Heaven bless
> The maple leaf forever.

We were taught also "God Save the Queen". That has always been my feeling towards the maple, but I do not think it was ever intended to be the main part of a flag.

Senator Phillips said he thinks he knows the people of Prince Edward Island and the Atlantic provinces, and he does. I have lived in the Atlantic provinces for many years, I think I also understand the people there. I do not care what gallup polls may indicate in Canada, but in the heart of the great majority of the people of the Atlantic provinces they are definitely opposed to any change in their flag.

This afternoon Senator Baird spoke, I am sure from the heart, and for the people of Newfoundland. The old City of St. John's has had a flag for 400 years. It is not going to pull it down for a new flag such as is being offered us today.

Take the City of Halifax, which has, I suppose, as great a history as any seaport in the whole British Commonwealth. I remember it in two wars. There were flags flying from hundreds of ships that left the port. Go to Halifax today and you will see hundreds of flags flying, the Canadian Ensign, if you will. They are flown by the air force, the navy and the army. Is Halifax going to pull down all those flags and put up a nondescript flag like the one that is being offered us? I do not think so!

Throughout Canada we are all proud of Charlottetown, that great little city, for the reception it gave to the Queen, and also the reception it gave to people from other parts who went there to help them celebrate the 100th anniversary of the proposed confederation. Do you think Charlottetown is going to pull down the flag she has had for all these years and put up this new flag? I do not think so. If its people have to do so, they will, but they will not want to.

The same is true of Fredericton, an old, old city. I know the sentiment of the people in Fredericton. They will be deeply hurt and opposed to this change.

I could go on and speak of other cities across the country, the old city of Kingston, Brantford, London, Kitchener, Calgary, Edmonton, Vancouver and Victoria. Are all of these cities, after Christmas, going to pull down their flags and put up a flag, which I know in their hearts they do not like, and

will not like for many years to come, if ever they do? Not if we can prevent it.

I hope, as I said at the beginning, that the sober second thought of the Senate will exercise itself and that we shall vote for this amendment. If we do so, I believe we shall be preserving, and will preserve for the future the unity of our country.

Hon. Walter M. Aseltine: Honourable senators, I just wish to speak briefly, both to the amendment and to the flag issue generally.

I think that congratulations are in order as to the manner in which this debate has been conducted. I will mention the speech of the Leader of the Government (Hon. Mr. Connolly, Ottawa West), of the honourable Senator O'Leary (Carleton), the one we heard this evening from our friend and colleague from Three Rivers (Hon. Mr. Méthot), and the speech of the Leader of the Opposition (Hon. Mr. Brooks)—a fighting speech, I may say. All these speeches were well thought out and ably delivered.

I deeply regret that I was absent yesterday when 15 senators spoke on this debate. At that time Senator Pearson and I were on a very trying mission. In a day and a night we travelled over 4,000 miles. On that account, I hope honourable senators will pardon me if I have not prepared my remarks as well as I would otherwise have done, for I have really not had the opportunity to do so.

From the speeches I have heard, and others which were delivered yesterday, which I have read briefly, it is quite obvious that the Senate of Canada is making an honest attempt to give this controversial matter a good, sober second thought.

I believe I have said something before in this chamber with respect to my ancestral background. My people settled in what is now the United States, in the State of Pennsylvania, many years ago. They settled there when the states of that time were colonies of Britain, and they settled under the Union Jack, as the flag was constituted at that time. The Cross of St. Patrick was not yet in the Union Jack. They were greatly attracted to the freedom of speech, the freedom of religion, and the other freedoms that flag bestowed upon them.

After the rebellion, my people became known as United Empire Loyalists, because they remained loyal to the mother country under whose flag they lived. They received such terrible treatment that they were obliged to give up all of their property—their land, horses and cattle, and their homes, furniture, all their personal effects—and emigrate to another country.

If that had taken place nowadays, they would be called D.P.'s—displaced persons. My ancestors were certainly D.P.'s in those days. They came to Canada and settled in the district along the Bay of Quinte, in the Province of Ontario. I was born at Napanee. My people lived in the Bay of Quinte district also under the Union Jack, and later on under the Red Ensign. There they found and enjoyed freedom of speech, freedom of religion and freedom to live one's own life. They certainly revered the Union Jack and the Red Ensign, and so did I, and have done all my life, and I cannot dissociate myself from doing so at this time.

I intended to speak at some length about what happened in 1945 and 1946 with respect to the selection of a distinctive national flag, and to compare what happened then with what has and is happening now. Much to my surprise, however, the honourable the Leader of the Opposition (Hon. Mr. Brooks) stole some of my thunder. However, one reason for mentioning this is that I was a member of the first committee which was set up in 1945.

I have before me the *Debates of the Senate* for 1945. At page 285 the following resolution was introduced in the Senate by the Honourable Wishart McL. Robertson:

> That in the opinion of the Senate it is expedient that Canada possess a distinctive national flag . . .

Now comes the important part:

> That the Senate do unite with the House of Commons in the appointment of a joint committee of both Houses to consider and report upon a suitable design for such a flag.

And listen to this:

> That the honourable Senators David, Davies, Gershaw, Gouin, Howden, Johnston, Lambert, Léger, McRae, Quinn, Robinson and White be appointed to act on behalf of the Senate as members of the joint committee.

Shortly after the committee commenced its proceedings, I took the place of Senator McRae, as he was unable to be present.

That is the way it was done in 1945, and that is the way, in my opinion, it should have been done in 1964.

Honourable senators will realize that five of the members of that committee are still members of the Senate and taking an active part in the work of this chamber, namely, Senators Davies, Gouin, Gershaw, Lambert and Aseltine.

The committee sat, and Senator Lambert and the Honourable Walter Harris of the House of Commons were made joint chairmen. And believe me they were good chairmen, handling its business completely to my satisfaction, at any rate.

I have here the *Journals of the Senate* for that year, and I find on page 285 that the committee made its final report on December 5. It was reported that the committee held two meetings, in the course of which the question of a suitable design for a distinctive national flag, in accordance with the Order of Reference of the Senate of 21st November, 1945, and the Order of Reference of the House of Commons of 14th November, 1945, was carefully considered. Then the report states that certain witnesses were heard and addresses delivered on the technical-historical aspects of the question under study. However, the report goes on to say that the committee was not able to formulate a specific recommendation in the time at its disposal, and recommended that a similar joint committee be set up to continue the study of the question during the next session of Parliament. That is about all that took place in 1945.

In 1946 the matter was again brought up. I have in my hand the *Debates of the Senate* for that year. The House of Commons named its members to the joint committee of 1946, and the Senate, on the 27th day of March, named its members. They were: Senators David, Davies, Gershaw, Gouin, Howden, Johnston, Lambert, Léger, McRae, Quinn, Robinson and White. You will note I was not a member in 1946, Senator McRae having become a member of the new committee. However, because I was vitally interested in this flag question I attended almost every meeting the committee held in 1946. Those senators who were members of that committee and who are still alive and active members of the Senate today are: Senators Davies, Gershaw, Gouin and Lambert.

On the 11th day of July this committee came to a decision as to the kind of flag they were going to recommend to Parliament. I was able to find a copy of the *Minutes of Proceedings and Evidence* of the committee, and I note that on July 11 a vote was taken in the committee and, as has been stated, they decided by a vote of 23 to 1 that a certain flag should be authorized. The only member who voted against the final report of the committee was a member of the House of Commons by the name of Mr. Lacroix.

I have here, honourable senators, the report which that committee submitted to Parliament. It is to be found in the *Journals* of the Senate of July 23, 1946, at page 362. Briefly, this is the decision of the committee:

> Your Committee held fourteen public sessions.
>
> The submission of designs to the Committee was publicly invited and up to and including this date, 2,695 designs were received and considered. In addition, communications in the form of written letters, resolutions and printed form cards and printed form letters to the number of 42,168 were received and wherever the sender's name and address were given, receipt was acknowledged.

And then it goes on to say that certain distinguished historians and others gave evidence and assisted in the arrival at the decision that was finally reached by the committee.

> By a process of elimination the members of the Committee finally reduced their selection to one design, which has been evolved in the course of the deliberations of the Committee. The Committee has not prescribed the exact details of the design but has agreed upon the following recommendation:...

And this is the important part:

> Your Committee recommends that the National Flag of Canada should be the Canadian red ensign with a maple-leaf in autumn golden colours in a bordered background of white, replacing the coat-of-arms in the fly; the whole design to be so proportioned that the size and position of the maple-leaf in relation to the Union Jack in the Canton will identify it as a symbol distinctive of Canada as a nation.

That report was submitted to the Senate and was ordered to lie on the table; and that is all that was ever done with it. I understand the same happened in the House of Commons. All the Government of the day had to do at that time was to adopt this resolution which had been decided on by the committee with practically a unanimous vote, and all this trouble we are going through would never have arisen. I do not know why they did not do that. I have never been able to find out why it was not done.

Compare how this matter was handled then to what has taken place this year. The joint committees of 1945 and 1946 were set up by virtue of what was stated in the Speech from the Throne, as the honourable Leader of the Opposition has said. In this case there was nothing in the Speech from the Throne about this at all, but the Government took it upon itself to submit a flag already decided upon and made up, a *fait accompli*, and to say to Parliament, "This is the flag; we want you to adopt it." Then after a long, long debate it was decided to set up a committee to study the matter, but that committee was not a joint committee like those of 1945 and 1946; it was a committee of the House of Commons alone. Honourable senators, the Senate was completely ignored and overlooked. That is one reason why I will never

vote for this flag which that committee recommended. I think it should have been a joint committee; that this house should not have been snubbed by having been left out entirely; and that the Government used bad judgment in the way they handled the matter.

Now, honourable senators, I do not want anybody to think that I do not like the maple leaf. I said I was born in Ontario, and as a boy we used to go out in the spring and would tap these lovely maple trees by boring a hole in the trunk, putting in a spile and hanging a tin can on the trunk. Every day we would go out and gather sap which we sometimes boiled down to make it a little sweeter than it was when it came from the tree.

I love a tree; I love the maple tree and the beautiful leaves that grow on it. But I am not entirely enamoured of a foliage flag. We have green maple trees and we have some red maple trees; we see them here on the parliamentary lawn in the spring. Some of the leaves come out with a distinctive red tinge to them. These trees, honourable senators, are found in eastern Canada, in Ontario and Quebec and part of the Maritimes, but we do not have anything in the nature of a maple tree such as you know it, in western Canada, in Manitoba, Saskatchewan, Alberta or British Columbia. The people out there do not think as much about maple leaves as do those of us who live in Ontario or who visit Ontario frequently and become acquainted with this lovely tree and its beautiful leaves.

I have nothing against the maple leaf and, as I have said, I want it to appear on our flag. But because of my background, which I mentioned briefly a short while ago, and because of the hundreds and thousands of letters and resolutions which have come to my attention, many of them directed to me personally, I have decided I want something more than a maple leaf on the flag. I want something to indicate our past history and our founding nations, and if we had the crosses as well, then we would have something on it which was of a religious nature.

Honourable senators, I like the Red Ensign very much, but I do not hold out for it entirely. What I would like to see is a small Union Jack at the pole, maybe in the centre of the flag where it joins the pole, and then a lovely gold maple leaf in the centre and some other emblems on the right-hand side—the fleur-de-lis or something to show the connection of the French race—and then perhaps some bars at the top and the bottom to show that the flag is flying from sea to sea. As I have said before I shall not vote for the single maple leaf.

You will gather, honourable senators, that I do not like the flag that has been presented to us by the other place and which we are being asked to rubber-stamp. We have not had anything to do with the design of that flag; we think we should have been consulted and our advice should have been sought. The only way this could have been done properly was by setting up a joint committee of both Houses of Parliament. I, for one, do not intend to rubber-stamp the flag resolution as presented to us by the other place.

I have other reasons. In the first place, this is a flag by closure, which I do not like at all, and I do not like the look of it. It is a dish-raggy, anaemic-looking flag. I come from Saskatchewan where we have dust storms in the spring. Can you imagine, honourable senators, that flag hanging up in a dust storm for two or three days over a public building and getting a shower of rain on it? Why, in my opinion, it would have the appearance of a soiled diaper, and I cannot warm up to anything like that—I have had some experience with those things too.

Another reason why I do not like the flag is because it is a political flag and will divide this country right down the middle. That is the last thing I want to see. In my view it is a strange Christmas present which is being forced upon us. We are being given a flag born in a manger of tumult and frustration, a forced birth so to speak, and we are being asked to thank "Santa Claus Pearson" for it.

Hon. Mr. Connolly (Halifax North): Do not forget the wise men dealt with it.

Hon. Mr. Aseltine: The former Premier of Saskatchewan said the other day that the Government should put aside this flag until a greater consensus can be obtained. I never agreed very much with the policies or accomplishments of this gentleman, who was Premier of our province at one time, but I do agree with him on this point. This is exactly what the O'Leary amendment asks for, and I intend to vote for it.

Hon. Allister Grosart: Honourable senators, in rising to speak at this late after-dinner hour, I feel rather like that service club luncheon speaker who, as he rose to speak, asked the chairman how long his speech should last, and the chairman replied "Mister, you can speak as long as you like, but the rest of us are getting out of here at two o'clock." I do not know what the plans of the honourable Leader of the Government (Hon. Mr. Connolly, Ottawa West) are regarding hours of sitting, but I shall do my best to finish saying what I have to say before he empties the chamber.

As the seconder of Senator O'Leary's motion, I need hardly say I rise to support it and in Shakespeare's phrase:

> I would we were all of one mind and one mind good.

It is obvious, of course, honourable senators, that we are not all of one mind, and the duty therefore devolves upon me to state as briefly as possible my reasons for supporting the amendment.

It seems to me that before we vote I should remind honourable senators of what this amendment proposes. It puts forward three propositions; first, that further action on the flag be postponed at this time; second, that there be a reasonable time now given in an attempt to reach a greater degree of agreement on the design of our new flag than presently exists; third, that the design which is most likely to achieve that greater degree of agreement is one which would contain the appropriate symbols of our heritage and history.

By implication it seems to me that the amendment goes even further. Indeed, if I read the main motion correctly, it meets most of its objectives. It assumes that we will have a new flag. It assumes ihat we will be a distinctive flag, and it assumes that we will have it soon, or within a reasonable time.

I say that, because it does seem to me that a good deal of the discussion that has taken place, and indeed most of the arguments that have been put forward, presumably against the amendment, have completely ignored this basic fact.

Honourable senators, it seems to me that the arguments that have been put forward so far have not been arguments against the amendment, for the reasons I have indicated. I would say, as a matter of fact, I have not heard a single valid argument as to why we should not at this time devote a little more effort and thought to what is so important in these days in the interests of national unity, namely, that we should have more agreement.

I have heard excellent arguments for a distinctive new flag, and with most of them I agree. But, we are nearing a vote, and I ask honourable senators to search their minds and hearts carefully and cautiously, and ask themselves if there has been put forward here any valid argument why Senator O'Leary's amendment should not be adopted.

Its essence is that there be no precipitate action at this time, and that there be a further effort to reach agreement. Some will say—indeed, some have said—that this advocates delay. Of course it does, but not delay merely for the sake of delay; not delay to avoid decision, but delay to improve decision; not delay to thwart the will of the majority, but delay to give consideration to the feelings of the minority, if, indeed, it be a minority, a fact about which I think there is considerable doubt.

Some will say, as some have said, that no further agreement is possible. That to me is counsel of despair. I would very much doubt if there is a single honourable senator in this chamber at this time who has not in his private or public affairs known innumerable occasions on which something which at one moment seemed impossible proved, after time and effort had been spent on it, possible. Why, then, should anyone say that no further agreement is possible between the protagonists on this issue? What evidence is there to support such a suggestion? On the contrary, as I hope to point out in a moment, there is very considerable evidence that further compromise and agreement is possible if time is given.

There are five main reasons why I think action should be delayed. The first is that if at this time precipitate action is taken on this matter we will have a flag, as many honourable senators have said, born in a climate of intense partisanship. We are going through a period when divisive issues between Canadians have been, and are being, magnified far beyond their true importance. I can fully understand the objection of any Canadian in Quebec or elsewhere—because I am aware that the objection is taken elsewhere—to the Union Jack on any new Canadian flag. To those who see it as a symbol of continuing conquest I am entirely sympathetic, but I can also understand the deep emotional attachment of other Canadians to that same flag. However, I believe, as surely as I stand here, that this Government should in generosity and magnanimity, in consideration for the deep feelings of Canadians, give time in which those two viewpoints can be brought closer together than they are at the present in the suggested precipitate adoption of this flag.

It is unfortunate that this issue comes to us at this time as the result of an election pledge, but that is the fact and we cannot escape it. It is unfortunate that it comes at a time when—and I shall not lay the blame here or there—a new divisiveness has arisen among Canadians. We have heard a great deal lately about co-operative federalism, and yet here it seems to me we are faced with a situation where, whatever the percentages may or may not be of Canadians who are for or against this design, every survey I have seen and every bit of evidence that has come to my hand makes one thing clear, that there is not a majority of Canadians in a majority of provinces who are in favour

of this design. I do not know whether this has been overlooked. Perhaps it has been deliberately overlooked, and this is the reason for the adamant refusal of a plebiscite. Perhaps a plebiscite would make this fact clear. Surely, honourable senators, it is a mistake to impose a flag when there is evidence, or at least a very grave suspicion, that the majority of Canadians in the majority of provinces are against this design.

I plead at this time for the application of the principles of co-operative federalism which has had, I must admit, considerable success in solving some other problems. I plead that the spirit and principle of co-operative federalism be now applied, and I suggest that if they are applied honestly the Government will have to say to themselves: We cannot proceed with this when not merely the majority of one province objects to it, but when a majority in a majority of provinces object to it.

Where, I ask the Leader of the Government and honourable senators, is co-operative federalism at this moment on this issue?

My second reason for suggesting that a delay at this time would be in the general interest is that this is, of course, an imposed decision. I need not validate that statement, I think, because it has been already proved in the regrettable use of closure. I suggest that Senator O'Leary's amendment offers a palliative to the harm and the hurt that has been done by it. It offers an opportunity to those who closed the doors, to open them again, and were they to do so I predict that they would draw to themselves the admiration and the approbation of a very large majority of the Canadian public.

At this moment I think of those great lines of Kipling:

> If you can meet with triumph and disaster
>
> And treat those two imposters just the same...
>
> You'll be a man, my son.

I say to my friends opposite that the apparent victory at this time is "an imposter." I would plead with them to see this imposter, this imposter of the spirit of Canadians, for what he is, and treat this imposter in their house the same as they would treat the other imposter, the imposter of defeat.

My third reason is that at this time the adoption of this flag necessarily means the overriding of the feelings, the opinions, the wishes of a substantial minority, if it be a minority, of Canadians. I have mentioned the provincial aspect of that. I have heard it said that this or that percentage is in favour of this flag or some other flag. I do not know the answer. As far as I know, nobody knows the answer. It is one of the most amazing things about this decision, that no attempt has been made, as far as I know, to get the facts. Indeed, the suggestion that the facts be obtained before this matter went any further, has been turned down. It matters not whether 65 or 70 per cent of Canadians will go along with this new design. What matters is that there are, at the lowest estimate I have seen, 35 to 40 per cent Canadians whose feelings are being ridden over roughshod.

Where does the Senate stand? As I have read the history of this great chamber, what impressed me more than anything was that its greatest historic role was the protection of minority rights. If ever there were an opportunity presented to this honourable body to rise to the occasion of that historic challenge, surely this is it. Surely here, in a matter of the greatest and gravest national importance, the Senate is not going to say "Forget the minority; we will not stand up for that minority."

Honourable senators, if this were a bill affecting a public company and if we were faced with the situation where a majority, following the directions of the executive of a company, were treating minority rights and feelings as they are now being treated here, what would we do? We would refer such a bill to a committee, and we would insist that there be delay until a thorough investigation had been made of the rights of that minority. Will we do this now? Will we do less for those Canadians who have strong emotional feelings on this matter than we would do for a minority of shareholders in an ordinary company?

My fourth reason is that I believe that very shortly our Constitution will be "repatriated"—to use the current, though not altogether correct, word. It seems to me that this would give an excellent opportunity for a much more objective discussion of this question of a flag than we have had so far. Indeed, I think nobody will argue for one moment that there has been any objective collecting done, any objective analysis, any objective assessment or objective judgment in this very important matter.

In the atmosphere that will surely be, when we discuss our Constitution anew, men will cast their minds back to 100 years ago almost, and try to recreate that atmosphere —conciliation, compromise and agreement— which brought about this nation.

I cannot believe that inspired and dedicated men, wrestling as they will be with more difficult and more controversial problems than this, will not be able to deal with this

problem more effectively in a few months than has been done so far.

My fifth reason, which I have already indicated, is that surely this is a matter which raises a special challenge to the Senate. I have mentioned the matter of minority rights. I would remind honourable senators that Senator Grattan O'Leary's amendment asks only the exercise of sober second thought. It asks only the cognizance of essential minority rights. It asks only of the Senate action to preserve historic symbols of our history and heritage.

Honourable senators, I come now to the second large principle in Senator O'Leary's amendment. Why do I think that further agreement is possible? Among many reasons, I will mention only four.

The first is that we have already had a measure of agreement, we have already had compromise. The flag which is before us is not the flag which was introduced into the House of Commons at the start of these discussions. The Government wisely, as certain circumstances developed, withdrew from its first position and took other steps which resulted in not merely a compromise, but a compromise flag. In my mind, it should not be criticized on that score.

The Opposition, as I read their attitudes in the debates, and in discussions outside the house, have also compromised considerably. The stand they are taking does not seem to me to be today, or in the last few days of this debate, as adamant as it was in the beginning. Far from it. These two antagonists have come a long way together. What is the evidence that they cannot be brought more closely together? If there is such evidence, I have not heard it. This compromise was achieved under what I think we would all agree are the worst possible circumstances. Senator O'Leary's amendment suggests that, under much better circumstances, much more agreement and compromise could be reached. It has the possibility of that compromise and that will haunt Canadians for a generation, if that possibility is at this time forgotten and arbitrarily brushed aside.

My second reason, cogent to the first, is that this discussion has, in my view at least, brought about a new degree of understanding between English-speaking and French-speaking Canadians.

My impression is that all across this country English-speaking Canadians have come to understand the importance to their French-speaking fellow Canadians of their race, religion, laws, institutions, culture and background. I am assured by those who know much more than I do about these matters that much the same thing has happened in the Province of Quebec, that many there, reading, hearing of the attachment of English-speaking Canadians to certain symbols, have come to understand that those symbols have for others all the deep affection and deep love that those understandable symbols of French Canadianism have for those who hold them. I did not expect in my lifetime to see such a rapprochement in at least a large part of both English-speaking and French-speaking Canada. What a pity it would be, honourable senators, if this new flag, instead of being a symbol of the meeting of Canadian minds, were to be another symbol of the old misunderstanding, misinterpretation and misrepresentation that has divided us in the past.

My third reason for believing that agreement is possible is that we can now turn the horror of the last five or six months into an asset, because I believe that if Senator O'Leary's amendment were adopted, if we had a cooling-off period, a breathing space, those who would then sit down to try to resolve this problem anew would be spurred on by their determination not to let this matter go back into the holocaust of the House of Commons, under the circumstances with which we have been faced with the present decision.

If one looks back to our origins, one finds evidence that this may well be so, for surely it was the fear of return to the old frustrations that was the major motivating force in bringing about Confederation and this new nation.

In Upper and Lower Canada it was the determination not to go back to the struggles of the fifties and sixties, when the capital of the province of Canada was being moved from one city to another every few years, when finally it was impossible for any government to remain in power. In the Maritimes it was a determination not to go back to those economic and other frustrations of other years, which became the motivating force of this nation.

I believe there is a lesson for us to learn in our attempt to resolve this new problem of that new nation.

My fourth reason for believing that agreement could be reached if Senator O'Leary's amendment were adopted is that it would then take this matter out of Parliament. I have the greatest respect for Parliament, but I do know there are matters that can be resolved better outside than in Parliament.

I am fully aware that this matter must eventually come before Parliament, because under the present order in council the Red Ensign, for certain purposes, is the flag of Canada until Parliament decides otherwise; but I suggest that if there is a breathing spell, we could give other bodies outside

Parliament an opportunity to tackle this problem. Surely it could be tackled at a meeting between representatives of the federal and provincial governments. I would even go so far as to say that the help of our wise and weighty minds, the Royal Society of Canada, the National Gallery—because of its specific interest—the Canada Council, and others, might well be put to work on this problem, and that if this were done somebody would be able to come back to Parliament with a new design which would have more prestige to commend itself to Parliament than the present design.

Under the present circumstances, if we were now to go ahead and impose this flag, I shudder to think of the predicament in which it would place an honest teacher in one of our schools a few years from now, who had to meet the question posed, with child-like innocence and curiosity: "Teacher, how did we get our flag?"

I tried to put down objectively what an honest answer would be in terms of the present history. It seems to me that it would go something like this:

"Well, my dear, there was an election, and the leader of one of the parties, hoping to be elected, promised that he would introduce a new flag within two years. He was elected. After a while, he felt that he had to keep his promise, so he introduced a design for a flag into the House of Commons. Unfortunately, some mistakes were made, and the idea got around that it was his personal choice. The other major party opposed the suggested flag for this and other reasons, stating that all Canadians should have a direct voice in the choice of their flag. So a long and bitter discussion began, and the question of the design of the flag became a struggle between the two major parties. After a while, the Prime Minister reconsidered his first decision, and had a committee of the House of Commons set up. Unfortunately, its decision turned out to be just as partisan as the bitter discussion that had taken place in the Commons. It recommended a design against the judgment of the members of the official opposition on that committee. So the whole bitter row started again. The opposition members did compromise, just as the Government had done; but they kept on talking and talking, trying to prevent adoption of a flag that offended the feelings of many of their supporters.

Then Christmas was approaching, and instead of leaving the matter over for a while, the Government decided not to do it by agreement, but to bring in a motion called 'closure' whose purpose is to shut the mouths of the people opposed. That, my dear, is how we got our flag."

Honourable senators, the purpose of Senator O'Leary's amendment is to write into that story a better closing paragraph than the one I have just read. If adopted, our history books might be able to add the following:

"However, the problem then came to the Senate, where on the Government side of the house there was a group of wise, tolerant and understanding men, whose judgments and decisions in those days were always above partisanship. So they thought about the effects of a decision reached in this way, and of the feelings of those who were in the minority. Wisely and generously, they agreed that there should be a little more time and effort devoted to further compromise and agreement. That was done, and the Government gave in a little more, and the opposition gave in a little more, and when a new design was introduced into the House of Commons, almost everybody agreed that it was the best possible flag under all the circumstances. That, my dear, is how we got our flag."

A dream, perhaps, honourable senators, but surely one worth dreaming—a dream that I for one believe can be made come true.

Honourable senators, that is why I support this amendment, and make a last plea to the Leader of the Government and his colleagues here, and elsewhere, to give it a last chance, a last try, a last noble effort.

Hon. M. Grattan O'Leary: Honourable senators—

The Hon. the Speaker: Do honourable senators agree that the honourable Senator O'Leary shall now speak to close the debate on the amendment?

Some Hon. Senators: Agreed.

Hon. Mr. O'Leary (Carleton): Honourable senators, in taking my leave of this amendment, I shall not detain you for more than a moment.

First of all, I must thank honourable senators for the kindly, flattering inaccuracies of the praise they have given my speech presenting this amendment. But I am sorry to have to add that though I won the cheers of Tuscany, apparently I have not succeeded in winning their votes. This does seem strange to me. I did make my appeal two days ago with a deep, heart-felt sincerity, and it is difficult for me to understand how gentlemen in this house who a week or two ago would, I am sure, have supported completely and with great tenacity a flag design that was before the other place at that time, can now come and with the same great tenacity give the same stubborn support to a flag completely different. I do not like to say this.

Honourable gentlemen opposite have attacked my amendment, have criticized it—I

must say often with good manners, sometimes with great debating skill—and only a few seem to have failed to try to understand what the amendment was about. But as I listened to their criticisms, as I heard them advance first one reason and then another, against the amendment, I was compelled to wonder if ever I could have devised an amendment that would have induced those gentlemen to vote for it.

If I may say so, as a very junior member of this house, this is not in the traditions or in the spirit of this house. I sat in the galleries of this house years and years ago and saw men on both sides rise up in their places and not support their political parties in the other place. I am not going to question the motives or the sincerity of any person in this house. I am one of those who believe John Morley's dictum, that the important thing in life is not that two people should agree but that each should hold his convictions in a high and worthy way.

I think the debate in this house these past few days has been conducted with good manners and in a civilized way, and for that I think we can congratulate ourselves. But what does shatter me a bit is what a moment ago I called the tenacity of the support of honourable senators on the other side for a measure which only came to us a few days ago, in the origin or completion of which they had nothing whatever to do.

Yesterday, as I listened to speech after speech on the other side, I felt like saying with Cromwell to the Long Parliament:

> I beseech you gentlemen, by the bowels of Christ, to consider the possibility of your being wrong.

I am not going to try to answer tonight the criticisms that have been made of my amendment, though I think I could controvert them without the slightest difficulty, but I am sure it would only be an exercise in absolute futility.

So, before taking my leave of the debate, I would like to say this. I have had great admiration for the speeches delivered on both sides of the house. I have already expressed my admiration for the manner in which Senator Connolly (Ottawa West) presented his motion to the house, but the speech in this house which moved me most deeply, because I think it went to the very heart of this question—it went to the very heart of the reason for my moving this amendment—was the speech delivered this afternoon by the honourable Senator White.

Some Hon. Senators: Hear, hear.

Hon. Mr. O'Leary (Carleton): I think he told this house the truth, that millions of people in this land tonight, rightly or wrongly —and it matters little—will feel that they are being given a flag conceived in political partisanship. And, by the way, no political party should ever be given the title deeds to the flag of a nation. That is what is happening now and that is what will be told on platforms all over this land in the coming election—"We gave you a distinctive national flag." Yes, honourable senators, a flag conceived in political partisanship, a flag born in bitter political controversy, a flag imposed on this nation by closure, and a flag which, in a few days, will be unfurled from the Peace Tower in utter national disunity. That, honourable senators, is a bad thing for our common country.

The Hon. the Speaker: Honourable senators, it is moved by honourable Senator Connolly, P.C., seconded by honourable Senator Vaillancourt:

> That this house do recommend to the Government that such steps as may be necessary be taken to have designated as the National Flag of Canada a red flag of the proportions two by length and one by width, containing in its centre a white square, the width of the flag, bearing a single red maple leaf, or in heraldic terms, described as *gules on a Canadian pale argent a maple leaf of the first.*

In amendment, it is moved by honourable Senator O'Leary (Carleton), seconded by honourable Senator Grosart:

> In amendment, that the motion be amended by striking out all the words after "Government" and substituting therefor "that the Government suspend further action on the proposal for a new Canadian flag in order to give reasonable time to the people and Parliament of Canada to reach agreement on a flag which will incorporate appropriate symbols of the founding peoples of this nation and which will be acceptable to all elements of our population".

Is it your pleasure, honourable senators, to adopt the motion in amendment?

Those in favour of the amendment will please say "Content".

Some Hon. Senators: Content.

The Hon. the Speaker: Those against the amendment will please say "Non-Content".

Some Hon. Senators: Non-content.

The Hon. the Speaker: In my opinion, the Non-contents have it.

Hon. Mr. Brooks: Mr. Speaker—

The Hon. the Speaker: Call in the senators.

Amendment of Hon. Mr. O'Leary (Carleton) negatived on the following division:

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The Hon. the Speaker: I declare the amendment lost.

Hon. Mr. Sullivan: I was paired with the honourable Senator Hayden. Had I voted, I would have voted for the admendment.

Hon. Mr. Fournier (Madawaska-Restigouche): I was paired with the honourable Senator Macdonald (Brantford). Had I voted, I would have voted for the amendment.

Hon. Mr. O'Leary (Carleton): I was paired with the honourable Senator Crerar. Had I voted, I suspect I should have voted for the amendment.

Hon. Mr. Macdonald (Cape Breton): Honourable Senator McCutcheon was paired with honourable Senator Cook; honourable Senator Aird was paired with honourable Senator L. P. Beaubien; honourable Senator Thorvaldson was paired with honourable Senator Dessureault, and honourable Senator Blois was paired with honourable Senator Hugessen.

The Hon. the Speaker: The question now is on the main motion.

Hon. John M. Macdonald: Honourable senators, it is not my purpose at this hour of the evening to unduly delay you, and I do not think that I can add anything which might be new or which might be original to the debate which has taken place. However, I think this debate has brought out in a very clear manner the main points of division between those who support the proposed new flag and those who are opposed to its adoption.

I do not propose to recapitulate the arguments put forward on both sides. They have been clearly and definitely stated, and they are fresh in our memory. It is my view and my conclusion, after listening to the debate, that one of the main arguments advanced for the adoption of the proposed new flag, or of any new flag, rests upon the assumption that Canada as a free and independent nation should have a flag which contains no symbol that might be construed as implying we are under the rule or dominion of Great Britain, either directly or indirectly. It would appear that there is a fear people of other lands and other nations might conclude from our present flag that we are still a colonial possession; that they would mistake us for one of the emerging nations that has not yet reached that stage of political and economic maturity and development which would justify its complete independence. I can appreciate such a point of view, even though I believe it to be a mistaken one.

If we in Canada have been able to build a nation; if we in Canada have been able to play our part in international affairs, as I believe we have; if we have made the name of Canada well known throughout the world, as I believe we have, then we can safely assume that we are not being confused with any other nation or any other people.

Surely there can be no confusion as to our identity. Canada is one of the great exporting nations of the world, sending its goods and products to every other nation on earth, and buying from them in return. Our people have made Canada known by their actions, by participating in international affairs, by their voice and actions in the United Nations and their participation in international conferences, by treaties and trade agreements of all kinds and, yes, Canada was made well known by its participation in two of the greatest wars ever known

in human history. If by these actions Canada has not become known as a full and independent state then I for one am very doubtful that this proposed new flag or, indeed, any flag will ever make our status clear.

Honourable senators, I realize, of course, there are other reasons why a new flag is proposed. For example, it is said we should have a flag which cannot be confused with the flag of any other nation and, in particular, which cannot be confused with that of the British merchant marine. I can accept that argument and go along with it, but I do think this argument has been greatly over-emphasized. Apparently we borrowed that flag—with or without permission, I do not know—added to it the Canadian Coat of Arms and used it as the Canadian flag for years. Long before an order in council was passed it was made the Canadian flag. It was used as the Canadian flag, and apparently it had general acceptance. If some confusion now exists, then it should be corrected. Certainly it would give a completely wrong picture of our merchant marine if those thousand ships at sea mentioned yesterday were thought by any person to be Canadian ships, and I would certainly hate to think that any visitor to Ottawa, upon seeing the Canadian Red Ensign flying from the Peace Tower, would mistake this historic building for a British ship at sea, or even wonder why a British flag was flying there.

I have but one reservation as to abandoning the Canadian Red Ensign at this time, and that is a sincere and earnest desire of the Royal Canadian Legion to retain it. I shall have something further to say in this connection in a few moments.

I have also heard it claimed that a new flag would promote national unity, that it would give us all a new sense of national dedication, of national understanding and good will. Of course, we all want national unity. We all want to work with our fellow-Canadians for the greater benefit of our country. But is a new flag necessary? Is a new flag the cure for any disunity that may exist? To my mind a flag follows the attaining of unity; it does not precede it.

Yes, I believe a flag should show that unity and vision, and a purpose in the future, have been achieved in this land. It should be a constant reminder that we are all part of a great country—a country which long ago decided it would show the world it was possible to create a new nation by peaceful means and peaceful progress; to show the world it was unnecessary to use violence and revolution in order to attain independence.

Already, I would think, too many emotions have been aroused to hope that this proposed flag could be used in the foreseeable future to promote a crusade for national unity, if, indeed, any flag could be used for that purpose at any time.

Honourable senators, if any threat to our national unity is so slight that a new flag can overcome it, then we are indeed a fortunate people. On the other hand, if there is a serious threat to our unity then we should forget about a flag and devote our time, our effort, our abilities and our energies to seeking the real causes of it and removing or overcoming them, to the end that we can live in a country where all the citizens have good will, understanding and respect for each other.

Another point of disagreement on this resolution is that there is one school of thought which wishes to retain on any new flag some symbol or emblem of the past of each of its two founding races or peoples, and the other school of thought does not want such symbols. Of course, there is room here for sincere and honest differences of opinion. I happen to be one of those who believe that such symbols should be retained. I will not go into my reasons for my belief at this time. I simply state that I am wholly in agreement with the views expressed, and expressed so well, by Senator Grattan O'Leary on this subject. Those of us whose ancestors came from the British Isles wish to retain on a new flag some symbol of our heritage from that source, and it has been no mean heritage. For those who feel as I do, a generally acceptable symbol would be the Union Jack. We had hoped that those of French descent would accept the suggestion that a new flag should contain some emblem of each of our two founding peoples—ours would be the Union Jack, theirs whatever they wished to have on it. I believe this would have been acceptable to those not of the founding races. Indeed, some people believe a flag containing something to indicate our past might very well serve to remind Canadians, as well as others, that this is a land of two languages, it is a land of two races, it is a land of two cultures, and that it is going to remain that way forever.

I regret such a plan was not acceptable. I regret that our plea for what we considered a reasonable request was rejected—or will be rejected in the course of a few minutes. Many people find it difficult to understand why so little attention was paid to their feelings, why so little attention was paid to their sentiments, why so little attention was paid to their views and to their deep and sincere convictions.

I mentioned earlier the stand taken on this matter by the Royal Canadian Legion. I do not want to interject anything of a personal nature in this debate, but as a member

of the Legion for almost 20 years, as one who has been honoured by his own branch many times by being elected to their executive, and more recently by being elected their honorary president, I feel that I know something of the work of this organization of veterans. I tell you, honourable senators, it is a splendid work. Knowing the Legion as I do, I have a tremendous respect for it and for those men and women who make up its membership. I believe those men and women who served their country in time of war are entitled, as of right, to have their views on the matter of a flag given more weight and deeper consideration than the views of non-veterans. I regret their views were not given more favourable consideration.

Honourable senators, some people believe a new flag, without any symbols of our past, must become law because young people expect it or demand it, because the youth of our land want something new and something different, and because after all they are the ones who must be considered, as the future of our country is in their hands. Now, whether or not the youth of our land want a flag without those symbols I do not know. Personally, I would have liked to have seen them consulted in some way, to obtain their views, after they had a full knowledge of what was involved. I believe those views would have been very helpful in deciding this question.

Honourable senators, the hour is late and already I have taken up too much of your time. You will notice, however, that I have not in any way discussed the design of the proposed new flag. I do not intend to discuss it now. To end my speech, as a word of praise or commendation for the new design, I think I can go this far, Mr. Speaker, and say that I do not consider it to be as ugly as the original design containing three maple leaves.

(Translation):

Hon. Jacques Flynn: Honourable senators, since I opposed the amendment proposed by my excellent friend, Senator Grattan O'Leary, and since I intend to support the adoption of the main motion, I believe that for the record I should explain my position. You will understand that I am not too happy to part with my friends on this issue.

The debate which was held in this house during the last three days definitely improved the climate. Personally, I appreciated this discussion, because in my opinion the debate which lasted too long in the other place did not in any way contribute to the "bonne entente" in this country.

This flag issue is not a new one. It appeals to emotions and may appeal to the electorate, because this issue of a national flag could be turned into an electoral affair.

I have no congratulations to offer the government, because I believe that it did not present this problem in an appropriate manner. It should have taken all possible care not to hurt people's feelings. For my part, I agree with those who, on this side of the house, suggested that a joint committee of the House of Commons and the Senate should have been given the task of looking for a Canadian flag design.

I said that the issue was an emotional one. Reason has very little to do with it. This is shown by the fact that both sides have often used the same arguments to draw completely different conclusions.

The debate has been going on for six months. We have reached the point where a final decision will be taken, and that in a few minutes. In my opinion, once the debate had been started—no matter how badly—a conclusion had to be reached.

Essentially, the division has always been, to my knowledge, between two groups: on the one hand, those who are for keeping and officially recognizing the Red Ensign; on the other hand, those who consider that a Canadian flag should not bear any sign of subservience to another country or anything borrowed from another country. Basically, that is what the debate is all about.

Look what happened in the other place or what happened here. I appreciate that some want to recognize and retain the Red Ensign. I have often discussed this matter with those who feel that way, and I understand them. As far as they are concerned, the Red Ensign, including the Union Jack, stand not so much for a country but for the British parliamentary tradition and the principles of individual freedom, as preserved by laws, the Magna Carta and the triumphs against absolutism and monarchy.

But I believe that what the staunch supporters of the Red Ensign never understood is that for a great many people—no doubt the great majority of French Canadians, but others also—the Union Jack can represent but only one country: Great Britain.

There is nothing wrong with that. But we cannot ask those who consider that the flag should symbolize our own country to have the same feelings when looking at the Union Jack.

In 1945, when a parliamentary committee suggested the adoption of the Red Ensign with certain modifications, some opposition was voiced regarding the inclusion of the Union Jack, but there was also opposition from those who wanted to retain only the Union Jack.

Senator Gouin indicated yesterday that when he was young, at home, the flag of France was hoisted but I remember that when I was young, it was not the Red Ensign that was flown at the mast of the summer home of one of my uncles, but very simply the Union Jack.

There was an evolution. From the Union Jack, they switched to the Red Ensign.

The Red Ensign was never recognized as the flag of Canada. However, by order in council, it was decided to fly that flag over Canadian government buildings for the past several years, but it never succeeded in being accepted by the great majority of Canadians.

There was an evolution. Had the time come to deal with the matter? I doubt it. Personally, I always favoured an exclusively Canadian flag, but I am not sure that the circumstances were truly favourable to a final solution.

However, since the government set out on the road towards a solution, I am afraid that it might not be possible to go back. Consequently, it is to be hoped that the new flag—which, in spite of an opposition that seems to be justified in certain parts, will be tomorrow the official flag of Canada—it is to be hoped, as I say, that this flag will be gradually accepted everywhere. I do not say it will be so tomorrow or in a matter of a few weeks, but as time goes by.

As regards my friends opposite, I hope that much care will be taken not to use that flag for election purposes. I also hope that on this side of the house the bitterness felt during the flag debate will be forgotten. I hope it will even be forgotten that one of them did not share their views, so that gradually this new flag whose design inspires very little enthusiasm—I do not think it has inspired very much yet—because of its simplicity, will become in the future a rallying sign for all Canadians.

It is in that spirit that I endorse the resolution. I feel that as Senator McCutcheon said yesterday, many opponents of the flag, after the battle has subsided, will make a sincere effort to promote its acceptance. This flag must not represent for the supporters of the Red Ensign, a forsaking of British traditions or even an opposition to Great Britain and to the cultural heritage it bequeathed to us here in Canada. We all should agree on the flag selected and the opponents should endorse the maple leaf. Even though it might not be the extraordinary symbol we would wish for our flag, we all admit that it is the only one unlikely to create disunity.

Hon. Mr. Pouliot: Very well.

Hon. Mr. Flynn: With time and like other very simple flags, it could become a rallying sign for a happy people.

(Text):

Hon. John J. Connolly: Honourable senators—

The Hon. the Speaker: I must inform honourable senators that if the honourable Senator Connolly (Ottawa West) speaks now, it will have the effect of closing the debate.

Hon. Malcolm Hollett: Honourable senators, I just want to say a word or two. There are millions of people in Canada who are going to be extremely disappointed tonight. I know that several hundreds of thousands in the province from which I come are going to be disappointed to know, to think, that we in this Senate have taken away from our people a flag which many of them worship.

Speaking for my own province, I am a sorry man tonight and I know that my own people of Newfoundland, in large measure, will be sorry and sad to think that our Government has taken away that which means so much to them.

I am not going to argue against this action now. I hope you will make the maple leaf something which we can all like and adore, as we did our own flag.

I said last night that you were making this a political issue. I was perfectly right, and as I also said last night, I am ashamed of this Senate.

Hon. Mr. Aseltine: I am too.

Hon. John J. Connolly: Honourable senators, I do not think that anyone in a long time has faced a more formidable task than I do at this moment. I do not propose to speak at great length, and I do not flatter myself that I can deal with the entire debate the way it deserves to be dealt with.

Due to the fine co-operation we have had here in making the arrangements for this debate, it was thought that without proliferating speeches I might wait to wind up at this stage rather than have spoken on the amendment proposed by the honourable senator from Carleton. While we did depart from the strict rules that we have in this chamber to accomplish this, we did so, I think, to suit the convenience of the Senate.

There have been some 38 speeches made by various senators since this debate began, and it seems to have started a very long time ago. I agree, as I think we all do, with Senator Aseltine that the Senate has made an honest attempt to give this very important problem a good sober second thought. I think no one will complain that anyone who wanted to speak was not afforded every opportunity to do so. This was done without any effort on anyone's part to continue the debate unnecessarily, and I think there has been a very frank exchange of views.

Senator Hugessen said last night that he thought the level of the debate on this issue was higher than any he had witnessed in his 27 years in this house. Senator Thorvaldson complained of the fact that it was reported somewhere that, "Now the shouting will start in the Senate." Well, there has been no shouting in the Senate, but there has been reasoned debate.

I desire at this point to pay a tribute to all senators who have participated, for the sincerity they have shown, for the conviction with which they have expressed their views, and for the good faith in which they put them forward. I do not think you can pay a higher tribute to a reasonable body of men and women gathered in a deliberative assembly, when you are able to say that. I know that political considerations have and do move individuals on both sides of the house. I submit, I suggest, and I am convinced, that everyone who has taken part in this debate has honestly, sincerely and with a patriotic motive tried to do what was best and to say what was best in the interests of this country.

It has been said that as a result of what we do here tonight we take away a flag. I prefer, and I believe many of us prefer to say, we are doing something positive, we are doing something uniquely Canadian. We are giving something to Canadians which is representative of the Canada in which we live.

Some Hon. Senators: Hear, hear.

Hon. Mr. Connolly (Ottawa West): I say more than that, honourable senators—as has emerged already from the debate—that those of us who have these views hold them with enthusiasm.

Let me return for a moment to the question of the debate. If we have achieved a high level of debate, I think the Senate owes much to the approach taken by the honourable Senator from Carleton, Senator Grattan O'Leary.

Some Hon. Senators: Hear, hear.

Hon. Mr. Connolly (Ottawa West): His performance, his approach, proves that the Opposition can do more to contribute to a high level of debate than can the Government. No matter how hard a Government tries to put a debate on a high level, if the Opposition decides that course is not going to be followed, that is inevitably the result. With regard to his speech, we have all been impressed with its imagery, with its literary allusions, with its historical references. I know that everyone did not reach that high plateau. Perhaps there has been practice for the hustings in some of the speeches. But I think we have had a good example of objective debate here, and that we may have done something for the Parliament of Canada in our deportment in these last two or three days. We have made a good book. There are some good things that are in our record, and they will be there for Canadians to read as they will.

Honourable senators, may I refer briefly to the speech made yesterday by Senator McCutcheon. I am sorry that he is not here now, but I know he had an engagement away and that otherwise he would have been present. He said that 20 years ago the proposal to have "O Canada" as the national anthem would not have had general approval, but today it would probably be adopted by Parliament without debate. He said the same idea should apply to the flag.

Hon. Mr. Aseltine: It should be "The Maple Leaf Forever" now.

Hon. Mr. Connolly (Ottawa West): There is much to be said for the argument advanced by Senator McCutcheon, and I can understand this argument, as can we all. I think he argued his point very impressively. But, for my part—and I think for the part of the majority of the members of this chamber—I say in good faith, that I believe the time has come to move, as is proposed in this motion on the flag.

Senator Aseltine spoke tonight for members of the 1945 joint committee, and Senator Lambert was the chairman of the joint committee in 1945-46 which dealt with the flag at that time. Senator Lambert has since changed his mind, but we should remember that in these 20 years times have changed, and Canada has changed.

Hon. Mr. Brooks: Every country has changed.

Hon. Mr. Connolly (Ottawa West): We are not living in 1945 or 1946, we are living in 1964, and if you look at the situation in Canada 20 years ago and compare it to that existing today, you must agree this is a fact.

Hon. Mr. Brooks: Will we change our mind every 20 years?

Hon. Mr. Connolly (Ottawa West): I do not think that is necessary. But I do think we can make progress and over a period of 20 years in our constitutional development surely we should make progress. I say this is progress.

Hon. Mr. Roebuck: Not to the Conservatives, though.

Hon. Mr. Brooks: It is just a convenience.

Hon. Mr. Connolly (Ottawa West): I hope I am not provoking people. I have sat here without interrupting for two days, listening very patiently and very interestedly to what has been said. I do hope that I will have that privilege accorded to me as I have accorded it to other honourable senators.

Hon. Mr. Brooks: It is easy when everything is going your way.

Hon. Mr. Connolly (Ottawa West): Senator Crerar spoke yesterday. He is the most senior of the privy councillors. He was a member of the Union Government in the First World War and a member of many governments since. Senator Crerar is not a young man, and I would think that perhaps he might have felt that the recommendation by the committee set up in 1946 represented his view at that time. I think many people would be impressed with the fact that now this new design proposed by Parliament in 1964 is the flag that meets with his approval.

Some people have said that the Government has no mandate to do this. This is always a difficult question to decide, but it was part of the Government's program during two general elections.

There has been criticism of the timing used by the Government to introduce this measure. But this would always be an issue when personal preferences are so firmly and so deeply held. I do hope that the emphasis, when this debate is over, will not be on dissension and division. We have had debate. We have had full debate, a lengthy and widespread debate, not confined to Parliament alone. But, honourable senators, we must remember debate is one thing but decision is another, and decision is also necessary. I say the time has come. I say it is Parliament's duty now to make up its mind. And I believe, again in all sincerity, that the proposed design for a new national flag for Canada is more likely to meet with more general approval than any other design suggested at this time.

Senator Smith (Kamloops) said we cannot expect unanimity. This is true. Certainly there was no unanimity in 1946, and obviously there is no unanimity in 1964. But I suggest to honourable senators that more delay is not likely to improve the situation. Now, honourable senators, we are about to make this decision, and having made it, I hope we accept it in the spirit in which Senator McCutcheon said he would accept it, even if he disagreed with it. It will be the national flag of all of us. It will be our duty as Canadians to honour it. In doing so we are not rejecting a glorious history. We are not being untrue to our great traditions, those traditions that have been built by people of many racial strains and creeds and colours in this country. In a young country like Canada we respect our history, but we must also ever remember that those of us who are contemporary in Canada are also here to make history. This flag has been created along the lines of many of the initiatives taken to build this country and so many of the significant steps in the constitutional development of this land. All parties have taken part in various of these steps. They have not hesitated to take steps that were bold. I think that the step that is now proposed is a logical one.

Let us remember, too, that a flag is a sign; it is a symbol—a metaphorical symbol—and I think on this point Senator Hugessen helped us greatly last night. The flag is not the country. The flag is not the history of the country. The flag is to suggest and to signify and to symbolize the country and its people; it is to symbolize all the history of the country, all the traditions of the people and all the history of the people. But it does not purport to spell them out. Much history has been given to us in this debate. Many senators have mentioned the very touching reference made by Senator Irvine yesterday on this point.

The Canadian flag, when one considers the numbers and varieties of people who live in Canada, could not possibly contain a symbol for every racial or linguistic group. The Canadian mosaic is much too complicated to have a national flag of this kind. But what we have and what is proposed by this resolution is a simple, clear symbol which, in my view, suggests the Canadian mosaic as it is today.

There have been many impressive performances in this debate. I think Senator Croll's moving passage about new Canadians is something we are happy to have in the annals of this chamber. I think Senator Cameron's speech giving the western attitude and describing the characteristics of the youth of this country was outstanding. In passing I would say to him that I hope that

when he makes his next speech he will forget about the typewriter because he has proved that extemporaneity is his forte.

Senator Sullivan spoke in a deeply moving and restrained way, as indeed did Senator White. I think their speeches are a warning to the oratorical gentleman from Carleton (Hon. Mr. O'Leary), that perhaps he should look to his oratorical laurels so far as they are concerned. Senator White, Senator Sullivan and Senator O'Leary proved that while it may not be necessary to be Irish to be oratorical, it would seem to help considerably.

May I say too that we listened with care and attention to the speeches made in the French language by Senator Gouin, Senator Vaillancourt and Senator Fournier (De Lanaudière). These are speakers of whom we can be proud. They are men who know how to express a point of view, that point of view which is so typical of the people from whom they spring. They gave us a meaningful concept of phrases like "the native land", "the big land", "the beautiful land"—"la terre de nos aïeux".

Senator Hnatyshyn said something that we should not forget. He said that in this matter there are no winners and there are no losers. There is an axiom used by Crown counsel in Canada, which runs: *nunquam rex lucratur, nunquam rex spoliatur.* The Crown never wins, and the Crown never loses. In a debate of this kind I would hope that none of us would consider that he either won or lost.

We have had speeches from the west, from the east and from central Canada. We had from Senator White that most moving passage in a very distinguished speech about the burial of a young soldier. I am sure it affected all of us very deeply. We had from Senator Gladstone such a wonderful description of the colour of Indian customs. I tell Senator Gladstone that the change in the flag makes no change in any treaty, because a change in the flag will not change the character or the honour or the integrity of the Canadian people.

I am sure we were most interested to hear from Senator Rattenbury. This may have been his first speech in the Senate. If it was not, then it was one of his very early ones and he made a fine contribution.

Lastly, I mention the speech made by the honourable Leader of the Opposition (Hon. Mr. Brooks) tonight. We all know how deeply Senator Brooks feels about this issue. I do not think anybody would feel anything but pride in the way he put his points. His was a magnificent performance, and we will always say we were proud to sit in this chamber with him.

Honourable senators, I do not agree that this flag is conceived in political partisanship. I hope, in any event, it will not be accepted and established in a spirit of political partisanship. When I spoke at the opening of the debate I said that after looking at the significant steps that have been taken in the constitutional development of this country by Liberals, by Conservatives, and by every Prime Minister that we have ever had, we find we have in this land the substance of sovereignty. I say that this resolution will now allow the symbol to overtake that substance.

The Hon. the Speaker: Honourable senators, it is moved by the honourable Senator Connolly, seconded by the honourable Senator Vaillancourt:

> That this House do recommend to the Government that such steps as may be necessary be taken to have designated as the National Flag of Canada a red flag of the proportions two by length and one by width, containing in its centre a white square, the width of the flag, bearing a single red maple leaf, or in heraldic terms, described as *gules on a Canadian pale argent a maple leaf of the first.*

Is it your pleasure, honourable senators, to adopt the motion?

Those in favour of the motion will please say "Content".

Some Hon. Senators: Content.

The Hon. the Speaker: Those against the motion will please say "Non-content".

Some Hon. Senators: Non-content.

The Hon. the Speaker: In my opinion, the Contents have it.

Hon. Mr. Brooks: Mr. Speaker—

The Hon. the Speaker: Call in the senators.

Motion of Hon. Mr. Connolly (Ottawa West) adopted on the following division:

CONTENTS

Honourable Senators

Basha	Fergusson
Beaubien (Provencher)	Flynn
Boucher	Fournier
Bouffard	(de Lanaudière)
Bourque	Gelinas
Burchill	Gershaw
Connolly	Gouin
(Halifax North)	Grant
Connolly	Inman
(Ottawa West)	Isnor
Croll	Jodoin
Davies	Kinley
Denis	Lang
Dupuis	Lefrançois

Leonard
Paterson
Pouliot
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Smith (Queens-Shelburne)
Stambaugh
Taylor (Norfolk)
Vaillancourt
Veniot
Woodrow—38.

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Brooks
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Choquette
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Haig
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Hollett
Irvine
Macdonald (Cape Breton)
MacDonald (Queens)
Méthot
O'Leary (Antigonish-Guysborough)
Pearson
Phillips
Quart
Robertson (Kenora-Rainy River)
Walker
Welch
White
Willis
Yuzyk—23.

The Hon. the Speaker: I declare the motion carried.

Hon. Mr. Sullivan: I was paired with the honourable Senator Hayden. Had I voted, I would have voted against the motion.

Hon. Mr. Fournier (Madawaska-Restigouche): I was paired with the honourable Senator Macdonald (Brantford). Had I voted I would have voted against the motion.

Hon. Mr. O'Leary (Carleton): I was paired with the honourable Senator Crerar. Had I voted, I would have voted against the motion.

Hon. Mr. Macdonald (Cape Breton): Honourable Senator McCutcheon was paired with honourable Senator Cook; honourable Senator Aird was paired with honourable Senator L. P. Beaubien; honourable Senator Thorvaldson was paired with honourable Senator Dessureault, and honourable Senator Blois was paired with honourable Senator Hugessen.

CANADIAN COMMONWEALTH FLAG

NOTICE OF MOTION FOR DESIGNATION

Leave having been given to revert to Notices of Motions:

Hon. John J. Connolly: Honourable senators, I desire to give notice that on Friday, December 18, 1964, I will move:

> That this house do recommend to the Government that such steps as may be necessary be taken to provide that the Royal Union Flag, generally known as the Union Jack, may continue to be flown as a symbol of Canadian membership in the Commonwealth of Nations and of our allegiance to the Crown.

CANADA PENSION PLAN

JOINT COMMITTEE—CHANGE IN SENATE MEMBERS

Hon. Arthur L. Beaubien, with leave of the Senate, moved:

> That the name of the Honourable Senator Smith (Kamloops) be substituted for that of the Honourable Senator Lang on the list of senators serving on the Special Joint Committee appointed to consider Bill C-136 intituled: "An Act to establish a comprehensive program of old age pensions and supplementary benefits in Canada payable to and in respect of contributors"; and
>
> That a message be sent to the House of Commons to acquaint that house accordingly.

Motion agreed to.

ADJOURNMENT

Hon. John J. Connolly: I move, with leave of the Senate, that when the Senate adjourns today it do stand adjourned until tomorrow morning at 11 o'clock.

Motion agreed to.

The Senate adjourned until tomorrow at 11 a.m.

THE SENATE

Friday, December 18, 1964

The Senate met at 11 a.m., the Speaker in the Chair.

Prayers.

LIBRARY OF PARLIAMENT

REPORT OF JOINT COMMITTEE

The Hon. the Speaker: Honourable senators, I have the honour to present a report from the Joint Committee on the Library of Parliament, recommending that certain rates of pay for the professional employees of the Library of Parliament be brought in line with the recently revised rates approved for librarians of the Public Service.

Hon. John J. Connolly: Honourable senators, I suggest that we dispense with the reading of this report because it is quite lengthy. I would ask that it be tabled and that any honourable senator interested in doing so may examine it at the table, and that we give the report consideration later this day.

For text of report see appendix, p. 1294.

CANADIAN COMMONWEALTH FLAG

MOTION FOR DESIGNATION ADOPTED

Hon. John J. Connolly moved, pursuant to notice:

> That this house do recommend to the Government that such steps as may be necessary be taken to provide that the Royal Union Flag, generally known as the Union Jack, may continue to be flown as a symbol of Canada's membership in the Commonwealth of Nations and her allegiance to the Crown.

He said: Honourable senators, in a speech earlier this week I attempted to review the progress made by this country as it moved from the position of a colony to that of a nation. Another aspect to our nationhood which is particularly important in this year of 1964, and which will continue to be of great importance, is our position in the international sphere. Canada is a member of the United Nations for the purpose of helping to promote the peace. She is a member of NATO for the purpose of helping to defend the peace. After the First World War, she became a member of the League of Nations and one of the founding members of the International Labour Organization. We are, of course, members of other international organizations and groups, and our membership in many others is sought, including the Organization of American States.

All of this points up to us in Parliament, and to our people in the country, that the world is contracting. It is contracting because of the facility and speed of communications, the ease of travel and, generally, because of the development of technology. If the world has been a contracting one, then the problems of countries all over the world very often become domestic problems for countries widely separated from the trouble spot.

Hunger in the Orient presents a problem for Canadians, they feel the impact of it. The population explosion to be expected in Latin America will present a problem, and we can anticipate that we shall be concerned with the economic, political and social consequences which arise from it. The requirements of technical assistance and aid of all kinds in the developing and underdeveloped countries of Asia and Africa have not only been a source of concern to us, but we have been trying to do something to help solve that problem. Even in the long-established countries of Western Europe, interdependence has become one of the important priorities in their public programs. They have alliances, as they have always had, of all kinds. Perhaps the most significant one of recent days has been the establishment of the Common Market which is designed to bolster their free economies. This international type of organization is required in our day to foster the economic development of developed countries, to foster too the economic development of developing countries. It is necessary also to assure the economic strength of the western world.

Members of the Senate who have attended meetings of the NATO Parliamentarians—and I hope we shall soon have an opportunity to hear reports from some of our representatives who attended the last meeting a month ago in Paris—particularly those senators who sat upon the Economic Committee under Senator Javits of New York, will know what importance is placed by that committee upon the study of these problems.

The importance of the idea of national sovereignty today gives way to the importance of the idea of dependence and of interdependence. Indeed, the central problem of countries and of governments today is not so much one of dealing with wealth as it is one of dealing with poverty.

There are many reasons why Canada should have an interest in affairs beyond its borders. Canada is the fourth trading nation of the world. We have vast resources in this country and upon them we have built immense resource industries which supply products and materials for economies everywhere in the world. We have also, under the

impetus of war and for other reasons, developed an industrial capacity. For this too we must find markets abroad, if we are to have continued progress and prosperity. We are highly dependent upon foreign markets. Our participation in the work conducted under the General Agreement on Tariffs and Trade, and particularly the Kennedy Round of Negotiations now proceeding at Geneva, is of very real importance in dealing with our trade problems. Government is concerned with these matters. Business, private industry and trade associations, must also be concerned.

In our earlier colonial days we were part of an empire. But that empire has now evolved into a Commonwealth. Canada helped to give the lead to the establishment of the concept of the Commonwealth as it has developed through the years, perhaps more particularly in the 1920s. The lead which we gave, in company with others—with the British, with the South Africans, and particularly with the Irish—was a provident lead. The pattern which was then established for the development of the Commonwealth helped in the years since the Second World War to deal with moves made by developing colonies, particularly in Africa, as they sought their independence.

The composition of the Commonwealth is something which we should have before us as we debate this resolution. Within the Commonwealth there are 20 sovereign independent nations. There are four in Southern Asia: India, Pakistan, Ceylon and Malaysia. There are two in the Pacific: Australia and New Zealand. There are two in the Mediterranean area—Cyprus and Malta. There are eight in Africa, six being in the least portion of Africa: Kenya, Uganda, Tanzania, Zambia, formerly Northern Rhodesia; Malawi, formerly Nyasaland; and Nigeria. In the west, there are Ghana and Sierra Leone.

In the Caribbean area there are two: Jamaica, Trinidad and Tobago. Then, of course, there are Canada and the United Kingdom.

In some of these countries the Queen is the head of state. They are continuing monarchies. The United Kingdom, Canada, Australia, New Zealand and Ceylon belong to this group.

Among the Africans there are six republics. Two of the others, Sierra Leone and Malawi, I am told, are in a transitional state, and may eventually declare themselves to be republics.

Cyprus is a republic. The Caribbean countries are in the first category I have mentioned, where they recognize the Queen as the head of the state. India and Pakistan are republics. Malaysia recognizes the Queen as the head of the Commonwealth, but it also elects a local monarch.

In addition to these countries within the Commonwealth, there are British dependencies outside of it, like Hong Kong, which is a Crown colony, and certain high commission territories in Africa. British Guiana, which is in a bit of a grey area, is not a member of the Commonwealth.

There are other dependencies of Great Britain, like the Windward and Leeward Islands. Many of these dependencies enjoy preferences and advantages which Commonwealth countries enjoy, but have not the status of these other countries to which I earlier referred.

The members of the Commonwealth are partners. The influence of older Commonwealth countries, for good within the organization as equal partners, has been much more effective than would have been the case had they been dependencies.

A few years ago I spent an afternoon in the House of Lords. It was a rather significant occasion. It was the day that Lord Home became Foreign Secretary. That afternoon they debated and passed a bill dealing with the establishment of the independence of Nigeria. The bill was to recognize Nigeria's independence within the Commonwealth. The feeling in the house that day was not that they were taking a backward step in the direction of the dissolution of one empire. They felt they were taking a forward step in the development of the Commonwealth.

The question is often asked: What is the bond which unites the Commonwealth? First, of course, is the Monarchy. But there are institutions which have a profound influence, not only to bind the countries together, but upon the individual countries themselves. There are institutions which guarantee the democratic process. They are epitomized in the parliamentary system. There is the concept of an independent judiciary. There is a rule of law. There is a respect for minority rights. All of this depends upon education, upon a concept of honour and a belief in integrity.

There are cultural bonds—bonds that are forged because of the imperishable content of the body of the literature of the language—bonds that are formed by a common devotion to the history of the people and of the institutions of the Commonwealth—bonds also which are promoted and strengthened by the educational institutions now developing so much in so many parts of this far-flung organization.

There are economic bonds too, and the Commonwealth preferences are indicative of the extent and the importance that has been attached to this type of link.

There was a time when the great bond was defence. Now, with the changing conditions

in the field of defence, the situation is vastly different. No one country or no few countries within the Commonwealth could really defend themselves completely in this thermo-nuclear age.

In addition to these ties, there are personal ties between the peoples of the Commonwealth. Men and women who have served in the forces in two and more wars have a special feeling for these Commonwealth relationships. In peace, there have been bonds forged by immigration, by settlement and, in special circumstances, as a result of what was done on occasions such as the American War of Independence, when so many people who were living in the country immediately to the south of our border decided that the British institutions were for them, and as United Empire Loyalists they came to Canada and settled here. Their descendants, happily, are still with us.

I think also there is a special meaning in the Commonwealth idea for Canadians who speak the French language. As I said just the other day, more than 200 years ago, in the terms of the capitulation of Montreal and of Quebec, the language, laws and religion of the 60,000 former French subjects who were living in this country were guaranteed their preservation when the British took over. This is something we cannot forget in this country. It was a forerunner of what has happened and what has been happening in our time in other underdeveloped countries. Canada, at that time, was an underdeveloped country. This step was consecrated in the Quebec Act. I have read the report of the debate in the committee of the British house when these provisions were made in the Quebec Act. It was something completely new. Britain herself was embarking on a new approach to the position of people in the colonies some 200 years ago.

I believe that by common consent the Commonwealth not only can be but is a force for the good. Its most significant impact, however, is a spiritual one. It is a western force, a force that is based on the highest ideals upon which western civilization has been founded. A few years ago there was a meeting in Ottawa of the Commonwealth Bar Association. Judges and lawyers came here from all the far-flung parts of the Commonwealth. The principal British guest was the then Lord Chancellor, Lord Kilmuir. I was talking to him about this. He wondered whether these meetings of lawyers and judges from all over the Commonwealth were of value, and whether the Commonwealth concept itself would survive. Neither of us was a prophet. I said to him what I have just said, that there are many reasons for optimism, but perhaps the real appeal is that which is based upon matters of the spirit. If you have that kind of bond, then the other bonds will become stronger.

Of necessity, new international associations have been born in the modern world, particularly since the last war. They have been born of crises. Because they have been put together in this way, and without the bond which I believe exists between the members of the Commonwealth, often there is difficulty in making them work. For this reason, I believe that as time goes on the old association between members of the Commonwealth will be more fully appreciated and valued.

There are opportunities for mutual help between members of the Commonwealth. I think the most recent example is one to which we gave our assent earlier this year, when the Canadian peace-keeping force was sent to Cyprus. Britain, mainly, was trying to maintain order in that troubled country. But the requirements for similar British intervention in Asia and Africa were straining her capacity to perform. We did this, first, to assist in helping keep the peace, but we also did it to help a fellow member of the Commonwealth assist a strife-torn member of the Commonwealth.

The importance of the Commonwealth to Canada can be stressed in many ways. One of our colleagues who has spent some time at the United Nations has pointed this out to me in connection with the Commonwealth seat on the Security Council at the United Nations. There is no problem for the great powers, including Britain, to assure themselves of the representation they feel they require on the Security Council. But at times there is difficulty for Canada. She is not considered to be one of the great powers. She must depend upon the regional groupings to get a seat on the Security Council by rotation. Because of the importance of her membership in the Commonwealth she can at times cut across international boundaries and provide in this way an opportunity for herself to be a continuing force for the good. It may be that Canada stands to gain more by her membership in the Commonwealth than any fellow member.

Honourable senators, this resolution emphasizes all that I have said. At the Coronation ceremony when Her Majesty was crowned, she was described as the Queen of the United Kingdom and Canada. She was also described as the Head of the Commonwealth. The Union Jack, the Union Flag, according to the Garter King of Arms is the royal flag—Her Majesty's flag. As honourable senators have pointed out these last few days, it is a symbolic flag. It contains the crosses of St. George, St. Andrew and St. Patrick. It is an ancient flag, invested with

religious symbolism which originated in the days of faith. It now has a modern connotation, because it is the royal flag of the royal head of the Commonwealth, in addition to being the flag of the United Kingdom.

I therefore commend to this House the motion before us, in these words:

> That this House do recommend to the Government that such steps as may be necessary be taken to provide that the Royal Union Flag, generally known as the Union Jack, may continue to be flown as a symbol of Canada's membership in the Commonwealth of Nations and of her allegiance to the Crown.

Hon. A. J. Brooks: Honourable senators, we have all followed the excellent remarks of the Leader of the Government (Hon. Mr. Connolly, Ottawa West). I think we agree with most of what he has said, particularly when he referred to the necessity for supporting the Commonwealth, which I am sure all right-thinking people in the world consider to be one of the greatest forces for good in existence. As I listened to my honourable friend today, and also a few days ago when he introduced the other resolution, I could not but think that if he were not such an excellent lawyer and such a good politician he would have made a remarkable professor of history for some great university. However, I am not going to deal on this occasion with his historical remarks.

In listening to the sports review over the radio in the morning we have often heard the announcer say, "If you lose, say little; if you win, say less." In my opinion Canada has lost a lot, and therefore I am going to say little.

The flag debate is over and we are all glad of that. There has been one great casualty in this debate. The long, long trail has ended, as far as Canada is concerned, for a flag which I know we have all loved—the Red Ensign. Shortly, we will have a new flag flying over this country, for better or for worse. I know I speak for most Canadians when I say that we will do our best to see that it is accepted and respected by our people. However, I must say this, that I believe it will be a very difficult task in many cases, and I would not be surprised if in some circumstances it should be an impossible task.

I do not know of any other country which has more than one flag. In my view one flag is sufficient for any country, and I feel we should have only one flag in this country. If the Government and the Parliament of Canada listened to the recommendations in our amendment, debated yesterday in the Senate, we would have had a flag which would have indicated not only the Commonwealth status but would also have suited the people of Canada.

However, honourable senators, it has been decided that we must have two flags. But, if we must have two flags, then why not the Red Ensign as the second one? The honourable leader has stated with truth that the Union Jack is the flag of another country. The Red Ensign has been our flag for nearly a century. Generation after generation has lived under that flag. They have respected it, and they have loved it; and, in the words of the eloquent address of my friend Senator White, soldiers have gone to battle under it in two of the greatest wars the world has ever known. I say that that is the flag we should have, if we must have a second flag to represent our membership in the Commonwealth.

I know that the Red Ensign is loved, not only in Canada but all over the world. Not very long ago I was in Fredericton in connection with the opening of a very important institution there, and I met an American from Massachussetts who was staying in the next motel room to mine. At that time our flag debate was in progress, and he had read about it in the papers. He said, "What in Heaven's name is all this fuss about changing your flag? You have a wonderful flag. I have just travelled across Canada; I have seen it flying everywhere, and it is a beautiful flag." He also added, that of the three flags in the world that were best known and loved, the first was the Stars and Stripes, followed by the Union Jack and the Red Ensign. He also said, "Your flag is known all over the world—I know because I have travelled a lot. Why indeed are you people talking about changing your flag?" I did not bother trying to explain to him the intricacies of the situation and the debates we were having.

A few years ago I spent six weeks visiting the cemeteries of the Canadian soldiers in Europe, in France, Belgium, Holland, Italy, Germany and elsewhere. On our car we had the Canadian Ensign, and wherever we went we did not have to tell people that we were Canadians. Whenever we stopped they gathered around us in large numbers because they saw our flag. I remember in Ortona, where was fought one of the great battles in which our Canadian soldiers took part in the Second World War. There were a few people on the street when our car stopped, but it was not long before crowds gathered, shouting "Canada! Canada!" And these were people who only a short time before had been fighting us tooth and nail. They knew our flag.

Then, let us consider Vimy Ridge. Many of you have visited there—I have on three occasions. It is a part of Canada, generously given to this country by the French people.

The Red Ensign has been flying over it for many years past. I wonder what the thousands of tourists and visitors from the surrounding countries are going to think when they see the new flag go up and the old Red Ensign come down. They are going to see the flag with the maple leaf. I hope they will not think that Canada has made a present of Vimy Ridge to the Toronto Maple Leafs hockey team as a reward for winning the Stanley Cup.

We respect the Union Jack; of course we do. What country does not? What would have happened to this world in the two world wars if it had not been for the Union Jack?

Just a few moments ago my good friend Senator Aseltine handed me an editorial from the Toronto *Daily Star*. It is headed "The Jack for Joey". After discussing the uselessness of another debate on the flag, it leads up to a comment on the official symbol of Canada's membership in the Commonwealth. It says that the Progressive Conservative party and the N.D.P.s are right in favouring the Red Ensign for this purpose. I quote:

> On this issue, the Opposition parties are right. The Red Ensign, combining as it does British and Canadian symbols, is the obvious flag to be flown at royal visits and other ceremonial occasions to indicate that Canada is a member of the Commonwealth. It is far more suitable for this purpose than the Union Jack which is, after all, the national flag of Great Britain. The Ensign has been far more widely used in Canada in recent decades, and is obviously much more popular, than the Union Jack.
>
> If the Government were to agree to the Red Ensign as the Commonwealth banner, it would reduce the bitterness created by the earlier flag debate. By giving the Ensign an official status, it would soothe the feelings of the many thousands of Canadians who wanted it as the national flag.

The Government seems bent on not reducing any bitterness. It seems to do things that go from bitterness to more bitterness and more bitterness. Here is another paragraph:

> Mr. Pearson's insistence on pushing the Union Jack, in defiance of tact and common sense, gives support to the Conservative charge that he is redeeming a pledge to Premier Smallwood of Newfoundland.

That is not good enough.

Honourable senators, I am not going to say anything more. To make any further comment is useless. The whole situation is bewildering and, indeed, hard to understand. It will be more bewildering to the people of Canada. If it is hard for some of us here to understand, then how much harder will it be for people outside Parliament and in other parts of the country?

In closing I say this: We are supporting this resolution, and as far as we are concerned we see no value in any long debate. We are only met with frustrations and futility.

Hon. Malcolm Hollett: Honourable senators, I do not intend to make a speech, but I would like to ask the honourable Leader of the Government (Hon. Mr. Connolly, Ottawa West) before the debate is concluded if he would answer two questions.

My first question is this: Is the Union Jack flown by all other members of the Commonwealth of Nations as a symbol of such membership?

It will be noticed that the resolution states that the Union Jack is to be flown as a symbol of our membership in the Commonwealth.

The second part of the resolution is to the effect that the Union Jack may continue to be flown as a symbol of Canada's allegiance to the Crown. I should like to ask the honourable Leader of the Government this question: What flag did we fly prior to this date to show our allegiance to the Crown?

I shall certainly vote for the resolution, but I would like these questions answered.

Hon. M. Grattan O'Leary: Honourable senators, before the honourable Leader of the Government (Hon. Mr. Connolly, Ottawa West) answers the questions of the honourable senator from Newfoundland (Hon. Mr. Hollett), I would like to put a question. I am certainly not going to make a speech.

The honourable Leader of the Government wrapped up this resolution in noble sentiment and some excellent rhetoric. But I am looking at the resolution itself, which says that the Royal Union Flag, generally known as the Union Jack, may continue to be flown as a symbol of Canada's membership in the Commonwealth of Nations, and so on. Does that mean that the Red Ensign may not continue to be flown? On what occasions are we going to fly the Union Jack in order to show our allegiance to the Crown and the Commonwealth of Nations? Will it be flown on July 1, or on some other occasion? And does this resolution mean that on July 1, or on some other occasion of like nature, we shall not be permitted to fly the Red Ensign?

It seems to me that as the resolution stands it is meaningless. It merely says that we may continue to fly the Union Jack. There is no law in this country preventing anybody from flying any flag, as the Prime Minister reminded us not so long ago when he flew his own flag on the lawn of the

Parliament buildings. I cannot see what sense there is in this.

We have here a resolution of Parliament which says: You may continue to fly the Union Jack. If it does not say: "You may not continue to fly other flags, or you may not fly this flag or that," then what on earth does it change? What significance has it? What is the effect of it? I am told I may continue to fly the Union Jack, but so far as the law is concerned I may also continue to fly the Red Ensign. This is the sort of thing that makes me suspect—and I do not want to be ill-natured about it—that there is something in the editorial of the Toronto *Star* which was just read by the honourable Leader of the Opposition (Hon. Mr. Brooks).

I have another question. I listened to the honourable Leader of the Government in his eloquent way telling about his great faith in the Commonwealth. Well, what does a member state of the Commonwealth such as Ghana do about this? Is it going to have a Commonwealth flag too? Mr. Nkrumah began not long back to show his deep affection for the Commonwealth by removing the Queen's image from his coins. Is he going to have a flag to show his loyalty to the Crown? And if we are to have two flags to show our loyalty to the Crown, are we not saying to India, to Australia or to New Zealand that we are more loyal than they? Are we saying to them: "You have only one flag to show your loyalty to the Crown, but we have two. We are twice as loyal as you are."

Surely, honourable senators, when we talk about having a Commonwealth flag, it follows that this should be the subject of a Commonwealth conference. And surely we are not so naïve as to think that this new Commonwealth is the old Commonwealth that we knew. I recall attending an Imperial Conference in 1921. It consisted of the old family of nations: Britain, Canada, Australia, New Zealand, India and others. But, is it now being thought that this new Commonwealth resembles in any respect whatsoever the Commonwealth that existed then?

I remember when Mr. Bennett rose in this Parliament of Canada and objected strongly, and marshalled all sorts of constitutional arguments in support of his view to Ireland's joining the British Commonwealth because it was republic. Well, that sort of thinking is past and gone, but it does seem to me that before we go on talking about the Commonwealth someone, sooner or later, will have to take a good look at it as it is presently constituted, just as I imagine and fear a good look will have to be taken at the United Nations as it is presently constituted.

I think this resolution is humbug, and I have to say this—I do not want to be extreme, but I cannot avoid saying it—that just as the resolution we passed yesterday bruised the emotions and sentiments of many Canadians, this resolution insults the intelligence of all Canadians.

Some Hon. Senators: Hear, hear.

Hon. John J. Connolly: Honourable senators—

The Hon. the Speaker: I must inform the honourable senators that if the honourable Senator Connolly (Ottawa West) speaks now, it will have the effect of closing the debate.

Hon. Mr. Connolly (Ottawa West): Honourable senators, Senator Hollett has asked me whether the Union Jack is flown by all other members of the Commonwealth as a symbol of such membership. I do not know. I should think that it is a matter for the decision of any one of the several countries involved, because they are all free and independent. It is for them to decide what they shall do to indicate their membership by the use of a flag. It is appropriate for any one of them to decide that in a certain way they will signify their membership.

I do suggest that the flying of the Royal Union Flag, which is the flag of the head of the Commonwealth, is an appropriate way for a country to indicate its membership in the Commonwealth.

Senator Hollett has asked me what flag was flown prior to the date of this resolution to show our allegiance to the Crown in Canada. I think from the resolution itself this is clear, because the word "continue" is used. It is clear that the Union Jack has been used for such purpose. In fact, the same effect would flow from the use of the Red Ensign, because it too has the Royal insignia upon it.

Senator O'Leary (Carleton) asks me what are the occasions upon which this flag will be flown? How can anyone predict what a Commonwealth occasion may be? I would think that with the increasing importance we continue to attach to Commonwealth matters, and to our membership in Commonwealth, we would be disposed to use the flag on every possible occasion that can be considered to be a Commonwealth occasion. It is sought by this resolution to give some official character to the use of the Union Jack. It is hoped that the use of the flag approved by Parliament, for occasions which are Commonwealth occasions, is given a little more significance because it thus becomes an official way of using the flag.

The Hon. the Speaker: Honourable senators, is it your pleasure to adopt the motion?

Hon. Mr. Aseltine: On division.

Motion adopted, on division.

BUSINESS OF THE SENATE

Hon. John J. Connolly: Honourable senators, I move that the Senate do now take recess and reassemble at the call of the bell at 3 o'clock this afternoon. It is hoped that at that time it will be possible to deal with two bills which I understand are coming here from the other place, one in respect of the Judges Act and one in respect of the Combines Investigation Act.

Motion agreed to.

The Senate adjourned during pleasure.

At 3 p.m. the sitting was resumed.

Hon. John J. Connolly: Honourable senators, I understand that the other place is now on questions and, of course, no one can predict when they will finish. The unofficial estimate of time given to me is that not much more than an hour will be taken on questions.

I am also informed that it is the intention in the other place, at the beginning of their proceedings, to introduce two bills to which I referred earlier today, with the hope that those bills can be passed quickly.

In the circumstances, I think it appropriate to adjourn to the call of the bell, at approximately 4.15 p.m. In the meantime, we will survey the situation. When one or both of the bills pass in the other place, the bell will ring at the appropriate time, which might be a little later than 4.15 p.m.

Hon. Mr. Choquette: That is quite satisfactory.

The Senate adjourned during pleasure.

At 4.50 p.m. the sitting was resumed.

LIBRARY OF PARLIAMENT

REPORT OF JOINT COMMITTEE ADOPTED

Leave having been given to revert to the order for Notices of Motions:

Hon. John J. Connolly moved, with leave, that the report of the Joint Committee on the Library of Parliament be now adopted.

Motion agreed to.

JUDGES ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-112, to amend the Judges Act.

Bill read first time.

SECOND READING

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

Hon. John J. Connolly, with leave of the Senate, moved the second reading of the bill.

He said: Honourable senators, Bill C-112 is an act to amend the Judges Act. A copy of the bill as it was introduced in the House of Commons is on the file of all honourable senators.

I must draw to the attention of the Senate, however, that since the bill was printed and introduced there was a further amendment proposed, which has now been incorporated in it. The Order Paper of December 7 last carried a notice of the proposed additional changes.

The effect of the bill is to provide for five additional judges of the Superior Court of the Province of Quebec, one extra justice of appeal of the Supreme Court of Alberta, two additional Ontario county court judges, one additional county court judge in British Columbia, and two additional judges of the Court of Queen's Bench in Manitoba.

For the information of honourable senators as to how these additions are made, I would say that section 1(1) of the bill increases the number of judges of the Superior Court of Quebec to 70. Subsection 2 of that section, as amended, provides for the two additional judges of the Court of Queen's Bench of Manitoba.

Section 2 of the bill deals with an increase to six in the number of Justices of Appeal of Alberta. Section 3 deals with increases in the number of county court judges both in Ontario and British Columbia.

This bill is in the form of similar bills considered by this house on many previous occasions. In this case, as in all other similar cases, the legislatures of the provinces affected amend their judicature acts to provide for these increases, and then request Parliament to enact legislation to make it possible for these additional judges to be appointed. So, this is done by us in the knowledge that these additional judicial offices are required for the due administration of justice in the courts of the various provinces I have mentioned.

If there are questions that any honourable senator has to ask about this measure, I shall be glad to obtain the answers as soon as possible.

Hon. Lionel Choquette: Honourable senators, while I do not propose to vote against this bill, there are several observations I wish to make on the motion for second reading. A glance at the amending statutes listed in the margin shows that bills such as this are to be expected almost every year. Indeed,

they seem like flowers and weeds, to seed themselves annually, as if the process were part of the law of nature. Let me review briefly the history of this legislation since the last revision of the statutes in 1952.

By chapter 58 of the statutes of 1953-54, a Justice of Appeal was added to the Court of Appeal for British Columbia, and one Justice to the Supreme Court of Alberta.

By chapter 48 of 1955, a further Justice of Appeal was added to the Court of Appeal of British Columbia, and two judges to the Supreme Court of that province. By the same statute one county court judge was added in British Columbia.

By chapter 8 of 1956, four puisne judges were added to the Superior Court of Quebec, and four judges to the Supreme Court of British Columbia.

By chapter 30 of 1957, one judge was added to the Supreme Court of Nova Scotia, and one judge to the county and district courts of Ontario.

By chapter 33 of 1958, two judges were added to the High Court of Ontario, and six more judges were added to the county and district courts of Ontario. Also, one judge was added to the appeal division of the Supreme Court of New Brunswick.

By chapter 28 of 1959, six puisne judges were added to the Superior Court of Quebec, and two to the Supreme Court of British Columbia. In addition, three justices were added to the Supreme Court of Alberta.

By chapter 46 of 1960, four additional puisne judges were added to the Superior Court of Quebec.

By chapter 38 of 1960-61, a judge was added to the Exchequer Court of Canada, two more puisne judges to the Superior Court of Quebec, two judges to the Court of Appeal of British Columbia, and two to the county and district courts of Ontario. In addition, one further judge was added to the district courts of Alberta.

By chapter 22 of 1962, two further judges were added to the High Court of Ontario, and seven to the county and district courts of that province.

Finally, honourable senators are aware that by chapter 14 of the statutes of this year, provision was made for an additional judge of the Exchequer Court. The bill before us would add three puisne judges to the Superior Court of Quebec, increasing the number from 44 in 1952—and this is amazing—

Hon. Mr. Connolly (Ottawa West): Five, not three.

Hon. Mr. Choquette: —from 44 in 1952, to 68.

Hon. Mr. Connolly (Ottawa West): No, to 70.

Hon. Mr. Choquette: Yes. I did not look at the amendment. It would add one Justice of Appeal to the Supreme Court of Alberta, and two Ontario county court judges, increasing that number from 63 in 1952 to 81. It would also add one county court judge in British Columbia.

My point is that the piecemeal, spasmodic and *ex post facto* approach hitherto adopted with respect to the judiciary has not had the desired effect, namely, to overcome the present backlog of cases unheard and judgments undelivered. This situation causes uncertainty at the best and hardship at the worst. I hesitate to repeat the familiar cliche, attributed to Gladstone, that justice delayed is justice denied, or that the appearance of justice is as important as justice itself, or, as Chateaubriand once said, "Justice is the bread of the nation: it is always hungry for it." It seems to me that what is needed is a new and positive approach, with consultation among the Attorney General of Canada and the attorneys-general of the provinces, whereby the problem may be met with foresight and imagination. There must be a greater anticipation of future requirements.

Honourable senators, I have spoken on nearly every occasion when a similar bill has been introduced. I have been practising law in the City of Ottawa for 32 years, and I say to you that as far as the Province of Ontario is concerned you could appoint two or five additional judges each year and it would not solve the problem which exists at the present time. Right here in Ottawa we have approximately 350 cases that have been on the list for a period of two years. The litigants today are not satisfied that their cases be heard two or three years after they first consult a lawyer. As a matter of fact, it has become difficult for a lawyer today to convince his client that his case, which was handed to him two years previously, has not yet been heard, and litigants are verifying the story told to them by their own lawyer either by telephoning to or communicating with the registrar to find out if the lawyer is telling the truth. As I have said, you could appoint one judge or two or five every year, but this would not take care of the problem.

I think we should be grateful to the newspapers and to newspapermen throughout Canada, because sometimes these people go into the legal problems a little more thoroughly than the Canadian Bar Association and a little more thoroughly than lawyers.

This bill was first introduced in July, and the Montreal *Star* of July 15, 1964 published an article about it. It is headed "Three New Judges," and reads:

> Quebec province is to have three new Superior Court judges under legislation introduced in the Commons this week, and while the addition is laudable, the question arises immediately as to whether or not this is enough.
>
> The need for more judges is obvious, and it remains for the province to get together with Ottawa to fill the need. Justice Minister Favreau noted in presenting his bill that Ontario, Alberta and British Columbia have passed enabling legislation to receive their new judges. Quebec, we note, has only advised Ottawa that it intends to pass such legislation. It will be remembered that under the constitution the provinces have the authority to set up Superior Courts, but the federal government appoints the judges and pays their salaries.
>
> Mr. Favreau said he intends to write to provincial attorneys general to ask them to give more notice of their plans to increase the size of their judiciary so that the necessary bills can be introduced earlier in the parliamentary session.
>
> Truly, Quebecers, and Montrealers in particular, have suffered as a result of the long delays in securing justice caused by the backlog of cases before the courts. A new courthouse is finally being built, after generations of pleading. It is to be hoped that Ottawa and Quebec will get together with far greater dispatch to see to it that there are sufficient judges to speed the work of the court.

What I am about to read now is surprising.

> The annual report presented by the chief clerk of Superior Court last January showed that Montreal, the largest judicial district in Canada, had 17,000 cases before it still to be heard. While waiting for the new court house to be built, Associate Chief Justice George S. Challies said slow but steady progress is being made in cutting this backlog. The delay between inscription of summary cases, and their hearing, had been cut from about a year to half that and a further cut was expected. A much longer delay was normal for the 8,000 or so major cases inscribed on the rolls each year.

I have no right to practise in the Province of Quebec and I am not an authority on the administration of justice in that province. However, I understand that the magistrates, who are also called judges, are appointed by the province and they have jurisdiction to hear civil cases over and above criminal cases, involving amounts not exceeding $200. This means that every civil claim involving an amount in excess of that sum has to be filed, heard and disposed of in the Superior Courts. Can you imagine the costs of the delay?

Hon. Mr. Aseltine: Have they no county court or district court?

Hon. Mr. Choquette: No. I am told the Quebec Civil Code is being revised and that this situation might be taken care of, but their problem now is that the provincial judges are paid and appointed by the provincial courts.

In Ontario we have our county court judges, and this is also the situation in many other provinces. These judges are empowered to hear cases involving amounts up to but not exceeding $2,000, and can hear cases involving amounts up to $15,000 or $20,000 on consent of both parties. This is a situation, honourable senators, which comes to our attention every year and, the time has arrived when we must face the fact that this is not a solution to the problem.

Let me conclude this article by reading the last paragraph:

> While noting the need for space for court rooms, Mr. Justice Challies recalled that of the 36 Superior Court judges in the district, only about 20 are available at any one time to hear cases, "and this is not really enough." To this we can only most heartily agree.

For many years as a practising lawyer in Ottawa I have been considered as a voice crying in the wilderness. I have advocated for many years what I said here last year, and I was told by my good friend and classmate, Senator Walker, that it was a matter for the Attorney General of Ontario.

Some years ago in the City of Hull my good friend Judge Ste. Marie was appointed as a resident judge for the judicial District of Hull. Since then they have appointed a second judge, who is also a resident judge. These two judges are available at all times and can deal with cases. They do not have to wait until a judge residing in Quebec City comes there, as is the case in our Province of Ontario where we have to wait until a judge resident in Toronto comes to Ottawa. As I have said, in the City of Ottawa at the present time there are 350 cases that have been on the list for two years.

Hon. Mr. Roebuck: In Ottawa?

Hon. Mr. Choquette: In Ottawa there are 350 cases on the list that have not yet been heard.

We have three Assizes: September, January, and April, and they take care of the criminal cases. The civil cases, as we know,

are just set aside, and sometimes not one civil case is heard before a jury. We have also non-jury sittings in November, March and May, and sometimes 20 out of 350 or 400 cases are disposed of. People have to wait.

The Canadian Bar Association at their last meeting discussed this situation, and said it was an acute problem. Perhaps 50 per cent of the cases on the lists are automobile accident cases. Some day—and I know that many law firms do not look favourably upon this suggestion—a commission will have to be appointed to hear automobile accident cases in order that they may be disposed of instead of being adjourned time after time. I am not responsible for what happens in our local Bar, but the members know that I have advocated this for years.

A few months ago a questionnaire was sent to each member, and I answered all the questions in the affirmative. One question asked was whether we should request that at least three Supreme Court of Ontario judges should reside in the Ottawa district and sit at Ottawa, with an outside judge also holding sittings here at regular intervals. One of the other suggestions was that a request be made that the Court of Appeal sit in Ottawa on a regular basis. I noted my agreement with both of those suggestions, and I hope that for the sake of the administration of justice in this county something will be done along those lines.

I know it is a matter for the attorney-general of each province. There is an old saying to the effect that he who pays the piper calls the tune. We pay the judges' salaries in our province—the salaries of the county court judges as well as those of the Supreme Court judges—and, honourable senators, we cannot sit by and say, "Well, next year we will appoint two more county court judges and three more Supreme Court judges in this province." That is not enough. We shall never meet the situation that exists by doing that.

I am making this suggestion not only to honourable senators but to my good friend, the honourable Leader of the Senate (Hon. Mr. Connolly, Ottawa West). We went to school together, as all honourable senators know, and we are good friends, but I do not want these remarks of mine to be merely placed on *Hansard* and then forgotten. I am making an honest and sincere suggestion, and I ask the honourable Leader of the Senate to bring this to the attention of the Minister of Justice, and to ask him to convene a meeting of the attorneys-general of all provinces with the idea of alleviating this problem.

Hon. Arthur W. Roebuck: Honourable senators, I thoroughly agree with the honourable senator who has just spoken (Hon. Mr. Choquette) as to the necessity and desirability of prompt decision in litigation, but that is not our function. We appoint the judges, it is true, but the administration of justice is in the hands of the provinces. When I took office as attorney-general of the Province of Ontario in 1934—that is some years ago now—there were, as my honourable friend has explained is the case today, quite a large number of cases that had been heard but in which judgment had been deferred. I appeared as counsel for the plaintiff in a case that had been heard at least two years prior to my taking office, so I knew from personal experience what was going on. I called the Chief Justice of Ontario before me and told him that unless this mess was cleaned up in very short order I would introduce legislation before the provincial Legislature giving the litigants the right of appeal to the court of appeal upon the evidence, without the necessity of having the judge decide the case. The Chief Justice appealed to me, asking that I not do that. I undertook to hold my hand if the situation was cleaned up, and it was. It was cleaned up within a few weeks, with one or two exceptions. The case in which I had appeared, and of which I had personal knowledge, was not concluded because the judge was sick, and he very shortly afterwards died. Judgment in that case was never issued.

The fact is that except by previous consultation, or something of that kind, the Federal Government is powerless in these matters. I agree with the honourable Senator Choquette that the appointment of more and more judges is not the answer. The answer lies in the hands of the provincial attorneys-general. I cleaned the situation up, and there is no reason why the next attorney-general should not be able to do the same thing.

I should like to know where these county court judges are being appointed. In what counties will they sit, or in what counties will they sit as junior judges? I should like to know too who has made the recommendation for these appointments, and upon what grounds. We are going to have to pass this legislation immediately, I suppose, because of the situation presently facing us, but I join hands with the acting Leader of the Opposition (Hon. Mr. Choquette) in taking a firm stand with respect to this matter. We should not appoint more and more judges without some very good reason being explained to us as to why we should do so, and why judgments in some cases are so long delayed.

I am not a solicitor of the Province of Quebec, but I have heard for many years about the backlog of cases in that province

and the very slow progress made in the hearing of them. Honourable senators, justice delayed is justice denied. We in this country live by the rule of law. We will not allow the individual to take the law into his own hands. Having so provided, it is our duty to see to it that our courts administer justice impartially, effectively and promptly.

I do not know what we can do about it just at the moment. I commend the acting Leader of the Opposition for the information he has presented to us, and I have no doubt that the honourable Leader of the Government will bring this to the attention of the Minister of Justice. It may be that if the Minister of Justice expresses a vigorous protest, the attorneys-general will do something towards improving the administration of justice in the provinces.

Hon. John J. Connolly: Honourable senators—

The Hon. the Speaker: I must inform honourable senators that if the honourable Senator Connolly (Ottawa West) speaks now, it will have the effect of closing the debate.

Hon. Mr. Connolly: Honourable senators, I thank honourable Senators Choquette and Roebuck for the contribution they have made to the debate this afternoon. There is no doubt whatever about the truth of the remarks they have made. The problem of dealing with the backlog of cases in the courts has been engaging the attention of attorneys-general for many, many years, as Senator Roebuck has said. I know too that this subject has engaged the attention not only of the Canadian Bar Association but of the provincial bar associations. What honourable senators have said here today points up the problem in another form, and in a very effective way. I shall certainly undertake to bring these remarks to the attention of the Attorney General of Canada in the hope that in a spirit of co-operation there will be adequate and remedial action taken. Regrettably, I cannot give an assurance that it will be taken in time to obviate the necessity of appointing additional judges before a real remedy is provided.

I think that the Province of Ontario has moved quite effectively in this area within the last few years by providing an enlarged jurisdiction for the county courts. The honourable Senators Choquette and Roebuck, both of whom are members of the Ontario Bar and do not purport to speak for the position in Quebec, have indicated that the county court system which prevails in the other provinces does not obtain in Quebec. However, there may be a remedy there, too.

It is for the provincial authorities to apply the remedy that they think best, and perhaps it is not too much to hope that the attorney-general could urge the authorities there, and indeed in other provinces, to see to it that some appropriate remedy be taken.

Hon. Mr. Choquette: One question was asked by Senator Roebuck. Do we know where these county court judges are in Ontario?

Hon. Mr. Connolly (Ottawa West): I regret I do not have that information. There may be a list. Some of them may be what are called roving judges who would not be attached to a specific county. I can get that information and give it to Senator Roebuck.

Motion agreed to and bill read second time.

THIRD READING

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

Hon. Mr. Connolly (Ottawa West): With leave, I move that the bill be read the third time now.

Motion agreed to and bill read third time and passed.

COMBINES INVESTIGATION ACT

BILL TO AMEND AN ACT TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-141, to amend an Act to amend the Combines Investigation Act.

Bill read first time.

SECOND READING

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

Hon. Daniel A. Lang, with leave of the Senate, moved the second reading of the bill.

He said: Honourable senators, this is in fact an act to amend an act to amend the Combines Investigation Act and the Criminal Code. I am assured that that title is not a misprint by the Queen's Printer. It is in fact a bill amending the original act of 1959, which in turn amended those two statutes. It is a short bill and I shall attempt to be very brief in outlining its provisions to you this afternoon.

In 1959, upon the complaint of certain citizens of this country, the Director of Investigation of the Restrictive Trade Practices Commission initiated an inquiry into the fishing industry of British Columbia. He subsequently submitted, under the provisions of the Combines Investigation Act, his statement

of evidence to the commission, wherein it was alleged that certain activities and agreements between the fishermen in British Columbian waters and the fish packing companies were contrary to the anti-combines legislation contained in the Combines Investigation Act and in the Criminal Code. I am advised that it was, and still is, the custom in that industry for fishermen to bargain jointly each year with the fish packing companies jointly, with respect to the prices to be paid for, and the quantity of the next season's catch. Consequent upon those negotiations each year, agreements were reached fixing those prices and quantities.

On the face of it, honourable senators, it would appear that nothing I have said would lead anyone to believe that there may herein have been an infraction of the Criminal Code or the Combines Investigation Act, but that the procedures were more in the nature of the normal process of collective bargaining. However, the fishermen, perhaps—and I use that word advisedly—were not "workmen or employees" within the excepting section of the Combines Investigation Act and its correlative section in the Code, but may very well have been independent, self-employed operators.

Be that as it may, the statement of evidence placed before the commission by the Director of Investigation cast sufficient doubt on the legality of these arrangements and agreements, so that in 1959 the operators of the fish packing companies declined to enter into the usual negotiations with the fishermen with respect to the quantity and prices for the next season's catch.

The fishermen's "union"—and, if I may, I use that word "union" in quotation marks and loosely, without its legal connotations—the fishermen's "union" thereafter threatened a "strike"—and I use that word in quotation marks and without its usual legal meaning.

In any event the action by both parties in 1959 brought about a serious situation which might very well have led to the loss of the season's salmon catch in west coast waters, and possibly the loss of catches of other fish. It was impossible for the Restrictive Trade Practices Commission to complete the other procedures required under the act, before this matter became acute. It was also impossible for the report of that commission to be in the hands of the public before the industry might suffer a serious set back.

Accordingly, in that year the government, to avert this crisis, enacted the original amendments to the Criminal Code and the Combines Investigation Act, which excluded these specific British Columbia activities from the operation of those two statutes. But that exclusion was only for a period of two years, namely, to December 31, 1960, during which time it was anticipated that the Restrictive Trade Practices Commission report would have been forthcoming and in which time thereafter necessary legislative action might have been taken. However, this did not prove to be the case. Following the original enactment, a series of lawsuits were instituted both in British Columbia and here in Ontario, which sought injunctions against the Director of Investigation and the Restrictive Trade Practices Commission, for the purpose of restraining him and the commission from carrying out certain procedures.

This litigation, for the information of honourable senators, is described in detail in the reports of the Restrictive Trade Practices Commission for the years ending March 31, 1961 and 1962. As a result, moratorium amendments, such as the present one, were enacted, again extending this exemption for further terms to December 31, 1961, and again to December 31, 1962. These further moratoriums were required, of course, to maintain the status quo while the litigation I referred to was pending, and during which time the Restrictive Trade Practices Commission was precluded from proceeding with its investigation and its hearing.

The last of the litigation I referred to was concluded near the end of the year 1962 immediately before the preceding moratorium lapsed.

As a result of the final decision which was handed down by the Supreme Court of Canada, the commission was required to sort all its oral and documentary evidence obtained in its investigation—which I am advised was voluminous in the extreme—into multitudinous groupings, to be made available on a restrictive basis to the various parties concerned in the investigation, and in accordance with the principles of law defined by the court in its decision.

This task in itself presented the commission with a formidable array of work, and it was realized immediately that it was impossible for the commission to complete its task, and thereafter to hear the evidence of the parties themselves in accordance with the terms of the act, and again thereafter to complete and submit its final report all before the end of 1962. Accordingly, Parliament once again approved a further extension of the exemption until December 31, 1964.

Alas, honourable senators, we had another, if I may be excused for using a legal term, *novus actus interveniens*, in the form of a very serious strike by the fishermen in British Columbia in the year 1963, over the minimum price to be paid for the season's catch.

Arising out of this strike, and because of the acknowledged seriousness and peculiarities of the problem of the B.C. fisheries, an intergovernmental committee was set up, consisting of civil servants of the federal Department of Fisheries and of civil servants of the Department of Lands, Forests, and Water Resources of British Columbia. This committee was instructed to investigate in detail the problems related to the British Columbia salmon industry and the fishing industry generally, and to report and make recommendations, if possible, with regard to what legislative action might be advisable and could be taken by either the Government of Canada or the Government of British Columbia, or by both, within their respective fields of jurisdiction.

I am advised that this committee should make its report shortly. I am also advised that the Restrictive Trade Practices Commission does not wish to bring forth its final report until the intergovernmental committee has made known its recommendations and until any legislative action thereby recommended may be brought into effect.

By the end of this year the moratorium in effect now will have expired. Therefore, honourable senators, there is a degree of urgency to this piece of legislation.

I might say from briefly perusing Senate *Hansard* relative to debates in this chamber on previous occasions, and on preceding bills correlative to this one, the honourable Senator Roebuck, with his usual scholastic perfection and refined sense of legalistic drafting and principles, has taken exception to this piece of legislation.

I also noted that initially when the first measure was introduced, he referred to it as being unprecedented. I think that is about the only point he raised about the first bill that he could not raise against this present legislation.

Honourable senators, because of the shortness of the bill itself, being limited to the expiry of the exemption, if this bill receives second reading today I would ask that it be given third reading as well.

Hon. Arthur W. Roebuck: Honourable senators, my friend Senator Lang has referred to the objections which I took to this legislation when it came before us previously. The assurance that I was given on that occasion was that there was a crisis of some kind in British Columbia, and that during the interval of the exemption of these people from the Criminal Code and the Combines Investigation Act, the matter would be worked out in some way, and we would not be asked to extend the legislation further.

I could not have protested more strongly than I did at that time, within my own ability to protest. I protest still more vigorously now against this kind of legislation. The Criminal Code and the Combines Investigation Act were passed for the purpose of protecting the public against undue restrictions on competition. The game that is going on in British Columbia today in the fishing industry is for the purpose of excluding competition in this particular industry. The very purpose of the bill is to allow them to do something that we will not allow other people to do in any part of Canada.

The Criminal Code, a carefully revised, thought-out statute of many years standing, is for the purpose of protecting the public. The Combines Investigation Act is not nearly so old, but it was designed for the same purpose.

The idea of allowing people in British Columbia to violate the provisions of those two acts because someone suggests a strike, is ridiculous. Let them strike. The fishermen there are not employers; they work on their own and they combine with the packers in order to boost prices. The purpose of this legislation is to allow them to do so. It is outrageous, from my point of view. To bring this measure to us now and expect us to pass it, one, two, three, and go, is equally outrageous. I am not in favour of passing it now. I am not consenting to anything of the kind.

I would like to see this act referred to the Banking and Commerce Committee when we come together again, in order that we may have time to consider it, to actually see the parties who are seeking this exemption from the Criminal Code and to hear what they have to say. In that way, we could at least give ourselves an opportunity to exercise a proper, decent judgment.

The fact that the exemption expires on December 31 only places these people in the same position as all other businessmen, producers, manufacturers and traders, all over the Dominion of Canada. I see no reason for exempting them, or to continue to exempt them year after year. First, it was a crisis. Now it is another crisis. It was a crisis in 1959; it was a crisis again in 1960, in 1961 and 1962; and now, in 1964, it is still another crisis. It is a ridiculous situation, and I oppose it with all the strength that I command. I will take no responsibility in connection with it.

Hon. John M. Macdonald: Honourable senators, the only reason I rise to make a few comments on this bill is that I feel a certain degree of sympathy for the sponsor, for it was my lot, either the last time or the previous time this was extended, to have to explain to the Senate why we were asking for passage of such legislation.

As he has very clearly explained, it has been a difficult situation. I notice that we are only asked to extend it for a further 18 months, and I am wondering whether those responsible for this legislation are being a little optimistic or if any solution is in sight.

I listened with interest to the remarks of Senator Roebuck. I do not think it is as clear cut as he makes it seem, or as he sees it to be. I know little about the fisheries of British Columbia, but I am fairly well acquainted with the fisheries of the Atlantic coast and I understand that their situation is the same. I can say that the primary producer, the men who actually went out and caught the fish, were usually the ones who had the most difficult time making a living. They are the ones who received the least return; they were the weak link. Fishermen had to go out and fish in all kinds of weather. Unless those who operated the fish plants would buy the catch, what could the fishermen do with it? Throw it overboard. Their bargaining power has been weak, and perhaps by co-operating together, or combining together, these fishermen would be able to better their lot, not for the purpose of increasing the price to the consumer but to get a larger share of the profit. Actually, I do not believe it should cost the consumer more, but in any event a greater share of the consumer dollar should go to the man who actually has to go out and catch the fish, rather than to those who process, distribute and sell it.

So far as I am concerned, this legislation should be passed to enable them to try to work out a solution to the problem which exists.

Hon. Mr. Roebuck: Honourable senators, may I just add a word? I did not intend to criticize the gentleman who sponsored the bill. He gave us a fine and frank explanation of it, and I congratulate him.

It is the bill I am criticizing, and if I may add to what I said with regard to the setting aside of competition, the Criminal Code says "unduly limiting competition". This is the defence of the accused when a bona fide case is presented in court. If these people do not propose to "unduly" limit competition, they do not need this legislation. It is only because of the outrageous character of their agreements, of their combines, of their violation of the Code, that they desire to have the Code and the combines legislation set aside.

Hon. Daniel A. Lang: Honourable senators—

The Hon. the Speaker: I must inform honourable senators that if the honourable Senator Lang speaks now it will have the effect of closing the debate.

Hon. Mr. Lang: Honourable senators, arising out of some of the honourable Senator Roebuck's remarks, I thought perhaps I should mention one underlying consideration which I did not refer to originally in connection with this bill.

I am advised that this intergovernmental committee, which is expected to report very shortly, making recommendations, is also very seriously concerned about conservation in these fishing grounds. The amounts and the nature of the catch to be taken each year are very important factors in the operation of the industry, to ensure its long-term preservation. When this committee reports, it is anticipated that many of its recommendations will be involved in this area.

The moratorium now sought to be granted will bring to further public scrutiny these considerations.

Motion agreed to and bill read second time.

THIRD READING

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

Hon. Mr. Lang: With leave of the Senate, now.

Hon. Mr. Roebuck: I do not consent to it. I move that the bill be referred to the Standing Committee on Banking and Commerce.

Speaking to my motion, there is no hurry to have this legislation passed at this time. These men do not fish in the winter; the fishing is done in the spring, in the usual run of the salmon. So there is no reason for pushing this through by setting aside our rules of procedure and passing this legislation peremptorily, to which I object so strongly. When have we ever set aside provisions of the Criminal Code in the interests of individuals? That is what I said the last time a similar measure came before us. It is unprecedented in that regard. True, it is not unprecedented in this particular case, because we have done this two or three times before, but that does not mean it is not generally unprecedented. Who can remember our ever setting aside the provisions of the Criminal Code for the convenience of any individuals who desire to violate it? I do not see any reason whatsoever for passing it now. We will be back after the Christmas holidays, in the new year. There will be plenty of time to do anything that it is shown to us it is necessary to do prior to the spring run.

I therefore move that the bill be referred to the Standing Committee on Banking and Commerce—if somebody will second it.

The Hon. the Speaker: Has the honourable Senator Roebuck a seconder for his motion?

Hon. Mr. Aseltine: No.

Hon. Mr. Choquette: There is no seconder.

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

Some Hon. Senators: Now.

The Hon. the Speaker: With leave of the Senate, it is moved by the honourable Senator Lang, seconded by the honourable Senator Baird, that this bill be now read the third time.

Hon. Mr. Roebuck: I did not give my consent.

The Hon. the Speaker: In that case, there is not unanimous consent. It will have to be placed on the Orders of the Day for third reading at the next sitting of the Senate.

Hon. Mr. Connolly (Ottawa West): Honourable senators, I had hoped the motion for third reading might be put.

I wonder if I might say this to Senator Roebuck and, indeed, to all honourable senators. The expiry date of the measure that is to be dealt with by this extension occurs on December 31, at the end of this month. I have not been able to make an announcement, but I was going to make it very shortly, that the Senate would be adjourned subject to recall, of course,—but recall, as I see it, is unlikely—until Tuesday, March 2.

In that interval there may be developments on the west coast in respect to this matter. I can quite understand the position taken by Senator Roebuck. He has taken it before. I understand from the sponsor of the bill and from information supplied to me that this is an unusual situation. In the circumstances, I would appeal to the house, and in particular to Senator Roebuck, to allow the bill to be read the third time so that it can be given royal assent. I undertake, of course, to place the views of honourable senators who have spoken before the appropriate minister forthwith, and to impress upon him the importance of doing all that can be done to prevent the return of this measure to this house.

Hon. Mr. Roebuck: On that undertaking I consent, but let it be clearly understood that I shall do everything in my power to stop that bill ever passing this house again.

Motion agreed to and bill read third time and passed, on division.

MERCHANT SEAMEN COMPENSATION ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-131, to amend the Merchant Seamen Compensation Act.

Bill read first time.

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

Motion agreed to.

ROYAL ASSENT

NOTICE

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

Government House
Ottawa

18th December 1964.

Sir,

I have the honour to inform you that the Hon. Robert Taschereau, P.C., Chief Justice of Canada, acting as Deputy to His Excellency the Governor General, will proceed to the Senate Chamber today, the 18th December, at 5.45 p.m. for the purpose of giving Royal Assent to certain Bills.

I have the honour to be,
Sir,
Your obedient servant,
A. G. Cherrier
Assistant Secretary
to the Governor General.

The Honourable
The Speaker of the Senate.

ADJOURNMENT

Hon. John J. Connolly: Honourable senators, I move, with leave of the Senate, that when the Senate adjourns today it do stand adjourned until Tuesday, March 2, 1965, at 8 o'clock in the evening.

I understand that in the other place it is proposed to adjourn to a date approximately two weeks earlier than that. However, they will have legislation to consider. We may have some matters that we could deal with, but it seemed to me to be more appropriate to adjourn a little longer. We have the facilities available to recall the Senate at an earlier date should this be necessary.

Motion agreed to.

The Senate adjourned during pleasure.

At 5.45 p.m. the sitting was resumed.

The Senate adjourned during pleasure.

ROYAL ASSENT

The Honourable Robert Taschereau, P.C., Chief Justice of Canada, Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned and being come with their Speaker, the Honourable the Deputy of His Excellency the Governor General was pleased to give royal assent to the following bills:

An Act to amend the Judges Act.

An Act to amend an Act to amend the Combines Investigation Act and the Criminal Code.

The House of Commons withdrew.

The Honourable the Deputy of His Excellency the Governor General was pleased to retire.

The sitting of the Senate was resumed.

The Senate adjourned until Tuesday, March 2, 1965, at 8 p.m.

APPENDIX

(*See p. 1278*)

JOINT COMMITTEE ON THE LIBRARY OF PARLIAMENT

1 9 6 4

Your Committee met on December 15, 1964 and begs to submit the following recommendations:

1. In order to bring the rates of pay for the professional employees of the Library of Parliament in line with the recently revised rates approved for librarians of the Public Service by Treasury Board Minute 630611, dated October 22, 1964, we recommend that the following rates of pay be revised as follows, effective September 1st, 1964:

Reference Librarian 1
Cataloguing Librarian 1

From:	4800 and 4980 and 5160		5340	5520	
To:		5160	5340	5520	5700

Reference Librarian 2
Cataloguing Librarian 2

From:	5400 and 5640	5880	6180	
To:	5640	5880	6180	6480

Reference Librarian 3
Cataloguing Librarian 3
Vertical File Specialist

From:	5880 and 6180	6480	6780	
To:	6180	6480	6780	7080

Reference Librarian 4

From:	6600 and 6900	7200	7500	
To:	6900	7200	7500	7860

Reference Librarian 5
Assistant Chief Cataloguing Librarian

From:	7620 and 7980	8340	8700	
To:	7980	8340	8700	9060

Chief Reference Librarian
Chief Cataloguing Librarian

From:	8640 and 9000	9380	9780	
To:	9000	9380	9780	10200

Assistant Librarian

From:	9380 and 9780 and 10200 and 10600		11000	11400	
To:		10600	11000	11400	11880

2. It is also recommended that the revised rates of pay be applied to employees as provided for in the above Treasury Board Minute, with the following exceptions:

a) that the Chief Reference Librarian be paid at $9380;

b) that Mrs. Thérèse Foster be paid at $7200, both effective September 1st, 1964.

Respectfully submitted,
Maurice Bourget,
Speaker of the Senate.
Alan Macnaughton,
Speaker of the House of Commons.
Joint Chairmen.

THE SENATE

Tuesday, March 2, 1965

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

Prayers.

THE LATE SIR WINSTON CHURCHILL

EXPRESSION OF SYMPATHY TO LADY CHURCHILL

The Hon. the Speaker: Honourable senators, during the adjournment of the Senate news came of the death of Sir Winston Churchill. On behalf of the members of this honourable house I expressed the sympathy of this house to Lady Churchill, in a message reading as follows:

Dear Lady Churchill,

I wish to express to you and to the members of your family the deepest sympathy of the members of the Senate of Canada in your bereavement.

Your sorrow is shared by those who cherish freedom in all parts of the world.

Sincerely,

Maurice Bourget.

28th January, 1965.

Lady Churchill was kind enough to reply to that letter of condolence in the following terms:

28 Hyde Park Gate,
London, S.W. 7,
3rd February, 1965.

Dear Mr. President,

I am truly grateful to you for your kind and sympathetic message.

Yours sincerely,

Clementine S. Churchill

Honourable senators, the world has lost a great citizen and an understanding leader. As it has been so well said, Sir Winston has passed on, but the example of his courage, the majesty of his words, the inspiration of his leadership and of his life, these will endure for all time.

THE LATE SENATORS AUSTIN C. TAYLOR AND JOHN A. ROBERTSON

TRIBUTES

Hon. John J. Connolly: Honourable senators, since the Senate last met this chamber has been deprived of the services of two of its esteemed members. Both of them will be missed here very much.

Senator Austin C. Taylor died on January 17 of this year. He was last in the Senate in June of 1964. Senator Taylor was from New Brunswick, but in a very real sense he was of New Brunswick. He had a long and distinguished public career, having been elected to the legislature of his province first in 1935. He was re-elected six times, which is evidence of the prestige he enjoyed among the people who knew him best, and particularly those in his own county of Westmorland.

Senator Taylor was Minister of Agriculture for New Brunswick for 17 years, during a time of great adjustment and growth in that province. He was the provincial leader of his party in 1954, and was summoned to the Senate in 1957. Here, his colleagues knew and admired and respected him, first for his unfailing politeness; for his sincerity, because he was a sincere and direct man; for his capacity as a parliamentarian, because he was one of the finest speakers to grace this chamber of great speakers; and for his expert knowledge of agriculture, because in this field he was indeed an expert.

For some time Senator Taylor was an officer of the Farmers' and Dairymen's Association, of the Fox Breeders' Association, of the Sheep Breeders' Association and of the Potato Growers' Association. In 1950, he was an adviser to the Canadian Federation of Agriculture in a world conference on agricultural problems, which was held in Sweden. In 1964 he was made a life member of the Agricultural Institute of Canada, in tribute to him for the services he had rendered to the agricultural community in Canada.

In the debates in this chamber and in the Special Committee on Land Use, over the years, he made notable contributions, not only in his special field of agriculture but also in the general work of the Senate.

Honourable senators, Austin Claude Taylor has left a mark upon Parliament; he has left a mark upon the legislature of his native New Brunswick; he has left a mark, too, upon the people of his province as a whole, and particularly upon the people of his own county of Westmorland.

It is not given to many men today to do so much.

He is mourned by the people among whom he lived, but by none more than his wife, his little daughter and his sisters.

Honourable senators, the Senate sustained another loss it can ill afford, very suddenly, on February 19, at Kenora, Ontario, in the death of John Alexander Robertson. He died

shortly after a seizure that came upon him while he was performing a community service in Kenora.

Senator Robertson was here for only two years. As men go, he was a young man, being only 51 years of age. He had really just begun to accustom himself to the ways of Parliament and the Senate. He had started to make a valuable contribution when, suddenly, in the inscrutable workings of Divine Providence, he was cut off.

Senator Robertson was affectionately and familiarly knows as "Pete". He had a great capacity for friendship, which all of us understood and benefited from. He was a big man; he was also a man of large heart. He was interested in athletics, which he frequently talked about. This in itself gave him a rapport with many of his colleagues here.

Senator Robertson was born and spent his early life in Western Canada—in Alberta—and latterly he lived in Kenora. Twice he contested a seat there, once federally, once provincially, on behalf of his own political party. He saw service in the army in the late war. He was a member of the Canadian Legion, and, in fact, an honourary life member. His business was railroading. For a long time he was a conductor on the railroads, and was also active in railroad unions.

I say with all sincerity, honourable senators, that there is tragedy and great loss to Parliament in his death.

Senator Robertson came here without a parliamentary background, but as a working railroader he knew much of this country; he knew and had met and had contact with many of its people. He had a practical viewpoint about things, which is valuable in the life of a deliberative assembly like the Senate.

The late senator was a modest man, and a prudent man. His family and his friends have been prematurely deprived of his fine lovable qualities.

Hon. A. J. Brooks: Honourable senators, I desire to associate myself with the eloquent and well-deserved tributes to which we have listened from the honourable Leader of the Government (Hon. Mr. Connolly, Ottawa West), which he has paid to our departed colleagues, Senator Taylor and Senator Robertson.

Senator Connolly has given a comprehensive and detailed outline of some of the life activities of these two departed gentlemen. I will confine myself to some general remarks.

I suppose that I knew the late Austin Taylor for a longer time than any other senator in this chamber. Many years ago, as young men, we were associated as officers in the New Brunswick Rangers, a militia unit comprised of officers and men from our adjoining counties in New Brunswick, Kings and Westmorland.

I recognized his excellent and sterling qualities; and in the subsequent years, although, as everyone knows, we were from active and opposite sides of politics in New Brunswick, nothing ever occurred that altered our association; we always remained the very best of friends. In fact, along with most people in New Brunswick, I was proud of his success, particularly in agriculture, which was his main interest and chosen field of activity.

Our late colleague was born and lived on a farm, and never lost his love for the land. As the Leader of the Government has said, he was Minister of Agriculture in New Brunswick for some 17 years, but his activities fortunately were not confined to only his native province. He became and was recognized as one of Canada's leading agricultural experts. As we have just been reminded, in 1950 Senator Taylor acted as an adviser to and accompanied the delegation of the Canadian Federation of Agriculture to Sweden for the meeting of the International Federation of that organization. He toured most countries of Europe at that time, studying the agricultural policies of the different countries, and on his return gave the benefit of his studies and knowledge to the people of Canada.

It has been recalled that just a short time before Senator Taylor passed away the Agricultural Institute of Canada, in appreciation of his great interest in agricultural matters, made him an honorary life member of that organization. We can truthfully say, and we do say in the Maritimes, that he was a true Maritimer in every sense of the word and was always a staunch supporter of any proposition which he felt would benefit those provinces. His speeches in the Legislature of New Brunswick and in this chamber eloquently attest to this fact.

I attended his funeral, as did many of his colleagues, and I am sure we were all impressed by the large number of people present. They came from all parts of his native province and from outside, representing all walks of life. I noted particularly that the men and women of his home parish of Salisbury, New Brunswick, were there in large numbers to pay him their final and sincere respect, which was fitting to the memory of the man they all held so dear and who had been a good neighbour and friend.

Honourable senators, we were again shocked a few days ago to learn of the sudden passing of our colleague Senator John A. Robertson, affectionately known, as the Leader of the

Government has said, as "Pete". He was only 51 years of age, one of our newest and, as age goes in the Senate, one of our youngest senators.

I did not know Senator Robertson before he joined us in the Senate a few years ago, but it did not take long to become acquainted with him, for his was a very friendly and genial disposition and he made friends easily. His ready smile and friendly attitude soon endeared him to all his colleagues.

Being a self-made man, he had been engaged in many activities. He had been in business in his home town of Kenora for some years, and had been on active military service. However, his major activity was with the railway, the C.P.R., where he was most successful. He was also at all times greatly interested and active in labour matters, was a member of the Brotherhood of Railway Trainmen for 23 years, and very active in labour matters and in helping to solve labour problems.

He was appointed to the Senate, as you know, in 1962, his appointment being as a representative of labour and labour unions.

We are told that Senator Robertson learned of his appointment to the Senate while in a caboose at Ignace, a northwestern Ontario turn-around point for C.P.R. train crews. He told us of it this way:

> The despatcher came to the caboose and told me that he had a long distance telephone call. When I arrived I found the Prime Minister, the Right Honourable John Diefenbaker, was on the line and asked: "Do you know a good man I could appoint to the Senate who would represent labour well?" While I stood there trying to think of someone, Mr. Diefenbaker laughed and said: "It was you I had in mind, Pete. Would you do it?"

It is significant, then, that in his maiden speech in October, 1963, Senator Robertson addressed the Senate on Bill C-102, the measure that made provision for the placing of the Maritime Transportation Unions of Canada under the management and control of trustees. In that speech he quoted Clarence Darrow, who stated some 50 years ago:

> With all their faults, trade unions have done more for humanity than any other organization of men that ever existed. They have done more for decency, for honesty, for education, for the betterment of the race, for the development of character in man, than any other association of men.

Those are the things that Senator Robertson believed in. Indeed, they served as guide lines for his life—decency, honesty, education, the betterment of the race, and the development of character in man.

Honourable senators, as we have just been told, the public life of Canada could ill afford to lose the services of these two distinguished gentlemen, the late Senator Taylor and the late Senator Robertson.

I join our leader in extending once again to their families our sincere sympathy.

Hon. G. Percival Burchill: Honourable senators, I want to express my sorrow on the death of my very close friend, Senator Taylor. We had been associated with one another for a great many years. I mourn his passing and shall miss him very much indeed.

I cannot add too much to what has already been said by the leaders on both sides, but I would mention that he had a most distinguished career as Minister of Agriculture in the Province of New Brunswick. He was the friend of every farmer in that province. When he took on the mantle of leadership, following the retirement of the Honourable Mr. McNair, he travelled around and became very well known throughout every section of the province. But he was known not only throughout New Brunswick, but throughout Canada. He was recognized as one of the leading authorities on agriculture and associated matters in this country. He regretted very deeply during his time here in the Senate that he had not been able to do more for the agricultural community. He was devoted to agriculture, and as a very successful farmer he instituted and carried out in New Brunswick practical policies which appealed greatly to the farming population.

By his death this chamber has lost a very distinguished parliamentarian, Canada has lost a great public figure, and the Province of New Brunswick has lost a very, very staunch friend. To his wife and daughter I too want to convey my very deep sympathy.

Senator Robertson's sudden death was a great shock to us all. I did not know him as well as I knew Senator Taylor, but in the short time he was with us I grew to like him and to respect him. I join the leaders on both sides in extending my very deep sympathy to his people.

Hon. J. Campbell Haig: Honourable senators, last Tuesday afternoon in the Town of Kenora, Ontario, on a cold, sunny day, there was held at Knox United Church the funeral service for one of our former colleagues, Senator John Alexander Robertson, who was affectionately known to his many friends and business acquaintances as "Pete".

There is a story behind that appellation. His father was known as Pete, and John Alexander was known as "Piccolo Pete," because at one time in his student days he was in a play in which he portrayed a character who played the piccolo, and consequently he was known thereafter as "Piccolo Pete".

On arrival at Kenora on Tuesday last I was greatly impressed to see that the flags on all businesses and private dwellings were at half-staff. This indicated to all the deep affection in which he was held by the townspeople, and the sorrow they felt at his sudden passing on the previous Friday evening.

At the service in the church there were members of the many organizations to which he belonged, as well as representatives of the Ontario Provincial Police and the Ontario Lands Branch.

As has been mentioned before, Senator Robertson was a railroad man, a fact of which he was very proud. On the many trips he and I made between Winnipeg, Kenora and Ottawa, it was most evident at all times that he was held in the highest esteem by his former fellow workers.

He was one of the most friendly of men. He had the happy faculty of getting to know people quickly and understanding their problems. He was well known to most of the members of this house and to the staff and officers of these buildings. He was genuinely interested in the work of this chamber; he studied the legislation coming forward and spent a great deal of time and effort in understanding it.

At this point I would like to mention a fact that may not be generally known to the members of this house: it is that the Honourable F. W. Gershaw was the physician in charge when the late John Alexander Robertson was born in Medicine Hat in 1913.

I speak with great assurance tonight, honourable senators, in expressing our heartfelt sympathy to his widow, Roberta, and their three young children.

Hon. Rhéal Belisle: Honourable senators, surely if happiness can ever come from honour and success achieved in this world, our distinguished friends, Senator Taylor and Senator Robertson, may well have been happy men. Not the slightest premonition of danger beclouded their sky when they left for home before Christmas. They stood erect, strong, and confident in the years stretching out peacefully and securely before them. They were thrust from this world's interests, from its hopes, its aspirations and its victories into the inevitable presence of death, and they did not quail. Their short agony was silently borne. With unfailing tenderness they took leave of life; with simple resignation they bowed to the divine decree and fell into eternal sleep.

We are here today to pay tribute to the memory of our distinguished friends.

As Senator Robertson was an old friend of mine, may I be permitted to say that his career was an example for all the working and ambitious young men of this country. Born of humble parents in Medicine Hat, Alberta, he rose to prominence and prestige in Northern Ontario. Loved by those who knew him best and respected by many, circumstances decreed that he should experience life as a young man the hard way. He was a grocery store operator in Kenora before joining the Canadian Pacific Railway in 1938. He served in the provost corps in the Canadian army during the Second World War as a corporal and sergeant.

He was twice unsuccessful in seeking a seat in the federal and provincial elections, and yet from each encounter he emerged strengthened in character and richer in experience. Surely, he believed, and certainly he lived, the sentiments expressed by Chapman when he said:

> There is a nick in Fortune's restless panel.
> For each man's good.

Senator Robertson forged ahead. He made friends. He devoted his time and his talents to public life. He bore the acclaim of his admirers with genuine modesty, and strove by all means at his command to reflect their wishes and welfare in all his actions and decisions. In truth, he kept the "common touch."

As these two late senators were comparatively young in years, but old in experience and wisdom, may I be permitted to think and hope that when their vacancies are filled in this honourable assembly the Prime Minister will replace them by men who have greatly contributed to the agricultural and labour groups of our country.

In these trying days, when our noble and distinguished Senate has to keep abreast of the popular demand for some kind of reform, I respectfully suggest that naming men who have practical and every-day experience with labour and agricultural problems will greatly enhance our popularity and usefulness, so that we may continue to deserve the high prestige of this honourable chamber.

In offering my condolences to Mrs. Taylor and Mrs. Robertson, and their bereaved families, I conclude by saying that they are parted, but they are not forgotten. The helping hand, the friendly smile, the encouraging word were displayed by both throughout their lifetime, and became woven into a bright and shining pattern whose beauty warms and thrills us even yet. They are not with us now, and yet they are not dead because:

> To live in hearts we leave behind is not to die.

Hon. Muriel McQ. Fergusson: Honourable senators, with Senator Burchill I mourn the

passing of Senator Austin Taylor whom I have known for as long as I can remember. I too miss him very much, as I do the talks we used to have about the things that might be done for the benefit of our province of New Brunswick. Such things were of prime concern to Austin Taylor.

Senator Taylor's claim to the high regard and affection of the people of New Brunswick was shown by the tremendous number of citizens of Westmorland County and other counties of the province, and from other provinces in the dominion, who, as the honourable Leader of the Opposition (Hon. Mr. Brooks) has said, sorrowfully attended his funeral in Moncton.

We in New Brunswick had not only high regard and affection for Austin Taylor, we were also very proud of him for his understanding of and work and accomplishments on behalf of farmers who make up such a large part of the population of the province. Senator Taylor rendered his services to the Province of New Brunswick, as Minister of Agriculture, at a time when those services were needed, and great advancement was made in agriculture under his direction.

With the other honourable senators who have spoken, I extend my deepest sympathy to his wife, his beloved little daughter, his sisters and the other members of his family.

I did not know Senator Robertson as well as I knew Senator Taylor. I had not known him at all before he entered the Senate, but I found him a very friendly and delightful colleague, and I enjoyed all the associations I had with him. I extend to Mrs. Robertson and the other members of Senator Robertson's family my deepest sympathy.

Hon. Arthur M. Pearson: Honourable senators, I should like to join in the sentiments expressed by the honourable senators who have spoken of our two departed colleagues, and I should like to add a little more to what has been said about Senator Taylor.

Senator Taylor was an authority on agriculture. This I found out during my experience on the Special Committee of the Senate on Land Use in Canada. He was a member of that committee from 1958 until the spring of 1963, at which time he became co-chairman; he was also a member of the Steering Committee. Had it not been for Senator Taylor I do not think that committee would have accomplished nearly as much as it did. His experience in agriculture and his forthright manner of speaking were most helpful during the period of time when the committee was examining witnesses. In fact, it was because of his intimate knowledge of the men of agriculture in Canada that the committee was able to call before it witnesses who could contribute the most. The Senate will feel a tremendous loss in the death of a member who was one of the great agriculturalists of Canada.

I knew Senator Robertson for only a short time, but during that brief period I found him a most friendly man. He and I went on a fishing trip last summer. We went north of Kenora by car to Red Lake, and I was amazed at the large number of people who apparently knew he was going there and were ready to welcome him. We went by airplane from Red Lake to the northwest corner of Ontario, where we had a very pleasant time fishing. This was all arranged by Senator Pete Robertson.

On our return we visited his home in Kenora, and there I met his charming wife and lovely family, who provided us with a wonderful dinner. I enjoyed myself tremendously.

I shall miss Senator Robertson as I shall miss Senator Taylor. I became very well acquainted with both of them. I express my sincere sorrow to the widows of both.

Hon. Arthur W. Roebuck: Honourable senators, I am afraid I cannot add very much to what has already been said with respect to the general careers of our two departed brethren. However, I would like to say a few words on behalf of myself and the members of the Standing Committee on Divorce because both these senators were useful and honoured members of that committee.

When I asked Senator Taylor shortly after his arrival in the Senate to become a member of the Standing Committee on Divorce, his answer was, "I will serve in any capacity in which I can contribute," and he did contribute very materially. He was faithful in attendance, and spent many hours in the rather thankless task of hearing evidence in divorce cases. He was not a lawyer, but his alert mind, his long experience, his knowledge of people, men and women, and of affairs, and his innate fairness, made for keeness of judgment. So far as the Divorce Committee is concerned, he is positively irreplaceable.

Honourable senators, previous speakers have referred to the impressive funeral ceremony which took place, in which participated his sorrowing fellow citizens, relatives and friends. I would like to put on record some of those lovely words expressed on that occasion by Reverend Dr. Abner J. Langley, who was his pastor and who knew him as perhaps none of us know him. Dr. Langley said:

> The sorrow that has descended upon our community, the tributes in the press and over the air, the presence in this church and sanctuary of so many from all walks of life bespeak a more eloquent

tribute than any words of mine could ever convey.

And yet, if only for our own sakes, we feel we must give expression to our sense of sorrow and of loss...

Others far better than I can tell of his great contribution to our province as Minister of Agriculture for over seventeen years. But this I do know: for such a position of high responsibility, he was "to the manner born". He loved the good earth. Springtime and harvest were no mere passing seasons to him: they were of the very stuff of life. Eagerly he awaited the yearly miracle of spring, lovingly he prepared the soil, planted the seed, tended the crop, ever rejoicing with a child-like wonder as yet again "the earth yielded her increase."

Honourable senators, so far as I am concerned, I wish to express my deepest sympathy to his wife, who was a most devoted companion, and to his little daughter Dorothy, to whom he was so completely and so sincerely devoted and who was equally devoted to him.

I lose a confrère, a colleague, but more than that I feel I lose a most valuable and loved friend.

Honourable senators, the late Senator Robertson, too, was a member of the Senate Committee on Divorce. I need not go over the various things which have been said about his career, because they have been well said and there is nothing to be gained by repetition. However, I would like to put on record what I read in the newspapers of his home town. Let me quote first, if I may, an item from "Trainmen News in Canada."

Senator Robertson is now a conductor on the Kenora-Ignace run in unassigned Pool Freight Service. He has been a member of the Brotherhood of Railroad Trainmen since 1939 and is a Past President of Lodge 270 in Kenora.

Pete was asleep in his caboose at Ignace, the objective terminal 146 miles from Kenora, when a call was received at 8:00 a.m. on November 22. Pete's first thought was of trouble at home but the call wasn't from Kenora, it was Prime Minister Diefenbaker calling from Ottawa offering him an appointment as a Senator.

In some respects it was a most remarkable incident.

It is expected that the appointment of Pete Robertson will be a colourful addition to the Senate—a big, burly man (6'1", 240 Lbs.) with a picturesque turn of phrase who might prefer fisticuffs to oratory as a means of settling disputes, political or otherwise.

Brotherhood members are quite proud of the appointment of Pete Robertson to the Senate of Canada and we wish him every success in his high and responsible office.

World Affairs in its issue of January 1963 carried the comments of the then Prime Minister when he announced the appointment in the House of Commons:

Mr. Diefenbaker said John Alexander Robertson is well qualified to speak from the standpoint of labor. He has three brothers and a brother-in-law working on the railroad... his father worked for the C.P.R. . . .

Mr. Robertson now is a conductor on the Kenora-Ignace run in unassigned pool freight service. He has been a member of the Brotherhood of Railway Trainmen since 1941 and is a past president of Local 270 of the brotherhood in Kenora.

Honourable senators, here is the local newspaper, just to hand, from Kenora in which they say:

Citizens of Kenora and across Canada were stunned and saddened this morning to learn of the death late Friday evening of Senator John Alexander Robertson... Senator Robertson had earlier assisted in a ribbon-cutting ceremony at the Kenricia Hotel, and went home early where he was stricken. He died at St. Joseph Hospital at 11.25 p.m.

Speaking of his appointment and of the interview between himself and the Prime Minister of that time, the newspaper said:

He accepted the challenge of this new avenue of service, working for the good of this district he represented.

Honourable senators, I and my fellow members of the Divorce Committee know something of the friendly and serious qualities of the late Senator Robertson. He was always willing to carry the load. During the years that have gone by—not very many, two or three since he joined our ranks—he has been a working member of that committee, where his knowledge, his fairness and his insight have ever been available. We of the Senate Committee on Divorce join with those who have already spoken in sincere tributes to both these gentlemen.

To Mrs. Taylor and to her little daughter Dorothy, I would like to express my sincerest sympathy. To Mrs. Robertson and her family I join in sending my condolences. We in this chamber are poorer for the loss of these two great citizens.

Hon. Allister Grosart: Honourable senators, I realize that the tributes which have been paid to our colleagues have been very full and that it is unlikely that I can add anything of any great value.

I join sincerely in the tributes which have been paid to them. In view of my long friendship with our late colleague Senator Robertson, I feel I would be remiss in my duty to him and to the family if I did not express my feelings personally at this time.

Like Senator Haig, Senator Yuzyk, and the Honourable Kelso Roberts representing the Government of Ontario, I had the sad duty of paying our respects to our late colleague in public life. It may be enough if I merely add my testimony to that of Senator Haig, about the memorable tribute paid to Senator Robertson by his neighbours and friends of Kenora-Rainy River on Monday of last week.

In death, as so often in his life, Pete Robertson was the central figure, the impelling magnet that attracted a great gathering of his north country neighbours. We saw them sorrowing at the church, at the cemetery, in the bereaved home, and in the homes of his brothers and sisters, where besides being the head of his own family, he was the leader, guide and counsellor of the Clan Robertson.

It seemed to me that every part of that far-flung constituency of Kenora-Rainy River was represented, in spite of the fact that it spreads from the Manitoba border almost to the head of the lakes and from the Minnesota border, 500 miles to the north.

Standing there, one felt the presence of the Great Father of all mankind, particularly in seeing representatives of the Indian bands he knew and loved so well, with heads uncovered and bowed, in 20 degrees below zero weather, as their last tribute to one who was their friend and spokesman.

I knew Senator Robertson for a good many years. I admired him for all the qualities that have been indicated in the tributes paid to him this evening; but above all else, I admired Pete Robertson for his uniquely dedicated concept of public service. I know that his summons here was to him, above all else, a call to further service to his fellow man. I know of no one here, or in the other House of Parliament, who entered so eagerly and energetically into the opportunities which public life offers for public service.

Pete Robertson was of the Protestant faith, but the range of his interests and sympathies were catholic, in every good sense of that good word. If proof of that were needed, it would be the fact that in that Protestant church there was in attendance at the funeral a guard, in full regalia, from the Father Alneau Assembly of the Knights of Columbus of the Fourth Degree. I said to one of them, "I have never before seen such an honour given in a Protestant church." The reply I received might well serve as an epitaph for our lated colleague: "We did it for Pete, because we wanted to. He made no distinction between people on grounds of creed, race or position in life. We were all people to him. He loved people and people loved him."

Knowing his family as I do, I find it difficult to speak of the awful void his passing leaves in the immediate family circle, for his was a young family who loved him dearly —Mrs. Robertson, brave and talented, two boys and a girl, Joyce—the eldest boy, Jimmy, just 14 years of age.

But if courage and loyalty are enduring, the spirit of Pete Robertson lives on. Almost the first words that 12-year old Neil spoke to his mother after the shock of the bereavment were, "Don't worry, Mom, I still have my paper route."

I know our hearts go out tonight to Senator Robertson's kith and kin in this sudden loss of a good husband, father and brother.

On their behalf, honourable senators—because I was speaking to Mrs. Robertson by long distance telephone only an hour or so ago—I take the liberty of passing on this message to you. Great comfort has come to them in this difficult hour from the many letters they have received from his colleagues in the Senate and elsewhere in Ottawa, making clearer to them than they ever knew the high regard in which Senator Pete Robertson was held by all who knew him in the short time he was permitted to be with us here.

Hon. James Gladstone: Honourable senators, this is a moment of extreme grief—first, because Pete Robertson was my close personal friend.

Just about three weeks ago, in the middle of January, he visited the town of Medicine Hat, in the Province of Alberta, where he was born. From there he came and visited me and stayed over night with my family. We had great pleasure in having him in our own home. His time was very limited, for he was on his way to Vancouver, but I took him to the Blood Reserve, which was known to Pete, and he was able to visit some of our farms and ranches on my reservation. He was delighted with what he saw. Before he left for the coast he had arranged that we would meet in Kenora this past weekend so that we

might travel together for this meeting of the Senate tonight.

When I learned of his passing it was an awful blow, because Pete and I were so close.

In 1958, when he was a candidate for the House of Commons in his home riding of Kenora-Rainy River, Mrs. Gladstone and I were invited to go to his constituency. On our arrival at the railway station in Kenora, we were delighted and amazed to see that over 150 Indian school children had come to welcome us. While I was busy visiting the chiefs and counsellors, my friend Pete drove Mrs. Gladstone to several of the schools in that area. The other day my wife told me that she would never forget the wonderful time they had driving around to visit Indians and the school children.

In 1962, the then Prime Minister Diefenbaker appointed John Alexander Robertson to the Senate. He was then in his 50th year. I believe he was one of the youngest senators appointed at that time. I cannot believe that two years later he has gone. There is a void to me without his presence here. He lived long enough for me to learn from him, because his counsel was wise. I do not know why he and I came together. We just seemed to be adapted one to the other. Probably it was because I was a hillbilly, and he a railroader. I am very happy he came to our home.

Senator John A. Robertson was a life member of the Royal Canadian Legion, and it was his great desire that legislation should be introduced which would benefit mankind generally and bring about better relations between labour and management. He was on the threshold of achievement. He was not the first one appointed to our chamber representing labour. Reading past records, I find that Senator Gideon Robertson likewise was a labour representative.

The late senator's three teenage children are at an age when they will feel their father's loss very keenly and, speaking as a colleague and friend and on behalf of the Indians whom I represent—and there were about 5,000 or 6,000 around Rainy River who knew him personally—our sympathy goes out to his charming wife and children in this hour of great sorrow.

VILLE LASALLE DISASTER

MESSAGE OF SYMPATHY

Hon. Malcolm Hollett: Honourable senators, I rise on another matter. Some 35 years ago an earthquake occurred out in the Atlantic Ocean off Burin where I lived. A huge wave rolled in and within seconds after it struck the coastline, 28 men, women and children were dead.

As I touched down in Montreal yesterday on the plane I learned of the tragedy which had occurred there in the morning, and my thoughts went back 35 years. I remember the many expressions of sympathy which poured in to our people on that rugged coastline, expressing the sorrow of people all across Canada.

I deem it my duty to rise at this time to move that the Senate send, through the Mayor of LaSalle, an expression of sympathy and sorrow to the people who have been bereaved by this tragedy in this suburb of Montreal.

The Hon. the Speaker: Is it agreed?

Hon. Senators: Agreed.

CANADA PENSION PLAN

JOINT COMMITTEE—CHANGE IN COMMONS MEMBERS

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons stating that the names of Messrs. Morison, Enns and Prittie have been substituted for those of Messrs. McCutcheon, Scott and Moreau on the Joint Committee on the Canada Pension Plan.

PENITENTIARY ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-145, to amend the Penitentiary Act.

Bill read first time.

Hon. Mr. Connolly (Ottawa West) moved, with leave, that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

COAL PRODUCTION ASSISTANCE ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-147, to amend the Coal Production Assistance Act.

Bill read first time.

Hon. Mr. Connolly (Ottawa West) moved, with leave, that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

CANADA LABOUR (STANDARDS) CODE BILL

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-126, respecting hours of work, minimum wages, annual vacations and holidays with pay in federal works, undertakings and businesses.

Bill read first time.

SECOND READING—DEBATE ADJOURNED

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

Hon. Donald Smith, with leave, moved second reading.

He said: Honourable senators, I feel that I should thank my leader for assigning to me the task of introducing this Labour (Standards) Code bill to the Senate. I take it as a compliment to myself, and I also regard it as a personal pleasure, stemming from the fact that the present Minister of Labour has been for a dozen years or more a very good personal friend of mine, and I, like a great many other Nova Scotians and, indeed, Canadians in general, have watched with interest the successful way he has managed his department of government since he assumed office.

We all recall that he entered the cabinet as Minister of Labour during a very troublesome time, but he was able to overcome those difficulties. I feel I must mention that it was a hectic time. After seeking the approval of Parliament, he was able to bring about a peaceful solution to the strife and violence associated with shipping on the Great Lakes. Under the legislation, we recall, he appointed a Board of Trustees under the chairmanship of Mr. Justice Victor Dryer to administer the affairs of the powerful Seafarers' International Union. The first objective of that legislation and the first objective of the Board of Trustees was realized almost immediately when the seamen voted to return to work. Since that time and, of course, following the dismissal by the Board of Trustees of Hal Banks, there has been no trouble or harassment on the Great Lakes, either in Canada or the United States. Furthermore, I think it important to note that before long democratic elections of new officers had been held and internal changes made in the union.

In terms of our economy alone, this must be regarded as a valuable contribution. I point to this work with which he was associated with some pride, as evidence of the success which followed his efforts to settle the longshoremen's strike on the St. Lawrence ports at a time when it was absolutely necessary for our economic health that the unprecedented cargoes of grain be got out of the St. Lawrence Seaway before the annual freeze-up.

It is that kind of action on the part of the Minister of Labour, imposed on him fairly early in the game, that made me, as one of his old friends, very proud of him. I am also glad that he has been successful in having the Government enact legislation in other labour fields, and I fully expect that Bill C-126, which breaks new ground, will stand many years as another monument to the public service being performed by the minister from Nova Scotia.

Honourable senators who have had an opportunity to read through Bill C-126 will note in the first place that it is a bill comprising 54 clauses spread over 22 pages. It is not one the principle of which I can skip over quickly. There are, perhaps, a few remarks which I should make on the principle of the bill, and also some necessary explanations so that honourable senators on both sides of the chamber will have an understanding of the kind of legislation now before us.

This bill, as the title says, is an act respecting hours of work, minimum wages, annual vacations and holidays with pay in federal works, undertakings and businesses. I believe it to be a logical further step in the regulation of working conditions in those industries which come under federal jurisdiction. I think we should remind ourselves when thinking in terms of this particular legislation that there are a number of other acts in this field which have shown their worth and which I should list at this time. They are: the Fair Wages and Hours of Labour Act, the Industrial Relations and Disputes Investigation Act, the Canadian Fair Employment Practices Act, the Female Employees Equal Pay Act, and the Annual Vacations Act.

Every province in Canada has already accepted the principle of or the responsibility for establishing minimum conditions under which people will have to work in industries under provincial jurisdiction. My reading of the subject matter indicates that all provinces have minimum wage laws and all have some legislation dealing with hours of work. Most of them have set standards for annual vacations and pay for holidays. This bill will, therefore, fill a gap in this field of labour standards in Canada, since it will apply to all undertakings within the legislative authority of the federal Parliament.

Activities normally under provincial jurisdiction are, of course, excluded under the

Constitution. I think I should point out also that since the Yukon and Northwest Territories Act assigns authority normally regarded as being equivalent to provincial powers to the governing council of the territories, they are also excluded from the operation of the bill, as are all the other provinces. Similar exceptions have been made in some recent acts, one of these being the Annual Vacations Act of 1958. I am informed that the council of the territories is giving consideration to the enactment of ordinances which will deal with appropriate labour standards coming under the jurisdiction of that council.

I think it would be helpful if I put on the record at this time the federal undertakings referred to in the title of the bill. They include: navigation and shipping; railways, canals and telegraphs; interprovincial road transport and pipe lines; air transportation and facilities; radio and television broadcasting; banks; and those industries which have been declared by Parliament to be for the general advantage of Canada or of two or more of the provinces.

Other industries which have been declared as such are grain elevators and flour and feed mills; uranium, mining and refining of that ore; and any undertaking which is outside the exclusive legislative authority of the provinces. In addition, there is included all government corporations which are listed in Schedule B to the Financial Administration Act and regarded as federal undertakings.

It might be useful if, instead of reading this list comprising 10 such government corporations, I could have permission to put them on the record. They are important in themselves, but they are not of very great magnitude in regard to the effect this bill will have on them. With your permission, I will have this put on the record at this point.

Hon. Senators: Agreed.

Schedule B to the Financial Administration Act (1952, chap. 116)

Schedule B

Agricultural Prices Support Board
Atomic Energy Control Board
Canadian Maritime Commission
Director of Soldier Settlement
The Director, The Veterans' Land Act
Dominion Coal Board
Fisheries Prices Support Board
National Gallery of Canada
National Research Council
Unemployment Insurance Commission

1951 (2nd Sess.), c.12, Sch. B.

Hon. Mr. Smith (Queens-Shelburne): I also want to point out that other employees in the public service of Canada are not specifically covered in this bill but the national labour standards will be or already have been adopted by government departments and crown corporations.

It is obvious, honourable senators, that most of the workers—and their number has been estimated to be in the order of 550,000—in federal industries have already reached labour standards equal to or higher than those provided under this bill, because of agreements made following collective bargaining procedures. The proposed legislation will, however, ensure for unorganized employees and small groups who are privately employed the benefits of the progress already enjoyed by others as a result of collective bargaining.

It is also important to note that an undertaking has been given by the Minister of Labour to bring forward amendments to the Fair Wages and Hours of Labour Act by means of which the minimum labour standards provided in this bill will be applicable to certain categories of federal workers. Those of us who have any knowledge of how the Fair Wages and Hours of Labour Act now applies will know that these standards are presently related to existing local circumstances.

Establishing minimum labour standards in federal industries will perhaps have the greatest immediate impact on the wages and working conditions of those people in non-urban or rural areas of Canada where labour standards are usually lower. Many such areas exist, for example, in the Atlantic provinces, and of course in the rural areas of almost all provinces of Canada. For the first time the working conditions in these areas will be raised up to a national standard, depending only on whether the workers are employed in an industry or on a contract under federal jurisdiction. In other words, the effect of this bill will be to establish the same minimum labour standards for federal employees whether they are in a high wage region such as Ontario and British Columbia, or in the Atlantic provinces.

The standards in the Canada Labour Code have been set after full consultation and discussion at a federal-provincial labour conference which was held last spring in Ottawa. At the conclusion of that conference the provincial ministers—and I read a summary of the conference proceedings in order to determine just what had transpired—expressed general agreement on the need for progressive labour standards, and acknowledged the existence of the gap in the federal field.

We are all aware that going back over quite a number of months, discussions of the general effects of the proposed legislation have also been held with representatives of both the labour and management groups. I have no doubt that these discussions have proven most helpful to the Minister of Labour and his officials in the preparation of this bill. Most of us have from time to time received copies of the briefs that have been presented to the minister in this regard.

I come now to the standards that are proposed in the bill. The bill provides for an eight-hour day and a forty-hour week, with overtime limited to eight hours per week, which has to be paid for at the rate of time and a half. The bill also provides for a minimum wage of $1.25 an hour. It provides for two weeks' annual vacation with pay, and also for eight general holidays with pay.

Part I deals with hours of work. The enactment of the forty-hour week standard recognizes the need to reduce the excessive number of hours worked by a minority in establishments under federal jurisdiction. It has been felt for some time that a high number of hours of work do not in the long run contribute to industrial efficiency, and may, indeed, have an important effect on industrial accidents as well as being injurious to health. The forty-hour standard should, therefore, be of benefit to employees under federal jurisdiction who continue to work long hours. In addition, it should help to spread employment amongst the labour force of Canada.

Overtime of an additional eight hours a week at one-and-a-half times the regular rate is permitted, but provision is also made for averaging. I shall enlarge on that in just a few minutes. Work in excess of eight hours' overtime in a week may be allowed under permit in cases where the minister is satisfied that there are exceptional circumstances which justify the working of additional hours.

Hon. Mr. Farris: Is that at the same rate?

Hon. Mr. Smith (Queens-Shelburne): The overtime would be at the same rate, or at a different rate if so set by the minister. I propose to explain that more fully in a few minutes.

Hon. Mr. McCutcheon: Would the honourable senator tell me who these people are who under federal jurisdiction are now working these long hours, and who thus require this special legislation in order to protect their interests? Which group of federally-controlled employees are in this situation?

Hon. Mr. Smith (Queens-Shelburne): If we think in terms of the list of federal undertakings that I have enumerated, the first group to come to my mind are the stevedores; another group is that of the truckers. There may be a large number of employees in the radio and television broadcasting industry who are presently working long hours. In some of the underdeveloped parts of this country, employees are working even substandard hours. I am referring particularly to some areas where they are not in sufficient numbers to enable them to become members of a union. I shall deal with some of these areas as I develop my presentation further.

Honourable senators, the provisions of Part I concerning hours of work will not cause undesirable dislocation in most of the federal industries. Of course, the reason I say this is the same as that which caused Senator McCutcheon to rise and ask his question a minute ago. There are 550,000 employees in this country now working under federal jurisdiction, and it has been estimated by some people that perhaps only 10 per cent of them will benefit directly from the terms of this legislation. The legislation has an effect apart from its direct effect upon those particular employees. I shall in my remarks enlarge on that particular phase of the legislation as well.

Hon. Mr. Brooks: In that connection I wonder if I might ask the honourable senator what percentage is the 550,000 who will be affected of the total labour force of the country?

Hon. Mr. Hayden: Did the senator say "affected"? I think he said "the 550,000 who will be covered".

Hon. Mr. Brooks: Yes, the 550,000 who will be covered.

Hon. Mr. Smith (Queens-Shelburne): As I understand it, the labour force is approximately 6 million. Your mathematics are keener than mine, but I think it would be a little under 10 per cent of the labour force.

Hon. Mr. Brooks: So 10 per cent of 550,000 would make it about one per cent of the total labour force.

Hon. Mr. Croll: No; 10 per cent of the total labour force.

Hon. Mr. Smith (Queens-Shelburne): I think that as I proceed some questions now in the minds of honourable senators will be answered. I know the point that my honourable friend is making. It is that this will have no effect, so why are we bothering with it?

Hon. Mr. Brooks: No, no.

Hon. Mr. Smith (Queens-Shelburne): One of the effects will be on the conditions of employ-

ment of the people I know best down in the Atlantic provinces. I am thinking of junior bank clerks, those working on breakwaters and those working for a little broadcasting station somewhere, who are not now receiving the benefits of union negotiation. I can think of many people who will benefit from this legislation.

As an enlargement of what I was about to say when I was asked a question by Senator McCutcheon, I will mention another effect of this legislation, which is that although it fills a gap and sets a standard which is below that at which most people in this country work—those who are in organized labour, and so on—it will put pressure on those in some provinces who have for many years been resisting progress in this very field. Whether the discussions of this particular legislation in the Province of Nova Scotia were responsible or not, the truth of the matter is that when the Minister of Labour of Nova Scotia and his officials went back home, within six months they came up with a revised minimum wage law for the Province of Nova Scotia, which for the first time covered male employees in the province and raised the women's minimum wage from something like $21 a week to a rate of, I think, 75 or 80 cents an hour. When the federal Government points out these gaps in discussions and says to the provinces, "We are going to do away with them—you people do what you like; it is your jurisdiction," I think only good flows from it. Good flows from good, just as evil flows from evil. I think this is good legislation.

I am not arguing for this legislation. My duty tonight is to present it in the best way I can, so that its terms are understood by all honourable senators. I know that there will be some who will have criticisms to make of it, and very valuable criticisms, and I think that criticism may result in our recommending some changes.

When I have finished these remarks I intend to say that if the bill receives second reading I shall move that it be sent to the Standing Committee on Banking and Commerce where its terms can be fully explored by honourable senators, and where a complete opportunity will be offered to people to appear before the committee to make any representations they wish.

I was about to say that there are a number of industries under federal jurisdiction which will require various periods of time in order to make the adjustments to the hours of work standards. Indeed, there may be some employment which, from the standpoint of both employees and employers, will require a rather lengthy deferment period. There will likely be a few cases in which it will be necessary to set standards of hours of work, which differ to the extent necessary to remove any undue hardships to labour and management. Under clause 51 of the bill it is therefore provided that the application of Part I may be delayed for a period of 18 months by order of the Minister of Labour, if it is shown that the immediate application of the hours of work provisions would be detrimental to a particular kind of employment.

In a situation where there is reason to believe that a period of longer than 18 months would be required by a particular industry for adjustment, it is also provided that an inquiry under the Inquiries Act may be held in order to investigate the facts fully. At this inquiry an opportunity would be given for both employees and employer to be heard. The commissioner, after full consideration of the facts, would make his recommendation to the minister as to whether the deferment period should be extended. An order in council could then follow, to fix the length of the deferment period.

An order for deferment issued by the minister or an order by the Governor in Council may also prescribe the hours of work standards which are suitable to the particular operation of the industry. These provisions are based on the need for consideration for the interests of employees whose earnings might otherwise be substantially lessened, as well as for employers who would otherwise be confronted with serious problems in the operation of their business.

These provisions are expected to take care of the problems which might face some of those industries who have been good enough to send copies of their briefs to us and with whom the minister and his officials have had long drawn-out discussions. The group would include such industries as trucking, some railway operations, shipping, stevedoring, grain elevator operation, and so on.

In addition to what I have mentioned already, there is the relief from the application of hours of work standards which is given to those industries through the application of clause 5. This is perhaps the most important provision.

Under this clause, necessarily irregular distribution of an employee's hours of work, such as in stevedoring, may be averaged for a period of from two weeks to 52 weeks, in order to calculate his average daily and weekly hours of work.

As an example of this, under the averaging provision, an employee could work 52 weeks times 40 hours, which is 2,080 hours. He could also work 52 weeks times eight hours of overtime, an additional 416 hours, making a total of about 2,500 hours in a year, before the maximum hours limitation would apply.

Hon. Mr. Hayden: You have not taken off two weeks holidays and the eight days statutory holidays.

Hon. Mr. Smith (Queens-Shelburne): That is right. In employment such as stevedoring, there is also the protection given by clause 9. Under this clause, special permits may be given permitting the additional hours during the period of exceptional circumstances with respect to the relatively short work seasons, which confronts stevedores in the ports of Halifax and Saint John. I think it is particularly significant to stevedoring in those ports.

Clause 10 provides that the maximum hours in a week may be exceeded in cases of unforeseen circumstances, accidents or urgent repairs to plant and equipment. Such work, if undertaken, must be reported. I think it would be of special interest to fishermen—and those of us from the Atlantic provinces realize how many fishermen we have—to note that although the fishing industry itself is within the scope of the bill, the bill will have very little application to it. The main reason for this is that the great majority of fishermen, as we all know, are either self-employed or are engaged in fishing on a share basis. Only those engaged in fishing who are paid a salary or wages would come under the proposed legislation. Of course, the employment of even this relatively small number would find adequate relief under the provisions of averaging and the other provisions I have mentioned. I am thinking now in terms of provision for relief for someone who may be on salary, in a large dragger which goes to sea for seven days.

Hon. Mr. Roebuck: What about fish packers?

Hon. Mr. Smith (Queens-Shelburne): We have nothing to do with fish packers. My understanding is that that is purely a provincial responsibility. I know that the Province of Nova Scotia has made regulations regarding the fish packing industry.

Honourable senators, I turn now to Part II of the bill, which concerns minimum wages. As I stated earlier, the bill establishes a minimum rate of wages of $1.25 an hour. This rate applies to both men and women. The standard rate does not apply, however, to persons under 17 years of age, or to those who are engaged in bona fide training programs in industry.

For any hours worked in excess of eight in a day or 40 in a week, an employee is entitled to one and a half times his regular rate of pay. If he or she is employed at the minimum rate, the overtime pay would, therefore, be $1.87½ an hour.

I think it can be considered, taking all the circumstances into consideration, that the proposed rate of $1.25 is a reasonable minimum standard for federal industries. The public service of Canada should set an example in the conditions under which those who work for the Government or in industries associated with federal operations are concerned.

It was of interest to me to note, several months ago, the submission of a special committee set up by the Mayor of Halifax to the Minimum Wage Board of Nova Scotia. The opinion of this committee was that the expenditure for the basic needs of a Halifax family of two adults and two children, as determined by consultation with the city nutritionist, was $222 a month. A wage rate for a 40-hour week to meet this expenditure would have to be $1.43 an hour. The proposal in this bill of $1.25 does not reach that, but it is a progressive step in that direction. As I have already mentioned, the Government of Nova Scotia has recently made significant progress in establishing what they regard as a satisfactory minimum wage.

I might make the comparison, for the record, that an experienced male over 17 years of age, under the new minimum wage order, effective February 20 of this year, must be paid $1.05 an hour. They are getting pretty close to the federal rate, when they have raised the payment up from a rate which, as I mentioned a while ago, was expressed as a weekly wage of $21.60 for females; and there was no minimum wage rate for males, until this time. I think that is good progress.

There is an important provision in the bill which gives the minister power to defer the application of the $1.25 minimum rate, in the case of a local undertaking in which the interests of the employees or the operation of the undertaking would otherwise be adversely affected.

Honourable senators, may I turn to Part III of the bill, which deals with annual vacations. This part, in the first place, repeals the Annual Vacations Act of 1958 and, while incorporating most of the provisions of that act, makes certain improvements.

Under Part III, every employee is entitled to a two-week vacation with pay after a continuous employment period of one year. Employees who do not complete a year's employment will be entitled to four per cent of their wages in lieu of vacation pay, provided they have had continuous employment for at least 30 days. This is similar to provincial legislation, including that of the Province of Nova Scotia.

Turning to Part IV, dealing with general holidays with pay, this part of the bill provides that an employee is entitled to a holiday with pay on each of eight general holidays. These holidays are named in the bill itself, and are as follows: New Year's Day, Good Friday, Victoria Day, Dominion Day, Labour Day, Thanksgiving Day, Remembrance Day and Christmas Day.

Provision is made in the bill for the substitution of another holiday under certain conditions for one of those listed. For instance, if one of the general holidays falls on a Saturday or Sunday that is ordinarily not a working day for an employee, he is entitled to a holiday with pay on either the preceding or following working day.

Provision is also made for the substituted holiday to be granted at some other time convenient to both the employee and employer. This will be a useful provision for those employed in what is regarded as a "continuous operation." There are times when the main industry in my community, the newsprint industry, works seven days a week, and that of course would be regarded as a continuous operation. Incidentally, the definition of "continuous operation" is contained in clause 24 of the bill.

Now, in employment other than a "continuous operation", where normally the establishment would be closed for the general holiday, if an employee is required to work he is to be paid his usual wages for the day's work in addition to being paid at time-and-a-half rates for the time worked.

Finally, Part V deals with administration. It deals with inspection procedures and the furnishing of information by employers necessary to determine whether the standards laid down are being observed, and also provides for penalties for violations of the act.

The general regulation-making power is set out in the bill, as well as the special transitional provision which permits deferment of the operation of Part I dealing with hours of work, as well as the deferment of the provision in Part II establishing the minimum rate of $1.25 an hour.

Under this part, the establishment of consultative or advisory committees to advise the minister is authorized, which would make recommendations on matters relating to the administration of the act.

Provision is made for an annual report to be made to Parliament on the administration of the act, in the usual terms that provide for such reports and legislation of this nature.

Honourable senators, I am sorry I could not make my explanatory remarks a little shorter. Perhaps I can place some of the responsibility for that on some others who were interested enough to ask me questions. However, I think I have now covered the bill in a general fashion. Perhaps after reading what I have said, honourable senators will have a little better understanding of the bill than they had before. In any event, I look forward to an interesting debate in this chamber, and also a full exposing of the whole problem in the Standing Committee on Banking and Commerce, to which committee, if the bill receives second reading, I intend to refer the bill.

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

DOCUMENTS TABLED

Hon. John J. Connolly tabled:

Report of the Royal Canadian Mounted Police for the fiscal year ended March 31, 1963. (English and French texts).

Report on the Operations of the Municipal Improvements Assistance Act for the year ended December 31, 1964, pursuant to section 11 of the said act, chapter 183, R.S.C., 1952. (English and French texts).

Capital Budget of the National Harbours Board for the calendar year 1965, pursuant to section 80(2) of the Financial Administration Act, chapter 116, R.S.C., 1952, together with a copy of Order in Council P.C. 1965-45, dated January 6, 1965, approving same. (English text).

Capital Budget of Trans-Canada Air Lines (now Air Canada) for the year ending December 31, 1965, pursuant to section 80(2) of the Financial Administration Act, chapter 116, R.S.C., 1952, together with a copy of Order in Council P.C. 1964-2037, dated December 23, 1964, approving same. (English text).

Report of Proceedings under the Trans-Canada Highway Act for the fiscal year ended March 31, 1964, pursuant to section 9 of the said act, chapter 269, R.S.C., 1952. (English and French texts).

Report of the Department of Forestry for the fiscal year ended March 31, 1964, pursuant to section 12 of the Department of Forestry Act, chapter 41, Statutes of Canada, 1960. (English text).

Report of the National Gallery of Canada, including its Accounts and Financial transactions certified by the Auditor General, for the fiscal year ended March 31, 1963, pursuant to section 10 of the National Gallery Act, chapter 186, R.S.C., 1952. (English and French texts).

Report of the National Gallery of Canada, including its Accounts and Financial transactions certified by the Auditor

General, for the fiscal year ended March 31, 1964, pursuant to section 10 of the National Gallery Act, chapter 186, R.S.C., 1952. (English and French texts).

Reports of the Department of Veterans Affairs and of the Canadian Pension Commission for the fiscal year ended March 31, 1964, pursuant to section 9 of the Department of Veterans Affairs Act, chapter 80, and section 4(2) of the Pension Act, chapter 207, R.S.C., 1952, including the Report of the War Veterans Allowance Board for the same period. (English text).

Copy of amendments made by the President and Puisne Judges of the Exchequer Court of Canada to the General Rules and Orders of the Exchequer Court of Canada, dated November 4, 1964, together with copy of a subsequent amendment, dated December 3, 1964, pursuant to section 88(2) of the Exchequer Court Act, chapter 98, R.S.C., 1952. (English and French texts).

Statement prepared in the form of Schedule "Q" to the Bank Act, showing Composite Current Operating Earnings and Expenses of the Chartered Banks of Canada for the financial years ended in 1964, pursuant to section 119(1) of the said act, chapter 48, Statutes of Canada, 1953-54. (English and French texts).

Report of the Commissioner of Penitentiaries for the fiscal year ended March 31, 1964, pursuant to section 30 of the Penitentiary Act, chapter 53, Statutes of Canada, 1960-61. (English text).

Copy of the *Canada Gazette*, dated Monday, February 8, 1965, containing the Proclamation of the National Flag of Canada. (English and French texts).

Copy of Ordinances, Chapters 1 to 6 inclusive, made by the Commissioner in Council of the Northwest Territories, assented to November 12, 1964, pursuant to section 15 of the Northwest Territories Act, chapter 331, R.S.C., 1952, as amended 1953-54, together with a copy of Order in Council P.C. 1964-1938, dated December 10, 1964, approving same. (English text).

Copy of Ordinances, Chapters 1 to 14 inclusive, made by the Council of the Yukon Territory, assented to December 4, 1964, pursuant to section 20 of the Yukon Act, chapter 53, Statutes of Canada, 1952-53, together with a copy of Order in Council P.C. 1965-49, dated January 6, 1965, approving same. (English text).

Report of the Auditor General to the House of Commons for the fiscal year ended March 31, 1964, pursuant to section 70(2) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French texts).

Public Accounts of Canada, Volumes I, II and III, and an Abridged Version thereof, for the fiscal year ended March 31, 1964, pursuant to section 64(1) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French texts).

Report of Operations under the Export and Import Permits Act for the year ended December 31, 1964, pursuant to section 26 of the said act, Chapter 27, Statutes of Canada, 1953-54. (English and French texts).

Order in Council P.C. 1965-215, dated February 9, 1965, authorizing under section 21 of the Export Credits Insurance Act, a revised contract of insurance originally approved by Order in Council P.C. 1964-455, dated March 26, 1964, by the Export Credits Insurance Corporation to cover the sale of aircraft parts by The de Havilland Aircraft of Canada, Limited, to Douglas Aircraft Company, Inc., Santa Monica, California, U.S.A., pursuant to section 21B of the said act, chapter 105, R.S.C., 1952, as amended 1960-61. (English text).

Order in Council P.C. 1965-232, dated February 11, 1965, authorizing under section 21A of the Export Credits Insurance Act, long-term financing by the Export Credits Insurance Corporation of engineering and procurement services from Montreal Engineering Company, Limited, Montreal, Quebec, and for the export of power generation and transmission equipment from Canadian exporters for use in connection with the Kota Dam Power Project in the State of Rajasthan, India, pursuant to section 21B of the said act, chapter 105, R.S.C., 1952, as amended 1960-61. (English text).

Capital Budget of The St. Lawrence Seaway Authority for the year ending December 31, 1965, pursuant to section 80(2) of the Financial Administration Act, chapter 116, R.S.C., 1952, together with a copy of Order in Council P.C. 1965-247, dated February 11, 1965, approving same. (English text).

Capital Budget of Central Mortgage and Housing Corporation for the year ending December 31, 1965, pursuant to

section 80(2) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French texts).

Consolidated Index and Table of Statutory Orders and Regulations published in the *Canada Gazette*, Part II, for the period January 1, 1955 to December 31, 1964. (English and French texts).

Statutory Orders and Regulations published in the *Canada Gazette*, Part II, of Wednesday, December 23, 1964, January 13 and 27, February 10 and 24, 1965, pursuant to section 7 of the Regulations Act, chapter 235, R.S.C., 1952. (English and French texts).

Report of the Operations under the International River Improvements Act for the year ended December 31, 1964, pursuant to section 11 of the said act, chapter 47, Statutes of Canada, 1955. (English and French texts).

Copy of Agreement between the Government of Canada and the Inter-American Development Bank to provide for the administration by the bank of funds made available to the bank by the Government of Canada for economic, technical and educational assistance to Latin American Countries, Members of the Bank. Signed at New York, December 4, 1964. (English and French texts).

Final Report of the Royal Commission on Health Services (Chief Justice Emmett M. Hall, Chairman), Volume II, dated December 7, 1964, together with Press Release. (English and French texts).

Copy of Economic Surveys—Canada—by the Organization for Economic Co-operation and Development—Paris, December, 1964. (English text).

Preliminary Report of the Royal Commission on Bilingualism and Biculturalism, dated February 1, 1965. (English and French texts).

Copy of White Paper intituled "The Amendment of the Constitution of Canada", dated February, 1965. (English and French texts).

DIVORCE

REPORTS OF COMMITTEE PRESENTED

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 685 to 736, inclusive, and moved that the said reports be taken into consideration at the next sitting.

He said: Honourable senators, since from behind me I have just been asked as to where we stand in connection with these matters, I think this is the appropriate time for me to make a statement to the house on the general statistics of our work in the committee.

The Commissioner, under the new act, commenced his hearings on January 7, 1964, and between that date and December 17, 1964, which honourable senators will recollect was the date of our adjournment for the Christmas vacation, the Senate Divorce Committee passed 736 of the Commissioner's findings.

On December 17, 1964, the Chairman of the Senate Divorce Committee had considered and approved a further 119 of the Commissioner's reports, making a total in all since January 7, 1964—which you will realize is a period of a year and two months—a total of 855 reports approved by the committee or by its Chairman.

I should explain that during the recess the reports of the Commissioner have come to me personally, and I have read them and marked my approval. They will be submitted to the committee itself on Thursday next for general approval.

Hon. Mr. Farris: Have any been rejected, overruled or turned down?

Hon. Mr. Roebuck: That is hardly a fair question, for two reasons. In the first place, there has been the closest co-operation between the Commissioner and the Chairman of the committee, and while I have referred back, on my own responsibility, quite a large number of cases, there has been none of the 855 cases tried in which we, the Chairman and the Commissioner, have not reached a unanimous conclusion.

Hon. Mr. Farris: What is unfair about the question?

Hon. Mr. Roebuck: Because the word "rejection" seems objectionable. We have done our best not to reject cases. There have been cases—I cannot give you the number—which, when the evidence has been insufficient, we have actually rejected. But it is very seldom, and for two reasons. One is that the rules are very clear with regard to the evidence it is necessary to present, and those rules have been in existence now for a long time. The profession, in the Province of Quebec mostly, has become familiar with what will pass and what will not, and it is seldom now that counsel brings a case before us that is unacceptable. Sometimes the evidence is not sufficient. In quite a number of cases—and I can give you that number in a moment—now pending an adjournment is given for the purpose of presenting further evidence.

Over and above the 855 reports above mentioned, a further 50 petitions have been entertained by the Commissioner and adjourned

for adjudication or further evidence. That is the answer to your question, senator. That means that we have tried nearly 1,000 cases since January 7, 1964, bearing in mind there are some that have some details to be cleared up.

Petitions not contested and ready for trial number 300 or thereabouts. Contested cases ready for trial number 48. Of that total of 348 cases, 6 contested and 57 uncontested have been listed for hearing up to date.

It now takes about six months only from the date of filing of the petition for the case to be heard and passed by this chamber. So we are caught right up on the backlog, which answers the question asked by Senator Burchill.

No one has any grounds now for complaint at the long delays that had been so prevalent in the past. I am very pleased indeed at the efficiency, skill, knowledge and wisdom of our Commissioner, and above all, the spirit of co-operation between himself and the committee, chiefly as represented by its chairman. It has been very satisfactory, and I am under the impression that he has achieved a fine reputation in the district from which he comes and from which most of the cases arise.

Motion agreed.

CANADA PENSION PLAN BILL

THIRD REPORT OF JOINT COMMITTEE TABLED

Hon. Muriel McQ. Fergusson, Joint Chairman of the Joint Committee of the Senate and the House of Commons appointed to consider Bill C-136, to establish a comprehensive program of old age pensions and supplementary benefits in Canada payable to and in respect of contributors, tabled the third report of the committee.

MOTION TO PRINT AS APPENDIX TO MINUTES OF PROCEEDINGS

Hon. Mrs. Fergusson moved, with leave of the Senate, that the third report of the Joint Committee be printed as an appendix to the *Minutes of the Proceedings of the Senate* of this day and form part of the permanent records of this house.

Motion agreed to.

CANADA COUNCIL

NAME, DATE OF APPOINTMENT AND QUALIFICATIONS OF PRESIDENT—INQUIRY ANSWERED

On the Notice of Inquiry of Hon. Mr. Pouliot:

1. What is the name of the Chairman of the Canada Council and on what date was he appointed?

2. Is he a man of letters? If so, what are the titles of his books and where and when have they been published?

3. Is he a painter? If so, in what city and when did his first exhibition take place?

4. Is he a sculptor? If so, to what school does he belong and where were his works exposed?

5. Is he a musician? If so, what instrument does he play?

6. In what cities and on what dates were his concerts given?

7. Does he make any records and if so where can these be bought?

8. Is he a chartered accountant or an auditor? If so, what degrees does he hold and by whom were they granted?

9. What was his occupation, calling or his profession, prior to his appointment?

10. If he is neither a man of letters, a painter, a sculptor, a musician, nor a chartered accountant, why has he been appointed in preference to an artist?

Hon. John J. Connolly: The answer to the honourable senator's inquiry is as follows:

1. Jean Martineau was appointed Chairman of the Canada Council by Order in Council (P.C./732) on May 14th, 1964, for a term of five years expiring May 18th, 1969.

2. No.

3. No.

4. No.

5. No.

6. See answer to 5.

7. No.

8. No.

9. Lawyer, Queen's Counsel, and business man.

10. In accordance with the recommendations of the Royal Commission on National Development in the Arts, Letters and Sciences (The Massey Commission), the Canada Council is as much concerned with the humanities and social sciences as it is with the arts. The Chairman of the Council thus requires great breadth of knowledge and depth of experience, coupled with administrative ability. The Government is satisfied that Mr. Martineau is very well qualified to conduct this wide-ranging enterprise.

MARRIAGE AND DIVORCE ACT

BILL TO AMEND—ORDER FOR SECOND READING STANDS

On the Order:

Second reading of Bill S-16, intituled: "An Act to amend the Marriage and

Divorce Act". (Honourable Senator Pouliot).

Hon. Jean-François Pouliot: I would like to know what progress has been made by the Government to submit the bill to the Supreme Court of Canada, if you please.

Hon. John J. Connolly: Honourable senators, I can only tell the honourable senator and honourable senators here that the matter to which he has referred is still under advisement, and as soon as I have word about the decision I will communicate it to the honourable gentleman and to the Senate.

Hon. Mr. Pouliot: Honourable senators, I wonder how you say it in English—I presume there is a saying to the effect that, "Hope springs eternal."

Hon. Mr. Croll: Under active consideration.

Hon. Mr. Pouliot: Then I will ask to let it stand until April 12.

An Hon. Senator: What year?

Hon. Mr. Choquette: April 1 would be more appropriate!

Order stands.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, March 3, 1965

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

Prayers.

DOCUMENTS TABLED

Hon. John J. Connolly tabled:

Exchange of Notes between the Government of Canada and the Government of the United States of America terminating the Notes of December 28, 1962 for the establishment and operation of a command and data acquisition station in Canada to serve an operational meteorological satellite system being established in the United States (Nimbus). Ottawa, February 4, 1964. (English and French texts).

Exchange of Notes between the Government of Canada and the Government of the United States of America providing for the continuation in force beyond April 1, 1964, of the Agreement recorded in the Exchange of Notes of July 3 and 13, 1962 in relation to the Welland Canal. Ottawa, March 31, 1964. (English and French texts).

The Indus Basin Development Fund (Supplemental) Agreement, 1964. Washington March 31, 1964. (English and French texts).

Exchange of Notes between the Government of Canada and the Government of the United States of America amending the Agreement of September 27, 1961 relating to the Continental Air Defence System by cancelling the proposed gap filler radar program. Ottawa, May 6, 1964. (English and French texts).

Exchange of Notes between the Government of Canada and the Government of the United States of America constituting an Agreement on International Satellites for Ionospheric Studies (with a Memorandum of Understanding) (ISIS). Ottawa May 6, 1964. (English and French texts).

Exchange of Notes between the Government of Canada and the Government of Peru constituting an Agreement permitting amateur radio stations of Canada and Peru to exchange messages or other communications from or to third parties. Lima, May 8, 1964. (English and French texts).

Exchange of Notes between the Government of Canada and the Government of the United States of America concerning the phasing out of certain radar stations of the Continental Radar Defence System within Canada. Washington May 25, 1964. (English and French texts).

Agreement between the Government of the Federal Republic of Nigeria and the Government of Canada regarding the terms and conditions of service of Canadian Armed Forces Personnel on secondment to the Nigerian Armed Forces. Lagos, June 25, 1964. (English and French texts).

Exchange of Notes between the Government of Canada and the Government of the United States of America relating to the Agreement of March 9, 1959 concerning the Tariff of Tolls on the St. Lawrence Seaway. Ottawa, June 30, 1964. (English and French texts).

Exchange of Notes between the Government of Canada and the Government of Denmark providing for the continuation of the training program in Canada for Aircrew Personnel of the Royal Danish Air Force. Ottawa, June 30, 1964. (English and French texts).

Exchange of Notes between the Government of Canada and the Government of Norway providing for the continuation of the training program in Canada for Aircrew Personnel of the Royal Norwegian Air Force. Ottawa, June 30, 1964. (English and French texts).

Exchange of Notes between the Government of Canada and the Government of the Federal Republic of Germany concerning the exchange of information relating to Defence Science. Bonn, August 21 and 28, 1964. (English and French texts).

Exchange of Notes between the Government of Canada and the Government of Japan providing for the entry into Japan of Canadian Citizens and the entry into Canada of Japanese Nationals either without visa for limited periods or with visas for extended periods and for designated purposes. Tokyo, September 5, 1964. (English and French texts).

Exchange of Notes between the Government of Canada and the Government of the United Kingdom concerning the Status of Canadian Forces in Bermuda. London, September 11, 1964. (English and French texts).

Exchange of Notes between the Government of Canada and the Government

of the United States of America regarding the construction, operation and maintenance of a Loran-C Station and a Monitor Control Station in Newfoundland (with Annex). Ottawa, September 16, 1964. (English and French texts).

Exchange of Notes between the Government of Canada and the Government of Denmark providing for the mutual recognition of certificates of registry or other national documents denoting tonnage of merchant ships. Ottawa, October 15, 1964. (English and French texts).

Exchange of Notes between the Government of Canada and the Government of the United States of America extending through the 1964-65 winter season the provisions of the Agreement of March 6, 1954 for the winter use and maintenance of portions of the Haines Road in British Columbia and Yukon Territory. Ottawa, November 27, 1964. (English and French texts).

Agreement concerning Automotive Products between the Government of Canada and the Government of the United States of America. Signed at Johnson City, January 16, 1965. (English and French texts).

Report of the Department of Industry for the fiscal year ended March 31, 1964, pursuant to section 16 of the Department of Industry Act, chapter 3, Statutes of Canada, 1963. (English and French texts).

Report of the Department of Fisheries for the year ended December 31, 1963, and the Financial Statements of the Department for the fiscal year ended March 31, 1964, pursuant to section 8 of the Department of Fisheries Act, chapter 69, R.S.C., 1952. (English text).

Copy of a list of certain recommendations of the Royal Commission on Government Organization (Glassco Commission) approved by the Government on February 9, 1965. (English and French texts).

Report of the Board of Trustees of the Maritime Transportation Unions for the year ended December 31, 1964, pursuant to section 16 of the Maritime Transportation Unions Trustees Act, chapter 17, Statutes of Canada, 1963. (English text).

Copies of correspondence exchanged during the period December 11, 1964 and January 21, 1965, between the Prime Minister of Canada and the Premiers of the Provinces with respect to the question of jurisdiction over off-shore mineral rights. (English and French texts).

Order in Council P.C. 1964-1931, dated December 10, 1964, withdrawing from entrustment to the Canadian National Railways and authorizing the grant of Letters Patent covering approximately 8.26 acres of Transcontinental Railway land, pursuant to section 19 of the Canadian National Railways Act, chapter 29, Statutes of Canada, 1955. (English text).

Order in Council P.C. 1964-1936, dated December 10, 1964, withdrawing from entrustment to the Canadian National Railways and authorizing the grant of Letters Patent covering approximately 17,960 sq. ft. of Railway land at Mileage 0.89, Moncton Wharf Branch, Springhill Subdivision, pursuant to section 19 of the Canadian National Railways Act, chapter 29, Statutes of Canada, 1955. (English text).

Order in Council P.C. 1964-1982, dated December 17, 1964, withdrawing from entrustment to the Canadian National Railway Company and authorizing the grant of Letters Patent covering 14.27 acres, more or less, of the abandoned Placentia Subdivision of the Canadian Government Railway, Newfoundland, right-of-way, pursuant to section 19 of the Canadian National Railways Act, chapter 29, Statutes of Canada, 1955. (English text).

Order in Council P.C. 1964-2029, dated December 23, 1964, withdrawing from entrustment to the Canadian National Railways and authorizing the grant of Quit Claim Letters Patent covering 2.39 acres of abandoned Station Grounds property at Chatham, N.B. pursuant to section 19 of the Canadian National Railways Act, chapter 29, Statutes of Canada, 1955. (English text).

Order in Council P.C. 1965-34, dated January 6, 1965, withdrawing from entrustment to the Canadian National Railway Company and authorizing the grant of Quit Claim Letters Patent covering approximately 6.047 acres of abandoned Canadian Government Railways right-of-way land in the City of Moncton, N.B., pursuant to section 19 of the Canadian National Railways Act, chapter 29, Statutes of Canada, 1955. (English text).

CANADA LABOUR (STANDARDS) CODE BILL

SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Smith (Queens-Shelburne) for the second reading of Bill C-126, respecting hours of

work, minimum wages, annual vacations and holidays with pay in federal works, undertakings and businesses.

Hon. Lionel Choquette: Honourable senators, I rise to indicate at once my support in principle of Bill C-126, realizing that the details can be safely left for consideration in committee. I congratulate Senator Donald Smith on the clarity and thoroughness of his explanation.

The purposes of the bill, long commended by the International Labour Organization, command the support of all parties and of the people of Canada. It is an omnibus bill, a so-called package deal, bringing within its four corners four major areas of working conditions—hours of work, minimum wages, annual vacations, and specific holidays with pay. As the short title states, it is a Canadian labour standards code, and enjoys the blessing of the Canadian Labour Congress and the Confederation of National Trade Unions.

At the same time, we must realize that this measure has a quite limited application and covers only a small percentage of the total labour force in Canada. It applies only in respect of the employees of such national industries as are under federal jurisdiction. It does not apply to any employees under provincial jurisdiction, nor does it apply in terms to the employees of government departments or corporations.

With regard to the latter, I understand that an assurance has been given on behalf of the Government that the minimum standards set out in the bill will, following its enactment, be adopted as a matter of policy with respect to government employees. However, we know that policies as well as governments often change, and that this is doubly true of government policy. It seems to me that the requisite safeguards should be enacted in positive legislation and not left to the shifting sands of policy. I hope, therefore, that we may expect further legislation extending in clear terms the application of the proposed code.

What I have just said applies with equal force to employees in the Northwest Territories and the Yukon. There is no reason of which I am aware why these employees should not enjoy the superior advantages to be afforded by this legislation. It is, of course, not our business to interfere with the several provincial labour codes. However, the proposed national code does represent a distinct advance over existing codes, and we may at least express the hope that it will have an early and exemplary effect on such codes across the country.

I must further point out that the bill should be advertised as entirely new. It combines four measures, two of which are new and two of which have been previously enacted. I say this, not in criticism of the bill, but to emphasize that we must inevitably build upon what has gone before. Most good legislation is at once progressive and conservative. Also we must understand that if we pass this bill we will not be legislating for eternity.

The principle of the bill is that reasonable standards should be maintained for the working force. What these standards are to be can only be determined for the present. This is the kind of bill which will be subject to review and amendment from time to time, in the light not only of theory but of what is possible and practical.

I now propose to discuss very briefly the four principal areas of the proposed code.

First, as to hours of work, the proposed code provides for a basic 40-hour work week, and, where overtime of an additional eight hours is allowed, time and a half of the regular rate is to be paid. Work in excess of 48 hours is to be allowed only under exceptional circumstances by special permit. This is essentially recommendation No. 16 of the 1962 International Labour Conference. I believe that while this may seem an adequate maximum for now, it will not be long before amendments seeking a shorter work week will be introduced, either by the present government or by another government which, I suspect, may shortly succeed it.

Hon. Mr. Connolly (Ottawa West): Have you a new crystal ball?

Hon. Mr. Hayden: No; he is still using the old one.

Hon. Mr. Choquette: Second, as to minimum wages, an hourly rate of $1.25 applicable throughout the country is proposed, and deductions for food, lodgings, equipment, etc. are to be authorized by regulation. The rate is to apply to persons 17 years and over. Here again, I regard this minimum as adequate for the present, but there is even now a clamour for $1.50 an hour from organized labour. Nevertheless, the present proposal is for a higher minimum than that established in any province and, while there may be some short-term difficulties encountered by some industries, I feel satisfied that it will, both from a social or humanitarian and an economic point of view, promote the well-being of many Canadians, and that it will have an exemplary effect in relation to the large percentage of the labour force not covered by this legislation.

I do not quarrel with the provisions requiring two weeks' holidays with pay. This portion of the bill incorporates most of the provisions of the Annual Vacations Act passed in 1958, with the qualification that only one year's continuous employment is required

before an employee can qualify. This I would regard as no more than normal attribution.

As to the provision for special holidays with pay, this will, I think, be accepted by most, though there may be a difference of opinion, as there has been as to what specific days should be "included out."

The bill should benefit the working force both in its actual and exemplary effect.

This legislation was not referred to a committee in the other place, where representations could have been made by different organizations whose interests were adversely affected by the bill. Consequently, these organizations, which are quite numerous, were obliged to submit briefs pointing out the hardships that would be imposed on a certain class of employer were this bill to have been passed in its original form.

The trucking firms, operating interprovincially, were violently opposed to the original form because they claimed that this bill as first drawn would make it impossible for them to compete with firms operating intraprovincially, because the latter would not be subject to the conditions imposed by the bill in question.

Honourable senators, I am sure you have all received copies of telegrams addressed to the Prime Minister, the Minister of Labour and others. I would ask you to be patient with me while I read from the briefs or telegrams that were sent to each one of us. When an organization, or an industry or an association forwarded such telegrams and briefs, they did so on behalf of several companies. I have here a submission to the Hon. A. J. MacEachen regarding Bill C-126, submitted by the Motor Transport Industrial Relations Bureau of Ontario on behalf of 15 companies. I also have here a telegram which is almost a call of distress. It was forwarded by the Automotive Transport Association of Ontario Incorporated on November 25, 1964, to the Right Honourable L. B. Pearson, the Honourable A. J. MacEachen, and the Honourable J. W. Pickersgill. It reads as follows:

> Whereas the House of Commons has before it Bill C-126, an Act to establish the Canada Labour (Standards) Code:
>
> And whereas the road transport industry is the only industry affected by the bill which is regulated by both federal and provincial authorities;
>
> And whereas the proposed Code would apply to the entire operations of trucking companies having part of their operations crossing provincial or international borders and not to competitive carriers operating solely within a province;
>
> And whereas this discrimination would create a serious competitive disadvantage for extra-provincial carriers who also compete with carriers to whom the Code does not apply;
>
> And whereas the proposed Code would create a chaotic labour situation and a drastic curtailment in transportation services now being rendered by extra-provincial carriers affecting both the truck owners, their employees and the shipping public;
>
> And whereas service is the only commodity offered by our industry;
>
> Be it resolved that The Automotive Transport Association of Ontario meeting in annual convention this 24th day of November, 1964, requests the federal Government to amend the Canada Labour (Standards) Code by exempting the extra-provincial trucking industry;
>
> And be it further resolved that a copy of this resolution be forwarded to the Right Honourable L. B. Pearson, the Honourable A. J. MacEachen, the Honourable J. W. Pickersgill, all members of the House of Commons and the Senate.

So that right here, honourable senators, in this telegram is perhaps one of the easiest amendments we could make to this act. It would be easy to say that this act shall not apply to transport or trucking companies who do business interprovincially. However, these people will have an opportunity to make representations, and we will see what, if any, amendments we can make to the bill.

I have here another message from the Shipper-Motor-Carrier Conference, Palliser Hotel, Calgary, Alberta, of Thursday, November 26, 1964. This has been addressed to me for my perusal.

> Resolved by the Joint Shipper-Motor-Carrier Conference held in the Palliser Hotel, Calgary, Alberta, Thursday, November 26, 1964, that the Motor Carrier Industry be excluded from the provisions of Bill C-126 because of the impracticability of the application of the rigid provisions of hours of work contained therein and the increased cost of transportation against the public and national interest. Also, that the Motor Carrier Industry be excluded because of the unfair conditions of competition created by the act in regard to extra-provincial and intra-provincial carriers who are in competition within the confines of one province.

Now, dozens of such briefs, telegrams and messages were sent out, and I am wondering if the bill is as favourable as it appears on the surface.

Hon. Mr. Roebuck: Are any of the employees objecting, or are they all employers?

Hon. Mr. Choquette: Well, these are associations. They do not purport to speak on behalf of the employees.

Hon. Mr. Roebuck: No, I bet they don't.

Hon. Mr. Choquette: They have employees, and some of them will go bankrupt and have to close their doors if this code is applicable to them. Surely, the employers will be the ones who will be suffering a little more than the employees.

I like the attitude of my honourable friend (Hon. Mr. Roebuck) who has always spoken for the underdog. I am the champion of the underdog too, but we must be practical and see that the underdog has a living. This is the most serious part of the bill. These companies are numerous, and they all make the same type of representation.

I will spare honourable senators from having to listen to my reading another letter from a company that says it will go bankrupt. This is Security Storage Company Limited, writing on behalf of itself and its trade association. The letter ends with these words:

> Obviously, therefore, if the interprovincial trucking industry is to be included in the provisions of this bill, and not to be the object of discrimination, efforts towards standardization of Federal and Provincial Labour Codes must come before not after its passage.

That was in answer to the Minister of Labour who had said, "We will deal with the provinces after the passage of this bill."

Hon. Mr. Connolly (Ottawa West): If the honourable senator will excuse my interruption, I think most of the representations he has been reading were in fact made before the amendment was made in the other place to clause 51. I know that that is not a complete answer to the point he is making, but I should like to mention it.

Hon. Mr. Choquette: I am quite prepared to say that. As a matter of fact, I have read the dates on each telegram, letter and brief, and it is obvious that these representations were made before the amendment was passed. I will deal with the amendments shortly, because I think they are so minor they are almost insignificant, and are not at all helpful to these people. We do not know if they will be of benefit to these people who have complained until we hear their representations in committee.

I was reading this concluding passage:

> Obviously, therefore, if the interprovincial trucking industry is to be included in the provisions of this bill, and not to be the object of discrimination, efforts towards standardization of Federal and Provincial Labour Codes must come before and not after its passage. Otherwise one segment of an industry and its employees, because it happens to operate interprovincially, will be singled out and made the object of legislation which can only be described as oppressive, inequitable, and unjust. I appeal to you and your colleagues to consider these factors before pursuing the matter of the passage of this bill any further, particularly keeping in mind that they apply also to many other firms across Canada.

That letter is signed by C. G. Harris, president.

After many such representations had been made to the minister certain amendments were made to the bill, the most important of which, I would say, is the amendment to clause 51, affecting Part I of the bill. But, we have no assurance that this amendment is acceptable to the people who have protested about Part I.

As I understand it, any industry or any group of employees affected by the Labour Code must make two applications or submissions, if these are found necessary. The first submission will have to be made immediately upon the coming into effect of the bill, and that is a submission for a deferment of 18 months. During that period of 18 months, if they find they cannot comply profitably or otherwise with the provisions of Part I, then before the 18 months are up they must apply to the minister under clause 35 to have an inquiry conducted into their particular industry. If the minister finds that a proper case has been made out, he can by Order in Council except the application of this bill, in either whole or part, to the industry concerned.

The only part of the trucking industry affected by this bill would be that which crosses provincial boundary lines in the course of its operations. This measure affects the entire operation of any particular company, even though only 2 per cent of its operations may be interprovincial. Up until 1954 the trucking industry was entirely under federal jurisdiction, when an act was passed giving the provinces the right to license transport trucks.

All honourable senators are in favour of mother and apple pie, and against sin.

Hon. Mr. Croll: Apple pie with cheese.

Hon. Mr. Choquette: Well, that is à la mode.

Hon. Mr. Roebuck: The kind that mother made.

Hon. Mr. Choquette: Yes. I am no exception. Accordingly, as I have said, I will sup-

port the motion for the second reading of this bill.

Having said that, I hasten to add that it is not enough that a measure appeals to our sense of idealism. We must also be satisfied, as responsible legislators, that it is as practical as possible; that it will work without causing undue hardship to anyone. It is an historic function of senators to ensure, as far as they can, that each piece of legislation is both fair and practical. I do not agree with the Leader of the Opposition in the United Kingdom, Sir Alex Douglas-Home, who is reported to have remarked on one occasion that "Canadians always study a question from all sides, including some that aren't there." It is a prime function of the Senate, which it has discharged well, to see to it that the rights of third parties are protected and that any legislation proposed is as eminently fair and practical as possible.

This is conservatism—but, I hasten to add, conservatism with a small "c". As honourable senators know, I never talk politics on the floor of the Senate.

Some Hon. Senators: Oh, Oh!

Hon. Mr. Choquette: In this regard I agree with the illustrious Senators Raoul Dandurand and Ross Macdonald, who often stated in this house that while we are territorially arranged along party lines, such lines are not severely drawn in this chamber. While, as political beings, we may at times feel partisan impulses, we manage to keep them under reasonable control and on leash.

I am also constrained to observe—and again I quote Senator Ross Macdonald—that the duty of the Senate in considering legislation originating in the House of Commons stands out in even sharper relief when there is a minority government in power in this country.

In the light of the foregoing, it seems to me that there is a real need for a reference of this bill to a standing committee of the Senate, preferably the Standing Committee on Banking and Commerce. This is because no opportunity has been afforded in the other place or in any of its committees, for persons or organizations, who may consider themselves adversely affected by the present legislation, to be heard.

It is true that representations have been made to the Government since the consideration of the bill in committee of the whole in the other place was adjourned on October 19, 1964. As Senator Smith (Queens-Shelburne) has said, some of us have received copies of some of these representations, but the question is: Are these people satisfied that they have received fair treatment? I cannot speak for them. They must have an opportunity to speak for themselves. The committees of the Senate, which are our principal tools of trade, provide the best possible forum in such matters. They are concerned only with what is in the best interests of all the people of Canada. I know that some amendments have been made to the bill as drafted as a result of the representations that have been made. Many of these, though minor, have been ameliorating, and I am sure the bill that now reaches us has been improved as a result. I am referring now to the amendments to clauses 7, 14, 21, 27, 28, 31, 33, 52 and 53. I shall not deal with these specific amendments at this time, although I understand some other honourable senators will do so during the course of the debate.

One amendment appears to be of greater importance than the others, and here I am referring to clause 51, which introduces a greater degree of flexibility so far as the application of Part I, hours of work, is concerned. However, with respect to the amended bill as a whole, I cannot speak with authority for those who are affected, nor can any honourable senator so speak, and it cannot be said with confidence that they are either satisfied or should be satisfied.

Honourable senators, I support this motion, on the clear understanding, for the reasons I have given, that the bill will be referred to a standing committee so that the Senate may exercise its traditional function as a responsible and alert Upper Chamber.

In conclusion, honourable senators, may I commend to your attention two statements that I believe are apposite at this time. It was said by Sophocles:

> Without labour, nothing prospers.

And by Ruskin:

> God intends no man to live in this world without working; but it seems to me no less evident that He intends every man to be happy in his work.

Hon. Arthur W. Roebuck: Honourable senators, it will take me only a few minutes to express what I have to say in connection with this bill. The very first thought that comes to my mind is to congratulate the honourable sponsor of the bill (Hon. Mr. Smith, Queens-Shelburne) for the really magnificent explanation he gave us of it last evening. It was clear, it was concise, it was orderly, it was logical and it was in every respect an excellent exposition. I congratulate him on it.

My next thought is to congratulate my friend across the floor, for the very moderate approach that he has made to the bill and for the fact that he proposes to support the bill, at least on second reading. This, as he says, is not a political dog fight that we conduct in the Senate—far from it. We have our political leanings and our political principles,

but they are toned down by the overshadowing consideration of the public interest.

Honourable senators, I am particularly interested in this bill, because for nearly all my life I have advocated better conditions of labour and have taken part in many labour organizations and affairs. When my friend speaks about the hardships of the bill as applied to the trucking industry, I naturally think about the employee rather than the employer; but it must not be forgotten that the employer in the trucking business is in a competitive business and if all his competitors are affected in the same way by a provision in this bill, competition will make adjustments so that he will stay in business and does not need to be afraid.

However, I would like to point out that the trucking industry is supplied at public expense, as is perhaps no other industry in Canada is supplied, with one of the main factors of its existence, that is, the roads. The chief competitors of the trucking industry are the railroads, who are required to build their own road beds, lay their own rails, and maintain them at immense cost. The truckers are given finished, bonded-surface roads, over which they carry their materials. If it should occur—though I am not admitting that it will —that the limitation of hours of work should cause some slight additional expense, that can be soon adjusted by the natural forces of competition. They need not be afraid.

I am interested in the bill also in that its title is the Canada Labour (Standards) Code. Gentlemen, that carries my mind back some 30 years to the time when the Liberals took office in the Province of Ontario under the Honourable Mitchell Hepburn. I was given the Attorney Generalship and also appointed a Commissioner of Hydro. I added to that, at my own request, the Ministry of Labour. I did so for the purpose of introducing what I had at the back of my mind, an industrial standards bill. I devised that bill. I called many of the employers before me, as well as the employees, and we produced what is now on the statute books of Ontario as the Industrial Standards Act.

Before I took office, I was for many years engaged in the practice of law, and represented parties largely in the needle trades in the City of Toronto. In those days we could gather some employers together and enter into an agreement with their employees, but at great cost. With every revision of the agreement, we had battles in the streets of Toronto. Those were really street battles between the representatives of the employers and the labour unions.

I came to the conclusion that if I ever had any control over such matters in Ontario, I would provide that when a certain percentage of employers agreed with a stated percentage of employees on some industrial standards, I would make those standards apply to all employers and employees in the industry. I did so. The last battle in the streets of Toronto was fought prior to the passing of that act, and we have never had another such battle since then.

It has produced a settled condition, particularly in the needle trades, that has impressed even the succeeding governments. I have been told that Prime Minister Frost once stated that the one asset which he got from the previous administration was the Industrial Standards Act. I asked him if he had made that statement, and he in silence consented to it.

Honourable senators, we have now another industrial standards bill. True, it is slightly different. It states the hours of work, the wages, and so on. I do not intend to go into detail, as these have been covered satisfactorily by Senator Smith (Queens-Shelburne). It lays down certain minimum standards, and that is the important thing.

I am interested also in the division of responsibility. Senator Smith (Queens-Shelburne) told us that those industries under provincial control by reason of the British North America Act would be subject to legislation along those lines by the provincial legislatures. That interests me because, in 1946 I personally argued the Hours of Labour Act before the Privy Council in England, as to the respective jurisdictions of the dominion and of the province. I have been interested in that point ever since, as it involved a most intensive study and an argument which went on for a considerable time, and a judgment that was most specific in this matter. That case is now the leading case as to the division of responsibility between the federal Government and the provincial governments. For that reason, I am still very much interested in that division.

In yesterday's discussion it was stated that 10 per cent of the entire labour force of Canada would be covered by this bill. Of that 10 per cent, some 10 per cent actually would be beneficially affected. This was an estimate. Somebody on this side of the house threw cold water on the extent of application of the bill. The estimate is one per cent of the labour force. To my mind, were one, not one per cent, protected from excessive hours and excessively low wages, this bill would be worth while.

Honourable senators, starvation wages and long hours are something to be avoided in our civilization. That is particularly so in the trucking industry, where long hours are not in the public interest. I hope these new provisions will not cause inconvenience to the trucking industry, but if they should, I hope

the industry will make every effort to comply with this legislation. A truck driver, tired, sleepy and weary from his work, is a menace on our roads. Eight hours is long enough for anyone to drive a motor vehicle. I hope the whole industry will agree with that principle and conform to the provisions of the bill. Generally speaking, long hours and insufficient wages should be avoided.

We in this chamber are mature enough to remember what took place in the great depression of the thirties. At present things are moving very nicely for us in Canada; we are in boom times, although a large number of people are out of work, but nothing like we had in those days. My friends will all remember the squeeze that hard times placed upon the labour force, when men and women worked in factories and other industries long, long hours at wages far below the subsistence level. We are well off now, but nobody knows when that kind of a depression will recur. This bill will be one of the means to combat that kind of attack, because it will be impossible to lower wages beyond a certain industrial standard, and in all probability, under such circumstances this measure will be a God-sent blessing to Canada.

I want to congratulate the Government on this bill. I think it has taken some courage to attack this question of hours and wages, holidays and conditions of work. That has been done boldly. The bill is comprehensive; it has not avoided the issue; it has attacked it squarely, but it has done so moderately, and I think it has done it practically and effectively. I can see in it great public benefit.

I have already congratulated the sponsor of the bill (Hon. Mr. Smith, Queens-Shelburne). I congratulate the Leader of the Government (Hon. Mr. Connolly, Ottawa West) on having the privilege of introducing this bill, and in due season I will congratulate the Senate on passing it.

Hon. Gunnar S. Thorvaldson: Honourable senators, I do not propose to prolong this debate to any great extent. I merely want to make a few remarks in regard to it.

I wish to add my word of congratulation to all who have spoken on the bill, particularly its sponsor (Hon. Mr. Smith, Queens-Shelburne), who last night made an excellent explanation of the bill. I think it is safe to say that very few, if any, members of this house disagree with the principles of the bill in the large sense. After all, we are aware of the fact that all the provinces of Canada within their own jurisdictions have dealt with the questions involved in this bill. In other words, every province has established to its own satisfaction, to fit in with its requirements, climatic, territorial and otherwise, labour codes dealing with the problems dealt with in this bill. Consequently, it would be presumptuous of me or, I think, of anybody, to oppose the principle of this bill. The fact is that there are certain segments of labour which do not come within provincial jurisdiction, but are instead within the jurisdiction of the federal Government.

However, may I say that the first complaint I have of the bill—and it is not in principle but in detail—is that its enactment and the way it has been done, and, as I see it, the way it has been prepared, is an example of unco-operative federalism. My reason for saying that is that, as I have just indicated, all the provinces have legislated in regard to these matters within their own jurisdictions. I believe it would have been most beneficial, if, before embarking upon this proposed legislation, the Minister of Labour had had a conference with the ministers of labour of the provinces, with a view to uniformity in respect of the provisions of this bill with the legislation of the various provinces. I am not saying that there could have been complete uniformity, either in regard to the minimum wage or other matters. I do say, however, that in my belief it would have been most beneficial to the federal Minister of Labour if that had been done. In the result, we have a federal code which in many respects varies greatly from the various provincial labour codes.

That is the first criticism I have of this bill, honourable senators. It is not a serious one. It does not affect any question of principle, but it is a criticism.

My other criticism also relates to details of the bill, some of which have been referred to by my colleague Senator Choquette. It is the manner in which this bill adversely affects, or could affect, some industries in this country. Consequently, I am somewhat concerned about the fact that this bill was not sent to a committee in the other place, as I think it should have been. I am certain that the details, to which I shall refer, and some to which my honourable colleague Senator Choquette has referred, could have been thrashed out, and indeed ironed out and settled satisfactorily in such a committee.

Consequently, I am hoping that there will be no effort in this house to rush the bill through. On the other hand, it is my desire, and I am sure that of all other senators, that the bill be referred to the Senate Banking and Commerce Committee. Various interests across Canada have made representations to the Minister of Labour and to the Cabinet, and I hope those interests will have ample opportunity to appear before a committee of this house.

The Leader of the Government in the Senate (Hon. Mr. Connolly, Ottawa West) referred a moment ago to section 51 of the bill, which was amended presumably for the purpose of satisfying some of the representations made to the Minister of Labour and the Cabinet. I want to say, however, that in my judgment the amendment made to section 51 is wholly inadequate to meet the submissions that have been made by various industries of this country. Indeed, all that section does, as I see it, is to provide a delaying period of 18 months, and simply gives absolute ministerial discretion in certain very important matters which I think should be within the discretion of Parliament and not the minister.

I have made these few remarks in a preliminary way, to urge my point of view that section 51 is not a cure for some of the ills of this bill.

Senator Choquette referred to the trucking industry.

Hon. Mr. Connolly (Ottawa West): Before the honourable senator moves on to his next point, and not wishing to upset his trend of thought, will he advert to subsection 2 of section 51? I mention this because he refers to the fact that there is an 18-month deferment. However, that deferment can be much longer under the provisions of section 51 (2), can it not?

Hon. Mr. Thorvaldson: Yes, I will agree to that. But the fact remains that it is still a matter of ministerial discretion; in my judgment, the very lives of certain industries might be at stake in this bill. So, I say that there are defects in the bill which I think can and ought to be cured by Parliament—and that is where the Senate should admirably fit into this situation.

Here we have a bill, the general principle of which I think we agree to, but which I suggest requires amendment in some details. I say these are details, but for the industries concerned they may be extraordinarily important.

As I said, my honourable colleague referred to the trucking industry. He read you the telegram sent to the Prime Minister, the Minister of Labour and the Minister of Transport by the Automotive Transport Association of Ontario on November 25.

In similar vein, I would like to refer to a press release dated November 30 last which stated, in part:

> Charles Crossett of Toronto, chairman of a special labour legislation committee of The Automotive Transport Association of Ontario and the Canadian Trucking Associations, said 40 per cent of all trucking companies in Ontario may be forced to curtail operations outside the province.

That might or might not be true, but it is rather a bold statement and, consequently, if Mr. Crossett means what he said in this press release, I think he would want to appear before the Standing Committee on Banking and Commerce to make his representations to us.

Hon. Mr. Roebuck: It is not true.

Hon. Mr. Thorvaldson: Well, it may not be. However, he made some other statements to which I would like to refer briefly. The press release continues:

> He released an ATA telegram sent to Prime Minister Pearson which said the proposed labour code "would create a chaotic labour situation and a drastic curtailment of truck services."
>
> The telegram urged that trucking companies operating across provincial boundaries be exempt from the code which is now before Parliament.
>
> The code would apply to extraprovincial carriers but exempts competitive trucking companies which operate solely within the province.

Honourable senators, that is a serious matter and a situation which we perhaps could deal with by amending the act in some way. He said:

> . . . legislation setting up the code would supersede existing union agreements, and provincial laws governing hours of work.

Naturally, it will supersede provincial laws regarding hours of work in those industries that come under federal jurisdiction.

Then he said:

> The trucking industry is not opposed to the minimum wage requirement of $1.25 an hour in the proposed code because most employees now receive considerably more.

Quoting further from this press release:

> In citing one company which would be affected by the code, he said 150 drivers who now earn from $6,500 to $8,500 a year, would be restricted to an earning power of $6,132.

The press release continues for another page, but I simply cite these excerpts as examples of Mr. Crossett's argument, and I am assuming that he will appear before the committee.

I now read a news item from the *Globe and Mail* of December 15, 1964, which is headed: "Claim New Labour Bill May Tie Up Halifax." This is a Canadian press despatch from Halifax. I cite this merely to indicate

the types of operation that may be adversely affected by present provisions of the code and which, I think, might be cured in the Senate without prejudice to any interests.

I would like to read the first few paragraphs, which are very brief:

> Waterfront officials representing both workers and employers said yesterday the federal labour standards bill now before Parliament threatens Halifax with its biggest shipping tieup.
>
> Dock workers here often work as much as 70 hours a week during the busy winter season to keep cargo moving and ships from being delayed.
>
> The bill, they said, would mean that all port workers under federal jurisdiction would be prohibited from working more than eight hours overtime a week. This would affect most waterfront workers including stevedores and freight handlers.
>
> Harry Mathers, chairman of the Halifax Steamship Committee, said both the committee and the Halifax Longshoremen's Association (CLC) have sent protests to Labour Minister Allan MacEachen.

Then the article continues in similar vein.

Hon. Mr. McCutcheon: That is a case of employees protesting.

Hon. Mr. Thorvaldson: Yes, that is a case of employees protesting; but I do suggest there are reasons why employees should protest against certain sections of this bill, particularly in cases where business is seasonal, where it comes on with a rush and then is quiet for days, weeks and months on end.

I come now to the main problem I would like to present to this house, and it is that of the elevator companies in western Canada. I am not speaking only for the private elevator companies, but I believe I am also speaking for the co-operative elevator companies, such as United Grain Growers, and for the wheat pools.

I understand that all these interests made representations to the Government, first to the Minister of Labour and then either to the Cabinet or to a committee of Cabinet, in regard to the position of the elevator operators of western Canada.

As I am sure every honourable senator knows—and, I might say, if the honourable Senator Crerar were here he would display much greater knowledge of these matters than I have—many years ago the elevator industry of western Canada was declared to be a work for the benefit of Canada under the provisions of our Constitution, and consequently elevator workers and operators come within the scope of this bill.

I say to you, honourable senators, that this industry has real problems, and if I were satisfied that these problems were suitably dealt with under section 51 I would not be making these remarks. However, I do not believe they are. In the second place, I think their situation is so serious and important that it is something that ought not to be dealt with simply by a minister alone, but that it is a condition which ought to and can be dealt with by Parliament.

Hon. Mr. Connolly (Ottawa West): Or a board?

Hon. Mr. Thorvaldson: No. I mean by Parliament, namely, that an appropriate amendment might be made by the Standing Committee on Banking and Commerce of the Senate. I believe we might be able to find a solution to this problem satisfactory both to the elevator companies and their employees, and that consequently we would have stability in that industry and not make their operations subject to the discretion of a minister in respect to this matter.

Hon. Mr. Hugessen: May I ask my honourable friend, as a matter of interest, what is the particular problem which faces the elevator companies in connection with this bill?

Hon. Mr. Thorvaldson: I am just coming to that, Senator Hugessen. In stating that problem, if I may, I would like to refer somewhat extensively to a brief presented by the elevator companies to the Minister of Labour and, I believe, to members of the Cabinet.

I want to explain first, however, that I do not know whether this brief was presented only by and on behalf of the Northwest Line Elevators Association, representing private elevator companies, or whether this group making representations included the pools. I do know, however, that the pools made representations to the Government along identical lines to those of the private elevator companies.

I would like to read for you the first paragraph of a letter written to me, and which is neither personal nor confidential. It is from one of the great co-operative companies of the west. The part which I wish to quote reads as follows:

> This is in reference to our brief conversation last evening concerning the proposed labour standards as prescribed by Bill C-126.

This refers to a conversation I had with the president of this company in Winnipeg.

Hon. Mr. Leonard: May I ask the name of the company?

Hon. Mr. Thorvaldson: Yes, the name is United Grain Growers Limited.

Part I of the bill limits working time to eight hours in a day and forty hours in a week. This, we feel, cannot effectively be applied to country grain operators because firstly, it is not possible to define clearly when a country operator is working and secondly, there is no way of keeping track of hours spent on elevator operations and other operations on the premises conducted on an agency or commission basis. The suggestion of averaging hours of work over a fifty week period is no solution because of the reasons just mentioned.

The use of a second shift at country elevators would be entirely impracticable as men with the necessary experience are not available. Further, the elevator operator is bonded, having custody of grain stocks in many cases of a value of one-quarter of a million dollars or more; the elevator operator is responsible for the grades and weights thereof and he could not be expected to jeopardize that responsibility by transferring custody of the grain stocks periodically to a temporary second shift.

The bill in its present form is in some conflict with the Canada Grain Act which latter requires a country grain elevator shall be open to receive grain at all reasonable hours. Any regulation which will interfere with the producer's opportunity to deliver grain will impose an unwelcome hardship on a large number of producers and also could seriously affect the flow of grain to commercial positions.

We have recommended amendment to Part I of the bill along the following lines:

> This part does not apply to or in respect of an employee who is in charge of and is responsible for the care, custody and control of any work or undertaking or an integral part thereof declared by the Parliament of Canada to be for the general advantage of Canada.

I know you are fully aware of the implications of the bill in so far as country grain operations are concerned and hope you will give the foregoing suggestions your earnest consideration.

I may add that I spoke to Mr. Driscoll, who is the president of this company a few minutes ago, just before I came into this chamber. I called him for the purpose of asking him if the amendments that had been made to Bill C-126 in the other place dealt with their problem, and he told me that as far as he knew they did not do so.

Now, honourable senators, this letter really gives the gist of the problem faced by the elevator companies. However, I would like to quote from the brief that was presented to either the honourable the Minister of Labour or the Cabinet by the Northwest Line Elevators Association. I do not intend to read the entire brief, but I shall quote some of the pertinent paragraphs so that honourable senators may understand what I am talking about in regard to these matters. I may say that I am very happy that Senator Lambert is in the house this afternoon, because he of all people will have firsthand knowledge of the matters of which I speak through his close association with the grain trade in western Canada in his earlier days. I quote from the very beginning of the brief, dated October 20 last, where it reads:

> Bill C-126 is wholly incompatible with the expeditious handling and movement of the Canadian grain crops into consuming markets for the following reasons:
>
> Under the provisions of the bill, country elevators would be compelled to confine their operations to a 48 hour week.
>
> The operator of a country elevator, while to all intents and purposes a manager, under the provisions of the Canada Grain Act the country elevator agent is specified as an operator of the elevator. The Canada Grain Act states that the owner or lessee of a country elevator may be called a manager of a country elevator.
>
> The elevator operator is bonded and responsible for the grading, receipt into the elevator and custody of the grain in the elevator. The elevator operator must be highly specialized in the grading of some hundreds of different grades of various grains. This is one reason why shifts are impractical without greatly increasing handling costs to the farmer. At times, grain in his sole custody could be worth as much as half a million dollars. The operator is licensed by the Board of Grain Commissioners and the Board holds him responsible for the correct weighing of grain. Should he have what is called excessive overage he is liable to be called before the Board and unless he has a satisfactory explanation his licence can be withdrawn and his livelihood as an elevator operator jeopardized. This can happen if his overage reaches as little as ¼ to ½ of one per cent.
>
> For these reasons in the foregoing paragraph it is impractical to operate the elevator under shifts. To operate in shifts would be the same as operating a bank in shifts without counting the cash between shifts.

> The elevator companies, Pool, Line and U.G.G. do not oppose the minimum wage or holiday provisions of the bill. However they do contend that the hours of employment provisions are completely incompatible with farming operations as they are practised in western Canada today, and in the foreseeable future.

Now, honourable senators, it would appear from this paragraph that this is a joint submission of the private elevators, the pools and the U.G.G.

Honourable senators, I do not intend to quote much more from this submission because it refers to various details—

Hon. Mr. Lambert: May I ask my honourable friend if the Canadian wheat producers and the U.G.G. jointly made representations on the basis indicated?

Hon. Mr. Thorvaldson: That is my understanding.

Hon. Mr. Lambert: Before the committee of the other house?

Hon. Mr. Thorvaldson: No; there was no committee of the other house. I may not be completely correct, but my understanding is that the submissions were first made to the minister and then to a committee of the Cabinet. Certainly submissions were made to a committee of the Cabinet. From this brief it would appear that the submissions were made on behalf of the line elevator companies, the pools and the United Grain Growers. Let me add this, however, whether that statement is correct or not, I know the pools and the U.G.G. have taken exactly the same stand with regard to this bill as the line elevator companies.

Hon. Mr. Lambert: Am I right in assuming that administrative responsibility for the grain elevators, whether Canadian wheat producers or U.G.G., come under the Department of Trade and Commerce and the Minister of Trade and Commerce rather than the Minister of Labour?

Hon. Mr. Thorvaldson: Yes; it comes under that department by virtue of being under the Canada Grain Act, which I understand is now under the jurisdiction of the Minister of Trade and Commerce.

May I just read the following paragraph:

> Section 109 of the Canada Grain Act provides that the country elevator must be kept open at all reasonable hours to receive grain from the farmer. What the farmer would consider reasonable hours would be wholly incompatible with the 48-hour week provided by the bill.
>
> The rush of work at the country elevator does not continue throughout the year. There are long periods when the country elevator operator has little to do. When quotas are full and his elevator is filled with grain with no movement out of the elevator, the operator is left pretty much to his own devices. He may, or may not, be at the elevator. Most towns are small enough that the farmer will have little trouble locating the operator either at home, at the curling rink, at a ball game or elsewhere in the town. Their habits are well known to the farmer. He can be found, but not necessarily at his place of work.

Honourable senators, may I add just this, that any one who has had anything to do with the grain trade of western Canada is aware of the fact that it is a "rush" business at certain seasons of the year, namely, from about the middle of August to, say, the end of December or January. The period between February and the first or middle of August is a very quiet time, during which the elevator operator is required to spend little, if any, time at his elevator. He probably is not at his elevator at all during those months, but is somewhere downtown or in the village. If a farmer desires to make a delivery on a certain day during this period of slackness, he will know where to find the elevator operator.

I have read these excerpts from the U.G.G. letter and this brief for the purpose of indicating some of the real problems that face this industry in this country if the bill is passed. I want to repeat that I do not think it is good enough to leave the solution of these problems to a minister, no matter how farsighted, wise and tolerant he might be. As everyone knows, there is a huge investment involved in carrying on the grain trade of western Canada, and in my opinion the grain trade is entitled to know what its responsibilities are under a bill of this kind. That decision should be made by Parliament, not by a minister.

That is all I have to say, honourable senators. I hope that this bill, when it goes before the Standing Committee on Banking and Commerce, will go before it at such a time as will give anybody who is interested in appearing before the committee an opportunity of doing so.

Hon. David A. Croll: Honourable senators, I want first to indicate my appreciation to Senator Donald Smith for the clarity of his presentation last evening in moving second reading of this bill. That is what I expected from him.

I share with Senator Choquette his complimentary approach and approval, and I share his understanding of the problems that are involved in the administrative aspects of this bill, but, on the other hand, I associate myself fully with this bill.

In so far as Senator Thorvaldson's presentation is concerned, submissions were made to the minister, to a committee of cabinet, to the Prime Minister, to the Leader of the Opposition and, indeed, to all the opposition leaders, and consideration was given to those representations, particularly as they affected the elevator grain trade and the truckers, and some amendments were made which I think are very useful. I am sure that all these people who made representations will have an opportunity of making them again before the committee of the Senate that will be considering this bill, for in that respect I share the view of Senator Choquette that this bill should go to a committee. Perhaps we can at that time cure what needs curing in this bill, if it is curable—and I hope it is.

My approach to this bill is such that when I read it I was encouraged, and when I see the bill before me now as passed by the House of Commons I get a lift out of it. For that reason I want to take up a few minutes of the time of this chamber in which to talk about it. Some of the matters that are dealt with in the bill at the present time did not appear to be readily achievable in the early days of my political career.

I like the title of this bill. It is a very useful one. The short title is the Canada Labour (Standards) Code. The bill deals with four matters—hours of work, minimum wages, annual vacations and holidays with pay in federal works, undertakings and businesses.

I do not think it has as yet been said that this bill is a notable event in the history and evolution of labour legislation in Canada. It breaks new ground, for this is the first time that the federal Government is being asked to enact standards in important fields hitherto unoccupied, and this bill will fill a conspicuous gap in the field of labour standards in Canada. More particularly, it breaks new ground in establishing standards in the field of wages and hours; moreover, it brings together within one enactment at least four major areas of work standards—hours of work, minimum wages, annual vacations and holidays with pay. I know of no enactment or law on this continent or elsewhere that is as comprehensive in coverage as is this particular bill.

I gather correctly its further purpose is that in future, when modifications are desired in the Industrial Relations and Disputes Investigation Act, it might be referred to as the Canada Labour (Relations) Code, and in the field of safety the caption might be the Canada Labour (Safety) Code; thus, it might be possible to bring together in a single labour code all the enactments of Parliament affecting the rights and obligations of Canadian labour under federal jurisdiction.

The objective of the bill is the establishment of minimum labour conditions for employees in undertakings within the legislative authority of Parliament. Here I was struck particularly by a phrase used by Senator Thorvaldson and which I copied down, namely, "unco-operative federalism". I think he applied that in asking why the minister did not discuss this bill, or its principles, with the ministers of labour of the various provinces. I have news for Senator Thorvaldson. The minister did, and he has said so on many occasions. I am sure that Senator Smith (Queens-Shelburne), if he looks at the notes that were sent over to him, will be able to give the date.

Hon. Mr. Thorvaldson: If he did he was very unco-operative with them. I can assure you of that.

Hon. Mr. Croll: No, that is not so. As a matter of fact, at the meeting with the ministers of labour the proposed legislation was discussed in general terms—it could not be discussed in any other way—and there was general agreement as to the need for progressive labour standards and an acknowledgment of the existing gap in the federal field. The Minister of Labour for the Province of Manitoba was there, as were all the other ministers for the Prairie provinces which would be affected, and also the Minister of Labour of the Province of Nova Scotia. So, if there appeared to be any insurmountable differences they might very well have been brought to their attention and discussed at that time.

It is a fundamental principle of the proposed legislation that it combines provisions dealing with four basic labour conditions, as well as with related matters. This has been done so that employees within our jurisdiction will be assured, as a matter of right, of as high a standard in these four basic labour conditions as is within present reach. The standards proposed for the code are very simple, but they are worth repeating because they are historic—a minimum wage of $1.25 an hour; a standard eight-hour day and a 40-hour week; overtime hours to be paid for at the rate of time and a half and limited to eight hours a week; eight general holidays with pay per year, and two weeks' annual vacation with pay.

The proposed labour code will cover employment on, or in connection with, any work, undertaking or business that is within the legislative authority of the Parliament of Canada. That includes mainly transport and communications, banking, uranium mining, grain elevators and certain works carried on

by federal corporations. It is good to have these various elements of the labour code wrapped in one package. In due course there will be a companion act, which will be known as the Canada Labour (Relations) Code. Then all the labour legislation will be incorporated into the Canada Labour Code. This bill gives a lead to the provinces, where the minimum wages have ranged from 50 cents to $1.25 an hour in some groups. The only minimum law now applicable for $1.25 an hour is in the highly industrialized area around Toronto, known as the Golden Horseshoe, where, in the light of this legislation, they have already legalized the minimum $1.25. The effect is already felt there; there was need for a strong voice, and the strong voice was heard some time ago, and with good effect.

Though this legislation will apply legally and specifically only to employees who come under federal jurisdiction, employees across the whole country will benefit. This legislation is good for labour across the country and it is good for Canada. The minimum wage of $1.25, which has been set here, will directly affect about half a million workers. If it affects nearly half a million workers, and if you multiply that by 3.9, which is the average family number according to the last census, you readily appreciate that it affects a very great number of people. It cannot be denied that it will have an important influence in raising the substandard wages across the nation. When the Government expands the legislation to cover workers employed by firms which receive contracts from Ottawa, that will considerably increase the number of people under the umbrella of the code.

Moreover, the bill comes at a very appropriate time. The establishment of national standards, the Canada Pension Plan, with a portable pension in the wings, will encourage workers to move between different regions and occupations, when employment conditions call for mobility. This is a good piece of legislation, as has already been said by members on both sides of the house, in that it puts a floor under some of the lowest paid workers in the country and sets an example for the provinces, which legislate for far more workers than does the federal Government.

Until such time as we have acceptable minimum standards which can be enforced for all workers, we should not rest easy.

This bill goes a long way to establish a sound economic basis for all Canadians. Though it does not do anything for the better-off majority who possess union negotiating strength, it does help the minority. It can and should be viewed as an instrument of social policy, in that it aims to create more jobs and raise living standards, and this will in good time bring uniformity across this country.

We have had ample assurances that the implementation will be realistic, taking into account the immediate impact on some groups. The bill has ample provision for permitted deferment and averaging, to lessen hardship where adjustments are necessary, yet the enforcement provisions are both concise and clear.

Honourable senators, from the social point of view the benefits of this legislation are self-evident. Economically, this country will gain both in the short and in the long run. This is an excellent package deal for all Canadians, and I hope that the Senate will take the opportunity to endorse it as quickly as possible.

Hon. John M. Macdonald: Honourable senators, coming from an area where a considerable number of people will be affected by this bill, I would like to take this opportunity to say a few words in respect to it. I think it has been covered very well, without any doubt, as the sponsor gave a clear explanation of it, and what criticism has been raised was for the purpose of clarification.

Originally, there were some misgivings about stevedoring and some occupations which will come under this legislation. For example, I mention the Port of Halifax. This port has the good fortune to be open all winter and during that time the stevedores are very busy. The port at North Sydney, for instance, which is a terminus of the Newfoundland ferry, is not open all winter. Consequently, there are times when the backlog of freight will pile up and it will be necessary for stevedores to work long hours.

I should explain that the stevedoring situation is very different in Halifax in that the stevedores there work for private firms, while in the port of North Sydney, for example, they are C.N.R. employees and as such are covered by the union agreement. Part of the agreement was that after eight hours a man, if he wished, could work overtime at regular rates when the work was available—that is, apart from holidays, at time and a half. I think the objection they had to that would be taken care of by the averaging-out provision which has been mentioned. Probably the climatic conditions would take care of the situation, in that a man, when work is available, works longer hours, and there are times when he would not be able to work at all.

I expect that the same thing is true of the agreement between the unions and the C.N.R. ferries. Under that agreement the seamen on those ferries are on duty for two

weeks and then they are off for two weeks. In other words, they work for two weeks and are off for two weeks, but they are on duty all the time during those two weeks. I would think the averaging-out principle should take care of any misgivings in regard to less take-home pay.

Personally, I am in favour of the bill. I think everyone is.

On a point of information, I notice in section 12 there is reference to persons under the age of 17 years—that such a person can work only with the permission of the minister, or some words to that effect. I wonder why that age was chosen. I believe they are mostly of high school age, and after 16 you find these people wanting to go on the labour force. Also, although my recollection is not clear as to this, I believe that the Dominion Bureau of Statistics in compiling its figures for employment and unemployment, uses an age limit of under 17. As a matter of interest, I am wondering why that is done.

Now may I be pardoned for wandering for a moment from the bill now before us? It will be recalled that last night when the sponsor of the bill (Hon. Mr. Smith, Queens-Shelburne) explained the bill, he mentioned the fact that a minimum wage law or regulation had recently been put into effect in Nova Scotia. He used the highest figure, which is $1.05. Actually, they felt it necessary to divide the province, as it were, into three parts, with the rates going from $1.05, $1 and 95 cents. This was only done after a board had been set up which, may I say, included people of various shades of political opinion. They held public hearings all over the province. The people of whom the board was composed were anxious to have that minimum wage as high as they felt it to be possible and practical under the circumstances, and those were the figures they finally recommended. There is a differential between the wages paid to men in industry, as distinct from women.

Honourable senators, my point is this: it has been mentioned by previous speakers that a commitment has been made by the Minister of Labour that there also be amendments brought into the Fair Wages and Hours of Labour Act, and that this would be necessary as a consequence of the passing of this bill. If you look at that act, it will be seen that generally speaking the minimum wage is $1.25, but that the working week is 44 hours. The common expression used for the policy set out under that act is the prevailing rate of wages. In other words, "fair wages" are defined as wages which are generally accepted and current for a competent workman in a district in which the work is being performed. That meant, for example, Government contracts covering construction, demolition, remodelling, and things of that type, but did not cover the purchasing of goods. In contracts of that type there would be a clause put in that the wage rate had to be a certain amount.

In the industrial areas of Nova Scotia the wage rate is $1.25 an hour, and this had to be put in those contracts. However, the prevailing rate of wages was the standard. Therefore, if the construction had been done in an area where the prevailing rate was, say, 90 cents an hour, then that would be the rate put in the contract for government work. I would like to see them go one step further. They are to amend the Fair Wages and Hours of Labour Act to provide that the wages, no matter where, must be at least $1.25 an hour. In some of the industrial areas of Nova Scotia the wage rate, of course, is much higher than $1.25. However, even if the act is so amended, I would like to see a further clause which would provide for a standard rate for all of Canada, and thus do away with the prevailing rate practice. For instance, on a Government contract, if the standard in Ontario is $2.50 an hour, then in Nova Scotia the same rate would prevail.

Hon. Mr. Isnor: May I ask the honourable member whether he is referring to the Nova Scotia act, or the federal bill now before us?

Hon. Mr. Macdonald (Cape Breton): Actually, senator, I am through with the Nova Scotia act, and I am not talking about the bill now before us, but rather of the amendment which we assume is going to be brought in to the Fair Wages and Hours of Labour Act in due course.

Hon. Mr. Thorvaldson: You are not referring to the Nova Scotia act?

Hon. Mr. Macdonald (Cape Breton): No. I am referring to the federal act, and I am expressing the hope that the rate will become standard. It will be seen that in that way we could raise the wage rates in our province.

The sponsor of the bill (Hon. Mr. Smith, Queens-Shelburne) mentioned that approximately 5,500 people would perhaps have their wages increased by the passing of this act, and I have a deep suspicion that a goodly number of those people live in the Atlantic provinces. If for federal Government contracts they would do away with this prevailing rate business, so that the wage rate would be the average or normal rate throughout Canada, I think it would have a tendency to increase the general wage rate in the area. As I understand it, the purpose of this bill is not just to say: You must pay $1.25, and you must work no more than 40 hours a week.

From arguments and statements I have read, I think they want the rate to be higher than that; they want to set an example, to encourage the bringing in of other minimum rates up to that point in places where the rates are below.

Therefore, when this new amendment is brought in, if they would do away with the idea that in federal Government contracts the wage rate would only be that prevalent in the area, and set a higher rate which might be the national average, I believe it would also set a very good example and be beneficial in bringing up the rate. Perhaps they could begin with works carried on by the Government of Canada in the national parks. I have not the figures before me, but I understand that the rate paid in some of the national parks for labour is higher than in others. In cases where a person is doing exactly the same type of work as another, I see no justification for one employee being paid higher than another, just because he is working in a different part of Canada.

Honourable senators, I simply throw out these remarks. This is not a new problem. The idea of prevailing rates has been going on for many years. I think the suggestion I have offered would help Nova Scotia and perhaps all the Atlantic provinces.

Honourable senators, thank you for allowing me to digress in this way. I feel sure that this bill will be acceptable and will have beneficial effects. Personally, I support the bill.

Hon. G. Percival Burchill: Honourable senators, before the sponsor of the bill (Hon. Mr. Smith, Queens-Shelburne) concludes the debate, I understood the honourable Senator Macdonald to be proposing the idea that there should be a general wage rate on Government contracts throughout the dominion, regardless of the prevailing rate in each locality. I wonder if the honourable Senator Smith, in his reply, will be good enough to tell me if this bill will have any effect on civil servants working for the Government in different sections of Canada.

I have in mind, for instance, civil servants who are working in ammunition depots across Canada. I understand they are covered by union agreements, but the wage rate is based on the prevailing wage in each section of the country. For instance, I believe the rate in the Maritimes does not compare favourably with that in British Columbia.

Now, I am just speaking from general information and I may not be correct. Will this bill effect that situation? That is what I want clarified.

Hon. Mr. Croll: No, it will not.

Hon. Donald Smith: Honourable senators—

The Hon. the Speaker: I must inform honourable senators that if the honourable Senator Smith speaks now it will have the effect of closing the debate.

Hon. Mr. Smith (Queens-Shelburne): Honourable senators, first I must confess that I was rather embarrassed by the praise lavished upon me. It was gratifying to hear it, but, as I said to my colleague close by, I think I have heard enough of this.

Perhaps I should not be saying anything now. Despite the old adage that declares that when you are winning you had better quit, there are a few points to which I would like to refer. May I begin by referring to the latest question raised by Senator Burchill, and tell him that the bill has nothing directly to do with civil servants' salaries or minimum wages in the civil service, nor does it have anything directly to do with rates of pay under contracts entered into between individuals and companies and the federal Government. The Government has made a commitment on this. Some of these minimum standards have been adopted and others will be adopted by the operations of the Civil Service Commission.

With regard to improvements—and I think it is time for improvements, on the basis mentioned by my friend—the Fair Wages Act will be amended as soon as possible in order to establish the same minimum standards for the operations of the contracts which are presently covered under the Fair Wages Act.

While I am on this subject, I may say that I am quite in sympathy with some of the remarks made by my colleague from Nova Scotia, Senator Macdonald (Cape Breton). It does not seem fair that those doing the same work in our national parks should be paid less in one part of the country than another. My feelings towards this particular problem are personally involved at the present time, since it has already been announced that a new national park will be established in the beautiful lake country which lies half way across the province, at a point where I make my home.

Honourable senators, I want also to thank those who participated in the debate. I believe it has been useful, and there are not many questions I have to answer. However, I would like to refer briefly to the reference my friend Senator Choquette made to the inclusion of the Yukon and Northwest Territories in the terms of the act.

My understanding of that situation is that for some years past acts of this nature have never been made to apply in the same way as they do in the case of other federal operations. I understand this is because of the philosophy or thinking by which the Yukon and Northwest Territories are treated

as though they were provinces. Therefore, their own government—the Government of the Northwest Territories and the Yukon territory, which is the Territorial Commission —has the power to provide the kind of minimum labour standards which it believes to be suitable in relation to the northern circumstances. Their position in that respect is the same as that of any other province.

As I indicated last night, my own province has recently raised its minimum labour standards considerably, and this has been gratifying. The minimum was raised to a figure which it was felt suited the province's particular circumstances. Of course, this matter may be reopened when the bill is referred to the Standing Committee on Banking and Commerce—and I am glad to hear other honourable senators suggest it should go to committee, because that is the opinion I expressed last night.

Senator Macdonald (Cape Breton) also raised a difficult question which, it appeared to me, he put in the form of: When is a boy a boy, and when is he a man? I do not know any more about it than he does. He is used to these big six-foot-six Cape Bretoners who reach that height when they are about 13 years of age. Perhaps the minimum age should be 13 in the part of Nova Scotia from which he comes. But it is a good question, and I would like it referred to those who have chosen this age of 17 years rather than some other.

Senator Macdonald (Cape Breton) also referred to what I had put on the record with regard to the new rates in Nova Scotia. If he looks at the record he will see that I compared eggs with eggs, and not eggs with apples, because I was comparing the women's former rate in urban areas with the present rate, which represents an increase of at least 50 per cent.

I was going to have something to say about the use of the phrase "unco-operative federalism," but Senator Croll has taken care of that and I do not want to bear on that further. However, I think I should clear up the confusion that exists in Senator Thorvaldson's mind with regard to co-operative federalism.

Last night I placed on the record the fact that a meeting of the provincial ministers of labour and the federal Minister of Labour had been held in the spring of 1964—that is the phrase I used last night—and from reports I have received it was a most satisfactory meeting. Also as I said last night, at the conclusion of that meeting general agreement was expressed as to the need for progressive labour standards, and they also acknowledged the existence of the gap in the federal field which was going to be filled.

I have since received further information on the matter. In fact, there were two conferences. One was a three-day conference attended only by provincial ministers of labour and the federal Minister of Labour. Then, following that, I think in November or December of last year, there was a meeting of the provincial deputy ministers of labour with the federal deputy minister and his officials. So, really there has been considerable co-operation and worthwhile discussion on the bill itself.

Hon. Mr. Thorvaldson: Will the honourable senator allow me to ask a question on this subject? Is he aware whether or not there was any meeting of minds in regard to the details of the federal bill and the various provincial bills? And, is he aware whether there is in fact any similarity between them in very many respects?

Hon. Mr. Smith (Queens-Shelburne): I am not clear as to what my friend is getting at. Does he mean to say, do I know whether there was a discussion on the exact amount of the hourly wage rate, and that sort of thing?

Hon. Mr. Thorvaldson: No. Can he say whether there was agreement in regard to such things as hours of work, minimum pay per hour, and so on?

Hon. Mr. Smith (Queens-Shelburne): Honourable senators, my understanding of the matter is that there was complete discussion, and I have no way of finding out really, and I do not think it would be wise to make public the exact conclusion arrived at or the technique adopted to arrive at it.

There was another point—and it may be a good point, but I just do not happen to think it is—brought up by my friend Senator Thorvaldson, when it seemed to me he suggested that there should be a common standard provincially and federally. I believe that is a very difficult goal to attain. It depends on the basis upon which you are going to place that standard.

Hon. Mr. Thorvaldson: I do not think I suggested that.

Hon. Mr. Smith (Queens-Shelburne): I looked up some records on this a few minutes ago. If the basis of his own province were to be the common standard, it does not come anywhere near the present standard in the province of Nova Scotia, let alone the present federal standard. If he were to take an average of all minimum standards of wages across the country, we would arrive at something much less than $1 an hour, and no minister in his right senses would try to recommend that to his colleagues without thinking of the reception he would get in

the House of Commons if he did it on that basis.

I do not wish to take any more time. I am happy to know the points that are of interest to members on both sides of the house. I am sure the operation of the grain trade and the trucking industry can be discussed when the bill goes to the Standing Committee on Banking and Commerce, and we will all be glad to hear their representations. Let us hear all sides of the story, and let us come to what we would all consider to be a fair judgment in the matter.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

The Hon. the Speaker: When shall this bill be read the third time?

Hon. Mr. Smith (Queens-Shelburne): Honourable senators, I move that this bill be referred to the Standing Committee on Banking and Commerce.

Hon. A. J. Brooks: Honourable senators, I am sure we are all very pleased that this bill is to be referred to the Standing Committee on Banking and Commerce. I think a very strong case has been made out that companies wishing to be heard by that committee should be given every opportunity to do so.

I have heard rumours that there might be a meeting of that committee this evening. Whether this meeting would be to discuss the bill or not, I do not know. I have also heard that the committee will sit again tomorrow morning. If that is the case, and if any sections were passed in the meantime, it could mean that those people who would like to present a case before the committee would not have a full opportunity of doing so. I would like an assurance from the Leader of the Government that every opportunity will be given to any organization that wishes to appear before this committee to be heard and present its case.

Hon. Salter A. Hayden: Honourable senators, requests have been received from organizations to be heard, and I know that representatives of at least one such organization are at present in town, because they were notified when the matter was raised some little time ago that when the bill had passed the Commons this would probably be the manner in which it would be dealt with.

It is proposed that there should be a meeting this evening at which the departmental officers will be heard. What I shall suggest there is that we examine the bill section by section, but that we shall not commit ourselves to passing any particular section. Then, tomorrow morning there are at least three groups, and there may be more, who propose to be heard, and of course we shall hear them. After we have heard them and whatever argument they wish to present, we will deal with the bill section by section and consider whether each is to be carried or amended. The proposal, as I have said, is that we should sit at 8.30 this evening to hear the departmental officers.

Hon. Mr. Brooks: In case there are other organizations besides the three to which my honourable friend refers, and I feel sure there will be more, will they also have an opportunity of appearing before the committee?

Hon. Mr. Hayden: My friend is asking me to speculate now. The practice in the Standing Committee on Banking and Commerce has been to hear any person who wishes to be heard and makes his wishes known. We do not go out with subpoenas to corral witnesses.

Hon. Mr. Brooks: You are going to follow the procedure you have outlined?

Hon. Mr. Hayden: Yes.

Motion agreed to.

DIVORCE

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of reports of the Standing Committee on Divorce Nos. 685 to 736, inclusive, which were presented yesterday.

On motion of Hon. Mr. Roebuck, Chairman of the Standing Committee on Divorce, reports adopted, on division.

PRIVATE BILL

BANK OF BRITISH COLUMBIA—MOTION FOR ADOPTION OF REPORT OF COMMITTEE—DEBATE ADJOURNED

The Senate proceeded to consideration of the report of the Standing Committee on Banking and Commerce on Bill S-20, to incorporate the Bank of British Columbia.

Hon. Salter A. Hayden moved the adoption of the report.

He said: Honourable senators, in view of the fact that this report was made to the Senate on December 16 last year, it might be in order if I were to read it to you. It is as follows:

> The Standing Committee on Banking and Commerce to which was referred the Bill S-20, intituled: "An Act to incorporate Bank of British Columbia", has in obedience to the order of reference of June 9, 1964, examined the said bill and now reports that in the opinion of your committee the preamble to the said bill has not been proved for the following reasons:

At the hearings before the committee, the Premier and other Ministers of the Government of the Province of British Columbia appeared in support of the bill and stated that, if the bill were passed, the government of that province would subscribe for up to 10 per cent of the shares to be issued by the bank; so far as your committee is aware, there is no precedent for the ownership by the government of a province of a substantial proportion of the shares of a chartered bank operating under the provisions of the Federal Bank Act; this could involve the effective control of a federal chartered bank by the government of a province, a situation which would raise important questions of public policy and of constitutional law; your committee is of the opinion that these are matters of general policy which should be determined by the Parliament of Canada in the forthcoming revision of the Bank Act, and that pending such determination this bill should not be proceeded with.

May I add that since that report was submitted, the Minister of Finance, on February 16 of this year, made a statement of policy in relation to some aspects of the revision of the Bank Acts which would go forward in the next session of Parliament. This statement of policy bears on the report of this committee which I just read. It was, of course, heard over radio and on television, and was read in the press, and in substance stated two things which it was proposed to incorporate among all the other clauses which one could expect to find in a revision of the two Bank Acts. These two particular provisions stated by the minister to be proposed for incorporation in such revision were as follows:

1. That no shares of a chartered or savings bank may be registered in the name of any government or its agents.

2. If any transfers of shares of a bank are registered after this date and before the coming into force of the revised Bank Acts, which would have been required to be refused under the revised acts, it will be provided that such shares not have voting rights.

Now, whether the committee of the Senate gave leadership in this direction, or whether this was a course of action which the Government considered quite independently, is a problem on which, I suppose, we might, depending on our point of view, speculate with comfort or otherwise. But there we have a statement which would make it impracticable to deal in any other way with Bill S-20 than that in which it has been dealt with in this report.

Hon. Mr. Farris: Honourable senators, I would like to ask my honourable friend if there has been any question of the constitutional aspect of this proposed legislation.

Hon. Mr. Hayden: I realize my friend's question is a serious one, and he does me greater honour than I am entitled to claim. Since this is a matter of Government policy which has been so stated by the Minister of Finance, I would assume that the necessary constitutional consideration was given to it in that place, but certainly it has not been indicated to me. I do recall, however, in the substance of the statement that the minister made, and which was reported in the newspapers on February 16, he, speaking baldly, said that the exclusive jurisdiction over banks and the incorporation of banks is assigned by the British North America Act to the federal Parliament, and that so far as the Government of Canada is concerned it was going to maintain that responsibility, and not permit it to be eroded in any way.

Hon. Mr. Farris: I would like to ask my honourable friend if that statement was followed by any recognition of section 92 of the British North America Act which gives to the provinces exclusive jurisdiction over property and civil rights?

Hon. Mr. Hayden: I can easily answer that question, since it does not involve any opinion on my part. I do not know.

Hon. Mr. Farris: Does anybody?

Hon. Arthur W. Roebuck: Honourable senators, I should like to say a few words in explanation of this situation. Honourable senators will recall that I opposed this report as vigorously as I could in the Banking and Commerce Committee. I opposed it on the ground that we in the committee, when considering the incorporation of companies, should not undertake to legislate or to lay down principles differing from the law as it now stands.

When we discussed this measure a province could, and can now, buy shares in any bank, and for us to say that one province shall not do so and then allow other provinces to do so is, in my opinion, unfair and unjust.

Now, I did not say what it was implied that I said, at least, if not expressly stated, in some of the newspaper reports, that if we turn down this application by British Columbia on those grounds British Columbia would secede from Confederation. I made no such statement. What I did say was that if we in the central provinces throw roadblocks in the way of progress of the outlying provinces, then I know of no better way of breaking up Canada. That was a general statement, and it did

not imply the specific statement that some of the newspapers attributed to me.

Let me be perfectly clear and say that I have never said that I was opposed to legislation prohibiting provincial governments from investing in bank stocks. That is a matter of principle. So long as it applies to all provincial governments and not just this one provincial government, then I reserve my opinion as to whether I oppose it or otherwise.

But, now that the Government has clearly stated its policy with respect to the revision of the Bank Act that will be enacted in the next session of Parliament, which is expected to commence immediately following the close of this session, an entirely different situation presents itself. I still think we should incorporate this bank. So soon as the law is changed with respect to investment by provincial governments in bank stock, then that law will apply to this bank as to all other banks.

The only ground upon which we refuse to incorporate this bank is the statement made to us by the Premier of British Columbia, that the Province of British Columbia intended to buy stock in the bank. That is all. It does seem to me that we should even now incorporate this bank, and allow it to be governed by the powers of the federal Government under the British North America Act to regulate banking in the Dominion of Canada.

However, the time limit is probably rather short. I had intended to move the referral back by this chamber of the report to the Banking and Commerce Committee, but under these circumstances and in view of the statement made by the Government in most explicit terms, I shall refrain from doing so. I do not agree entirely with what we are doing, but in view of what has been done by the Banking and Commerce Committee, and in view of this statement of the changes to be made in the Bank Act, I think it would probably be a surplusage were I to make the motion I have in contemplation.

With these reservations, I shall do no more at the moment.

Hon. Jacques Flynn: Honourable senators, I also opposed this report when it was before the Banking and Commerce Commitee. I was in favour of the Government's stating its policy regarding the subscription to shares of banks by provincial governments. The Minister of Finance has done that. I assume that when the revision of the Bank Act comes before Parliament there will be a provision prohibiting the subscription to bank shares by provincial governments. I think this report, in these circumstances, should not be accepted because at the last sitting of the committee the Attorney General of the Province of British Columbia appeared and stated that the government of that province was prepared not to subcribe to any shares of the proposed bank until the Bank Act was revised, at which time, of course, it would follow the law as it would then be.

Hon. Mr. Hayden: Would my friend permit an interruption?

Hon. Mr. Flynn: Yes, indeed.

Hon. Mr. Hayden: Was there anything in that letter which gave the latter part of the undertaking that my friend seems to suggest? I thought the letter said only "until the revision of the Bank Act". In other words, the course of the government of the Province of British Columbia would be determined after that revision.

Hon. Mr. Flynn: I will not quarrel with the interpretation that my honourable friend is giving, but I pose this question: Once the Bank Act is revised and subscription to bank shares by provincial governments is prohibited, how can the government of British Columbia then subscribe to shares in this bank?

Hon. Mr. Hayden: In those circumstances we might very well precipitate a constitutional issue.

Hon. Mr. Flynn: Then it could do it in respect of the existing banks, after the act is revised. I do not think my friend is serious in this argument.

Hon. Mr. Hayden: I am as serious as you are.

Hon. Mr. Flynn: Well, I doubt that, because I am very serious.

I suggest that this report should be referred back to the Standing Committee on Banking and Commerce, and the promoters be called to appear and indicate whether they are still willing to go ahead with this incorporation under the new circumstances as created by the statement of the Minister of Finance. If they say that they are prepared to follow the law as it will then be, then in accordance with the undertaking of the Attorney General and the government of the Province of British Columbia I think we should give this application for incorporation the same treatment that we gave the other two applications for incorporation, namely, approve it. If we do not, I think it would be unfair, and we would have two measures of justice.

Therefore, I will move, if I may—and I do not know whether I am in order—that this report be referred back to the Standing Committee on Banking and Commerce so that it may invite the promoters to appear and state their wishes in the light of the statement of the Minister of Finance. If I am not in order

in making that motion, I shall then move the adjournment of the debate.

Hon. Mr. Brooks: Move the adjournment of the debate.

Hon. Mr. Flynn: Honourable senators, in order to be sure about the procedure that should be followed, I will move the adjournment of this debate.

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

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, March 4, 1965

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

Prayers.

DOCUMENT TABLED

Hon. John J. Connolly tabled:

Report of Proceedings under the Canada Water Conservation Assistance Act for the fiscal year ended March 31, 1964, pursuant to section 8 of the said act, chapter 21, Statutes of Canada, 1952-53. (English and French texts).

DIVORCE

RESOLUTIONS PRESENTED

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the following resolutions:

Resolution 654, for the relief of Antoine Thomas Daigle.

Resolution 655, for the relief of Marie Micheline Alda Denise Coutu Pare.

Resolution 656, for the relief of Martyn (Martijn) Andre Plaat.

Resolution 657, for the relief of Patricia Ann Charlton Nish.

Resolution 658, for the relief of Frances Strickland Legere.

Resolution 659, for the relief of Joseph Irvin Clayton Laviolette.

Resolution 660, for the relief of Sergei A. Babkin.

Resolution 661, for the relief of Rollande Larrivee Seguin.

Resolution 662, for the relief of Ruth Barbara Ann Sevigny Baldwin.

Resolution 663, for the relief of Libuse Fiserova Leibl.

Resolution 664, for the relief of Joseph Vaglia.

Resolution 665, for the relief of Norma Beryl Crete Yetman.

Resolution 666, for the relief of Lena Bernice Gertrude Cody Kruszelnycki.

Resolution 667, for the relief of Claire Tasse Soucie.

Resolution 668, for the relief of Gwyneth Elizabeth MacKenzie Skuhrovsky.

Resolution 669, for the relief of Lorne Courtney Smith.

Resolution 670, for the relief of Judith (Judy) Mary Crocker Berretta.

Resolution 671, for the relief of Francis William Cunningham.

Resolution 672, for the relief of Cecilia Anne Searle Bowden.

Resolution 673, for the relief of Roderick Michael Doney.

Resolution 674, for the relief of Jean Paul Gervais.

Resolution 675, for the relief of Maria Graup Maximow.

Resolution 676, for the relief of Yetta (Yettie) Zilbert Fleischer.

Resolution 677, for the relief of Mary Claire Faubert Demers.

Resolution 678, for the relief of Lillian Edith Patricia Ferguson Matz.

Resolution 679, for the relief of Monique Miller Gascon.

Resolution 680, for the relief of Monique Helfman Klein.

Resolution 681, for the relief of Shirley Margaret Gallop Letchford.

Resolution 682, for the relief of Muriel White Dwoskin.

Resolution 683, for the relief of Judith Carole Carpenter Griffin.

Resolution 684, for the relief of Jeannine (Janine) Lanctot Delage.

Resolution 685, for the relief of Fay Naiman Richt.

Resolution 686, for the relief of Peter Irwin Crites.

Resolution 687, for the relief of Aime Ouellette.

Resolution 688, for the relief of Yvonne Charlebois Ally.

Resolution 689, for the relief of Muriel Constance Floud Nicholls.

Resolution 690, for the relief of Margaret Irene Jones Whatmore.

Resolution 691, for the relief of Jean Maurice Bailly.

Resolution 692, for the relief of Pauline Lalanne Marcil.

Resolution 693, for the relief of Alexander Stewart Macpherson.

Resolution 694, for the relief of Jeanine Dubeau Klotzbuher.

Resolution 695, for the relief of Daphne Cockburn Rousseau.

Resolution 696, for the relief of Jean Pierre Louis Michaud.

Resolution 697, for the relief of Marie Antoinette Mireille Palin Normand.

Resolution 698, for the relief of Joseph Wenceslas Bernard Pare.

Resolution 699, for the relief of Raymond Belanger.

Resolution 700, for the relief of Ann Fuller Hunt Samson.

Resolution 701, for the relief of Philippe Leo Menard.

Resolution 702, for the relief of Jane Margaret Grace Ogilvie Manson.

Resolution 703, for the relief of Bernice Ostroff Jones.

Resolution 704, for the relief of Blanche Marguerite D'aoust Kalpakjian.

Resolution 705, for the relief of Lise Blais Wong.

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

Hon. Mr. Roebuck: Honourable senators, I move that these resolutions be taken into consideration on Monday next.

Motion agreed to.

BUSINESS OF THE SENATE

Hon. John J. Connolly: Honourable senators, it might be of convenience to all honourable senators if I should say that it is planned to sit tomorrow to consider measures that are before us. It is not planned at this time to sit on Monday. It is intended that the Banking and Commerce Committee, which is now considering Bill C-126, the Canada Labour (Standards) Code, will meet on Tuesday morning next. The Chairman has asked me to say that the meeting will be called for 11 o'clock, subject to the disposition of the committee at a later sitting this day. The Senate will adjourn tomorrow until Tuesday evening next. This may not meet the convenience of all honourable senators, but I hope it will be convenient to most of you. I thought it might be helpful to have this information in advance.

Hon. Jean-François Pouliot: Honourable senators, may I point out to the honourable Leader of the Government (Hon. Mr. Connolly, Ottawa West) that the changes made in the timetable of the Canadian National Railways are most inconvenient to members who come from the east, because the morning train leaves Montreal for Ottawa at about 8 o'clock, and the Ocean Limited arrives in Montreal at 8.30. Therefore, members from the east travelling to Ottawa are obliged to go by air or stay in Montreal over night in order to get that early morning train. I do not understand the reason for such a change being made by the Canadian National. But all members of the Senate who live east of Montreal know about it, and many have expressed displeasure at the timetable.

I hope the Leader of the Government will make due representations to the C.N.R. to have it changed when the time comes.

Hon. Mr. Connolly (Ottawa West): I will do so.

PRIVATE BILL

BANK OF BRITISH COLUMBIA—REPORT REFERRED BACK TO COMMITTEE

The Senate resumed from yesterday consideration of the report of the Standing Committee on Banking and Commerce on Bill S-20, to incorporate the Bank of British Columbia.

Hon. Jacques Flynn: Honourable senators, before the adjournment yesterday I stated the reasons why I suggest that the report of the committee on this particular bill should not be accepted.

Suffice it to say in summary that, to my mind, the grounds stated in the report, that the preamble had not been proven, had already lost weight when the motion was put to a vote before the committee, because the Government of British Columbia had already undertaken not to subscribe to shares of this proposed bank until the Bank Act is revised. And that, furthermore, the same grounds have also lost weight since then because of the statement of the Minister of Finance indicating the intention of the Government, in the coming revision of the Bank Act, to prohibit provincial governments from subscribing to bank shares.

Therefore, under these circumstances, the application for the incorporation of the Bank of British Columbia is on the same basis as the other two applications which have passed this house, and I think it would be discriminating to judge the present bank application in any other way than the two previous ones.

Therefore, as I indicated yesterday, I move in amendment, seconded by the honourable Senator Grosart:

> That the report be not now adopted, but that it be referred back to the Standing Committee on Banking and Commerce for further consideration.

The Hon. the Speaker: It is moved by the honourable Senator Hayden, seconded by the honourable Senator Vaillancourt, that the report of the Standing Committee on Banking and Commerce with respect to bill S-20, intituled an Act to incorporate the Bank of British Columbia, be now adopted.

In amendment, it is moved by the honourable Senator Flynn, seconded by the honourable Senator Grosart, that the report be not now adopted, but that it be referred back to the Standing Committee on Banking and Commerce for further consideration.

Is it your pleasure, honourable senators, to adopt the motion?

Some Hon. Senators: No, no.

Hon. Jean-François Pouliot: Honourable senators, naturally opinions differ, but there is one thing we should all remember: it is that at the present time we have a Constitution which is the B.N.A. Act, and according to that act, banking is under the authority of the Government of Canada. My honourable friend who is learned in the law knows that very well.

What has struck me for the last five years is that we have a Constitution which dates back to 1967—

Some Hon. Senators: 1867.

Hon. Mr. Pouliot: 1867—I am a bit before my time. Everybody criticizes that act, and at the same time they pay tribute to those who drafted it, and those whom we call the Fathers of Confederation. If the people are right in condemning the B.N.A. Act, how can they praise those who drafted it? This is beyond me.

The second point I want to make is that the Constitution is in force now, and the subsection concerning banking has not been amended for nearly a century. No attention is paid to the Constitution, and they are acting just the same as if there were no Constitution at all. It seems to me that in the relations between the Government of Canada and the governments of the provinces they meet together just as if they were private individuals, and as if they were not bound by the Constitution to follow standards and to obey certain rules which everybody knows. And it goes on like that. When our eminent statesmen in Ottawa and in the provinces praise the authors of the B.N.A. Act to the skies, there is no word that they will not use to exaggerate their eulogies, but when it comes to the act itself they say it is bad.

Why do they say that? They pay no attention to it. It is just the same as if it had never been drafted and never put into force. It is in virtue of that false principle that the Government of British Columbia has decided to enter the field of banking. Any private individual, Premier Bennett, or Attorney General Bonner, or anyone else in his or her private capacity, could enter the field of banking, but the province cannot. This is forbidden by the Constitution, and I cannot understand how it is that a man of the high standing of my honourable colleague, with his knowledge of the law in every respect, can sponsor an amendment like the one he has just read to the chamber.

There is great danger in not paying attention to the definite rules stipulated in the Constitution. It is very dangerous and it will lead to chaos.

Honourable senators may be surprised to hear me say this, but I do believe that the Columbia River Agreement was not a good thing. Although it brought millions of dollars from the United States to British Columbia, it showed a trend to capitulate to provincial governments.

I think that it was a bad thing for the Province of British Columbia to sell the Columbia River power ahead of time to the United States. That is my conviction. I did not say anything about it because I did not want to pass for a heretic, and I did not want to be unpleasant. But that was my conviction.

Even if President Johnson came here for the occasion, and there was a great pow-wow, it does not make the thing any better. It was wrong. But, as the Government of British Columbia succeeded in getting that considerable sum of money, it decided to compete with the banking institutions. It was a new step forward, as they may call it.

I was well disposed and open-minded with regard to the Government of British Columbia, but when I thought of it and when I read again the Constitution of our country I said to myself: It cannot be done. It is a heresy and a mistake. The ball has been rolling from the time of the sale of the Canadian power to the Americans, and now it will fatten the capital of the bank if the motion sponsored by the honourable gentleman is agreed to by us.

It will be a mistake. That is my humble opinion. I may be wrong, and those who do not share that view may be right, but I am sincere and I give you a warning for the future, that if the Government of British Columbia succeeds in impressing favourably the majority of the members of the Senate, then we will have a provincial bank run not by Mr. Bennett and not by Mr. Bonner and not by their stooges, but by the Province of British Columbia or perhaps by their stooges in the Province of British Columbia.

I do not agree with many provisions of the B.N.A. Act, but the main one tells the legislative bodies to mind their own business. The Fathers of Confederation told the Parliament of Canada: You will do this, and only this. And they told the legislatures of the provinces: You will do that, and only that. They told the Parliament of Canada and the legislatures of the provinces: Do not encroach upon each other's respective powers. It was wisdom. It is the best part of the Constitution, and it has been ignored for at least 24 years, since the federal-provincial conference of 1941 at which time the spirit of the Constitution was completely forgotten and overlooked.

It may be unpleasant for some to hear what I have said, but why should not the Parliament of Canada, by the voice of the Senate, tell the Premier of British Columbia: "Mr. Bennett, you may be a big man; you may be a powerful man, but you must obey the law just the same as the most humble citizen of this country, and you must do so not only in your private capacity as W. A. C. Bennett but you must do it also as Premier of the Province of British Columbia, in order to set a good example to the country and especially to your colleagues, the other premiers of Canada."

It is superfluous to make a longer speech. I presume that everybody has understood what I have in mind and what I have said. For me it is final, and I consider it my duty to vote against the motion that is before this chamber.

Hon. J. W. de B. Farris: Honourable senators, as the one who sponsored this bill in this chamber, I think it is appropriate that I should say something at this time. I am, quite obviously, supporting the motion in amendment of my honourable friend, Senator Flynn.

The general understanding on second reading of a bill in this house is that it deals with the principle of the bill. It is only on very exceptional occasions that a committee of this Senate will overrule the decision expressed in the motion for second reading.

I understand from my friend Senator Hugessen that that was done in the Coyne case. I had forgotten that. In any event, as I recall it, that was rather an exceptional case. I know of nothing exceptional in this case that justifies the sweeping elimination of the principle that was in the bill and voted for on second reading.

There is a claim that the committee is justified by the pronouncement of the Minister of Finance, that there is proposed legislation to come before the next session to exclude provinces from subscribing for bank shares. I am not sure that that is a ground on which to change the views of the Senate.

In the first place, the Minister of Finance may change his opinion. I understand, if my recollections are correct, that there is a precedent for that.

In the second place, he is not going to do that at this session but at the next session. There may not be a next session. It may be that the present Finance Minister will not have the authority when the time comes to introduce such a bill or, if he is there and does introduce it, it may not necessarily be carried, especially in view of the fact that we have a minority government at this time.

There is another matter which I regard as of great importance in connection with this legislation. You will recall that yesterday I asked the chairman of the committee if the constitutional question had been considered in committee, and I think it was quite clear from what he said that it had not been.

I do not think that we should be changing our views from what has already been voted in this chamber, unless there is a good deal clearer understanding of this constitutional problem. Under the British North America Act, section 91, the Dominion has jurisdiction over banks and banking. That does not expressly confer jurisdiction to take away from a province its rights under section 92. Under section 92 of the B.N.A. Act there is express power delegated to the province, exclusive power, on property and civil rights. If you look at the present Bank Act you will find that it even declares that shares in a bank are personal property.

I have studied these cases briefly at this time and over the adjournment. The law has been settled for a long time. I have before me the decision that was given in the Privy Council in the *Grand Trunk Railway v. Attorney-General of Canada* case. That was a decision by one of the great judges of the Privy Council, Lord Dunedin. He laid down this proposition and said:

> It is not disputed that, in the partition of duties effected by the British North America Act, 1867, between the provincial and the Dominion legislatures, the making of laws for through railways is entrusted to the Dominion.

The issue there was the right of Parliament, in connection with property, to build a railway. He continued:

> The point, therefore, comes to be within a very narrow compass.

I pause to say that I think that narrow compass is even narrower here in the present case. He continued:

> The respondent maintains, and the Supreme Court has upheld his contention, that this is truly railway legislation. The appellants maintain that, under the guise of railway legislation, it is truly legislation as to civil rights, and, as such, under section 92, sub-section 13, of the British North America Act, appropriate to the province.
>
> The construction of the provisions of the British North America Act has been frequently before their Lordships. It does not seem necessary to recapitulate the decisions.

Then His Lordship cites the decisions, and he concludes that if the legislation of the Dominion overlaps that of the province, the Dominion must prevail.

But there is another ground, and the only ground, as I follow it, that they can adopt here, and it is this—and His Lordship further stated:

> Accordingly, the true question in the present case does not seem to turn upon the question whether this law deals with a civil right, which may be conceded, but whether this law is truly ancillary to railway legislation.

Honourable senators, there is no decision contrary to that, that I know of, and the principle is clear that you have on the one hand banking legislation, legislation in regard to banks and their incorporation; you have equally clear the exclusive power of the province in connection with property and civil rights. There is no doubt—every lawyer here will confirm what I am saying—that the purchase of shares in a bank is property. As I said, it is even so stated in the present Bank Act. Therefore, that is exclusively within the jurisdiction of a province.

In my submission, there is no overriding jurisdiction here under the principle of "necessarily ancillary." There is only one ground on which the Dominion can exercise jurisdiction to take away the rights of a province in regard to buying shares in a bank as property, and that is if it is necessarily ancillary to the Dominion legislation. We have got along without it ever since the Bank Act has been in force. We had no hesitation about it when it was in this house before. My honourable friend the chairman of the committee has conceded that it was not even discussed when the committee dealt with this matter.

Hon. Mr. Hayden: Would my friend permit me an observation? I know my friend intends to quote accurately the question which he asked yesterday. The question which I was asked yesterday in relation to constitutionality, used the words "in connection with the proposed legislation." I assumed my friend was referring to the proposed legislation in the revision of the Bank Act, when I answered my friend as I did.

Hon. Mr. Farris: That is right.

Hon. Mr. Hayden: Now you say you are relating it to the business of the committee, when the committee was looking at this bill. My answer had no relation to that at all, and neither, in my view, had your question.

Hon. Mr. Farris: All right. I repeat what I say, in modified form, which perhaps is a little clearer.

I do not think that the Minister of Finance was competent to pass on this question. He is not a lawyer. The problems should have been considered in committee, if they were not to wipe this all out on the ground of what the Minister of Finance has proposed to do. I say that I do not give a prophecy of what the Supreme Court of Canada may do. I have before given opinions to clients. Sometimes I have been right and sometimes I have been wrong. Every lawyer has had that experience. But I do say this, that it is as close to the line, one way or the other, as any constitutional question I am familiar with in the long history of cases that have come before the Supreme Court of Canada and the Privy Council.. In my own opinion—not the opinion as to what the Supreme Court of Canada may decide—I am unable to see how the courts can deny the province the right to buy shares as an investment, and hold that the right to that power is ancillary to the banking powers under section 91. It is not ancillary, and never has been; and my suggestion is that the policy of the Government on that is not a question of jurisdiction at all, but a question of a political problem.

In those circumstances, honourable senators, it is my respectful submission that this motion to refer the matter back to the committee should be supported, and that before this house should go on record as changing its policy on the ground of what the Minister of Finance has said, there ought to be some mighty definite indications that it is truly ancillary and necessary to federal jurisdiction.

Hon. Allister Grosart: Honourable senators, I am not a member of the Banking and Commerce Committee, but I have read the reports of the committee and its discussions on this matter.

I want to say at the outset that in seconding Senator Flynn's motion, I intend no reflection on the committee whatsoever. Indeed, it seems to me that the announcement of proposed amendments to the Bank Act by the Minister of Finance on February 16 last gave support to the attitude taken by the majority in the committee. It may well be that the committee in its deliberations, and the attitude of the majority, has prompted the proposed action on the part of the Government that may go a long way to solving the problem.

Perhaps I should say, first of all, that as I read the report of the committee, it recommends no further action on the application at this time because of the important questions of public policy and constitutional law that are raised by the application.

The minister, in announcing that it was the intention of the Government to proceed as soon as possible with proposed amendments, dealt with both of these matters. He stated, in effect, that it would be the public policy of the Government in future not to allow any provincial government to subscribe

for shares of a bank. He did not deal directly with the constitutional question, but indirectly he obviously did, because he suggested that the amendments will be made to the Bank Act.

We have heard here today the opinions of eminent constitutional lawyers—Senator Pouliot and Senator Farris. I think it is not too much to say that these two opinions on the constitutionality of any proposed action by the Government are diametrically opposed. As a layman, perhaps I should say nothing more than that, except that if this proposed legislation were contested in the courts and it was held constitutional, then the work of the committee would have been done. If on the other hand, such proposed legislation was found to be unconstitutional, surely the grounds of objection by the committee would also vanish. If the proposed legislation is constitutional, it disposes of the problem of a provincial government having an interest in the bank. However, if it is unconstitutional I suggest, although I am not a lawyer, that the province would have every right to go ahead and subscribe to the shares of the bank and it would be most unwise for the Senate of Canada, in effect, to take from the province a right that it had under the constitution.

I suggest, therefore, in view of the fact that this announcement by the Government has been made subsequent to the printing of the report of the committee, that the committee, which has already taken a sober first look at the matter, now at least discuss the effect of the anouncement by the minister of these proposed amendments, and in doing so take a sober second look at its own decision.

Hon. Donald Cameron: Honourable senators, I am not a member of the Banking and Commerce Committee, but I listened with a great deal of interest to its hearings with respect to Bill C-20, an act to incorporate Bank of British Columbia. Let me say at once that I have the greatest respect for the Banking and Commerce Committee, which I think is the No. 1 Committee of the Senate. At the same time, I must confess to a certain uneasiness at the decision taken by the committee at the hearing, and that uneasiness has not been mitigated with the passage of time.

As honourable senators know, I live in western Canada where there was a good deal of concern at the time this legislation came up, and that concern remains. The concern is over the fact that, on the one hand, the Senate of Canada recommended that charters be granted to two private banks. As the sponsor of one of those chartered bank bills, I was very happy to participate in that activity. I hope that bank charter will be granted. I must say that I do not like the way the matter is being kicked around in the other house, and I do not think it reflects credit on anybody. I would like to see them get on with the job. However, that is another matter.

The reason for the concern which I share is that many people feel that if the Senate, or the Parliament of Canada, is prepared to grant a bank charter with all the rights and privileges that it contains, to any group of citizens who have the money and are prepared to comply with the provisions of the Bank Act, that is fine. But, when another group of citizens come along, who, after all, are responsible to the people of a province, and say, "We would like to have a bank charter for our province, too," and they are told they cannot have it, then I think it is time for us to take another look at the situation.

I recognize all the arguments that can be made, that if a province is given a provincial charter for a bank, this can be used for political purposes. Well, I remember Mr. Bennett's statement when that question was posed to him in committee. He said, "I would hate to give the opposition that kind of a lever with which to beat me over the head, if I were to use the bank for political purposes."

In any case, along with this feeling about the decision to reject the application of the Province of British Columbia for a bank charter, there is a very strong feeling, which is increasing, that we should have more of our own financial institutions in western Canada. The west is growing very rapidly; its economy is buoyant, and if there is some cocksureness it has a very good basis in fact. However, I think that if we had the two bank charters which have already been passed, that might be a good beginning—I would like to see us get them—but there is a strong feeling that we would like to have our own financial institutions in the west, governed by people who are living with and know the people in the west, and know its potentialities.

When the Minister of Finance made his statement in the House of Commons on February 16 last, I was pleased with his statement on one ground, that is, the part which I will quote from the Commons *Hansard* of that date at page 11363:

> The British North America Act clearly assigns to parliament exclusive jurisdiction over banking and the incorporation of banks. It is the intention of the government that this responsibility of parliament and of the government under the authority of parliament shall be maintained and not be eroded.

I must say that when the Province of British Columbia applied for a charter for a bank I was concerned that, if it was granted other provinces would be asking for the

same thing, and that if we had five or six regional provincial banks, or even ten provinces with banks, this might have some effect of eroding the central authority of the Parliament of Canada with respect to monetary and fiscal policy, and this would not be a good thing. But I am assured by banking authorities and the Bank of Canada that they did not view this with concern. They felt even if the provinces did have provincial banks, that that could not affect the central authority of the federal Government. I hope that is right. I would like to know more about it.

However, we come to another aspect of this situation. If you take the Minister of Finance's statement of February 16, in conjunction with the recommendation of the Porter Commission that steps be taken to bring the near banks under the control of the Bank Act, I think you will automatically realize that there is some reason for concern. For instance, in the Province of Alberta the treasury branches established by the provincial government, which are not banks but are performing a banking function, are really an extension of the provincial treasury and they are in a very unusual situation. But the fact remains that they have gone into communities and have provided a service that is of value to residents because there were no chartered banks operating in many of those places. Then again, what about the caisses populaires? One person in six in Canada is a shareholder in a caisse populaire. Is the caisse populaire going to be brought in under the Bank Act? These are the reasons why there is concern today.

If, on the one hand, we reject the application of the Bank of British Columbia and, on the other hand, we take steps to bring under the control of the Bank Act the provincial and other banking institutions, the near banks, where does that lead us? It is because of this uncertainty, because of this uneasiness, that I am very happy to support the motion of Senator Flynn. I believe this is a very important piece of legislation. I yield to no man in the strength of my feelings that Canada needs a strong central banking system, that that must not be eroded by the role of the provinces, but at the same time I think we must not be satisfied with the status quo and that steps must be taken at the earliest opportunity to see if we can find some accommodation between the demands of the people for their own institutions and the situation as it exists today.

Hon. John J. Connolly: Honourable senators, I wonder if I could speak on the point that is in issue here, not as Leader of the Government in the Senate but as a senator?

I must say that the point Senator Flynn raised yesterday struck me very forcibly as a private member of the Senate, and I think the point is a very narrow one.

The Banking and Commerce Committee of this house has made a report and, without reading it, I can perhaps paraphrase the basic proposition upon which that report was based, by saying they proposed that the bill should not be proceeded with because they felt that a provincial government should not own shares in a chartered bank.

As I understand his point, what Senator Flynn has said is this: This session we have in this chamber agreed to the passage of two other similar bills for the incorporation of chartered banks in this country and have passed them on to the other place. Now, he says, in view of an announcement made by the Government last month, perhaps the circumstances are different. What he says is that these applicants who have come here for a charter may still want the charter but may be prepared to return and say, "We will take the charter, but restrict it by the terms of the report of the Senate Standing Committee on Banking and Commerce." In other words, they will abandon that part of their project which calls for the participation in the share ownership of the proposed bank by the provincial government.

Senator Flynn says that the applicants for this charter might state, "We would like to have a charter on the same basis as the other two applicants have had their applications approved, and we abandon that part of our project which involves provincial government participation in the share capital."

Hon. Mr. Brooks: Have they said that?

Hon. Mr. Hayden: No, they have not.

Hon. Mr. Connolly (Ottawa West): The others have not said this. Perhaps I should not have said it quite that way. Let me clarify the point.

The other two applicants, as I understand it, said that their projects were two privately owned banks in the normal sense of the word. Then this third project came along, and its sponsors said, "This bank is going to involve the participation of a provincial government in the share ownership."

Hon. Mr. Farris: By the Province of British Columbia.

Hon. Mr. Connolly (Ottawa West): Yes, by the Government of British Columbia.

Hon. Mr. Farris: No, by the Province of British Columbia.

Hon. Mr. Connolly (Ottawa West): By the Province of British Columbia.

Hon. Mr. Brooks: Which is not contrary to the Bank Act.

Hon. Mr. Connolly (Ottawa West): I do not want to go into the constitutional question at this stage, for it seems to me that Senator Flynn's point does not bring this into issue before us here, and I say this with great respect to Senator Farris and the other honourable senators who have spoken.

I am addressing myself to the very narrow point as to whether or not they will want a charter eliminating participation by the Government of the Province of British Columbia in the share capital of this bank in the way in which they have put this forward.

My own feeling is that perhaps these applicants would like to have a charter on that basis. If circumstances have changed with them as a result of the report of the Senate committee, and as a result of the statement made by the Minister of Finance, I would be inclined to think that the Senate might agree that the applicants be given an opportunity to say so. I believe the Senate is willing to listen to changed circumstances, to representations from people who come here seeking a charter. Speaking as a private member of the Senate, I think it would be appropriate for the motion to carry.

Some Hon. Senators: Hear, hear.

Hon. G. Percival Burchill: Honourable senators, I want to say a word in view of the statement by Senator Farris that because we had voted for the principle of this bill on second reading, we would be retracting what we had done at that time if we adopted the committee's report now.

Hon. Mr. Farris: No, I never said that.

Hon. Mr. Burchill: Well, I took it that Senator Farris said this bill had been passed on second reading and carried the principle approving the purchase of shares by the province.

Hon. Mr. Aseltine: Conditionally only.

Hon. Mr. Burchill: I want to say that I personally voted for the bill on second reading. I am all for banks, western banks, eastern banks, all the banks we need in Canada, and all the competition. However, I am very much opposed, and have been right from the start, to provincial governments promoting and being shareholders in our commercial banks. First, I must confess that because of my deep and profound respect, admiration and friendship for this great man from Vancouver, British Columbia, who has graced the Senate for so many years, I deferred to his masterly exposition of this piece of legislation. Furthermore, I thought we ought to give an opportunity to the Premier of British Columbia, his Attorney General, and those associated with him, to explain what they had in mind. It was on that basis I voted for second reading, and not because I changed my opinion at all on the principle of provincial governments being sponsors, promoters or shareholders in commercial banks.

Today I feel absolutely the same way about it. If as Senator Connolly (Ottawa West) has said in respect to Senator Flynn's motion, there is a possibility—indeed, I hope, more than a possibility—that they wish to proceed with this measure with certain provisions thrown aside, by all means let us reconsider the matter.

Hon. Salter A. Hayden: Honourable senators, as Chairman of the Standing Committee on Banking and Commerce, there are a few things I would like to say at this time.

I think I presided impartially as chairman, and the vote supporting the report which was made was carried by a very substantial majority of the members of the committee. There has been no request to the committee, to the clerk of the committee, nor did I hear the sponsor of the bill say when he was speaking today that the sponsors of the bill wish to be heard again on the basis of changing the whole presentation as originally made. That presentation, as honourable senators will recall, particularly those who were before the committee, was made by three of the ministers of the provincial government of British Columbia. I do not need to refresh the memory of honourable senators as to what the Premier said when he was there and it was indicated to him that if the Laurentide Bank got a charter, then there would be a Vancouver-based bank. He said that as a matter of government policy they wanted their own bank. In the presentation made to the committee, the picture which was forcefully and completely presented was on the basis of British Columbia's participation in a controlling or directing position. I am not saying that that was bad, but I am saying that that is what the picture was.

To say that the committee did not consider the constitutional aspects of this is something that I cannot accept, first because my very good friend, the senator who sponsored the bill (Hon. Mr. Farris), was before us on a number of occasions, and if there was any indication of a tendency for the members of the committee to forget about the constitutional aspects, he never let us forget that. All one has to do is to read the transcript of the proceedings.

Today when my friend Senator Flynn made his motion he suggested that the bill go back to committee for further consideration, and it is suggested that further consideration be given on the basis that the sponsors

have a different kind of application to make. But the sponsor did not present any different kind of picture today. His picture today is still the same. Taking a constitutional position in this matter, as the committee did in considering that there were constitutional questions involved, and that there should be a statement of policy—and the Government has now given indication of what it proposes to do—the sponsor now says that any person who takes the position that it is not constitutional for a province to buy shares in a bank is taking a view which is not supportable in law. It is still back on the same basis on which it was originally before the committee. What are we going to do when it comes back again? What is that further consideration going to be? Are we going to invite the promoters of the bill to come again? If they do and repeat the presentation they made before, what is the committee going to do? What instructions is the Senate going to give?

Hon. Mr. Flynn: You are a better chairman than that.

Hon. Mr. Grosart: Give them another chance.

Hon. Mr. Hayden: My friend Senator Grosart says to give them another chance. All persons who come before the committee, in my view, get every chance they want. But we cannot be expected to be mind readers. We must also remember that there is still a statute in British Columbia concerning the shares in this bank, and it is still the law there. There is a bill standing in the Legislature of British Columbia at the stage of second reading authorizing the Government on behalf of the province to invest in buying shares in other banks.

Hon. Mr. Grosart: Might I ask a question on this point? Are the applicants in this case under any obligation to make the shares available to the Government?

Hon. Mr. Hayden: I do not know. Maybe my friend knows. I do not know what the relationship is. All I know is that when we were in committee all the promoters were there, and at times they got up and answered questions, and at other times the Premier of the province got up and said "I will answer this question," and he answered it on behalf of the promoters of the bill. It would seem that they were working in very close harmony with the sponsors at that time. I do not know that that situation still persists.

My concept of the function of the committee is simply that we are instructed to examine a bill and to make a report. We have done that. If the Senate is displeased and thinks that we have not discharged our duty properly, or if it is considered that there should be further consideration given, then the Senate is perfectly within its power to refer the matter back for further consideration. But in the present circumstances what are the further considerations that should be given? There were no directions and no requests. I must take some conclusion from what the sponsor still says, that this is perfectly constitutional and that the committee should not have come to the decision it came to in the first place.

Hon. M. Grattan O'Leary: Honourable senators, may I as a very junior member of the Standing Committee on Banking and Commerce say a few words?

I must say at the outset that I am opposed to the motion of Senator Flynn. I am opposed mainly because of its timing. As was pointed out yesterday so clearly by Senator Roebuck, we can hear now the death rattle in the throat of this session. It is practically over, and good riddance! And for us to summon these applicants from British Columbia at this time just when the session is about to expire does not seem to me to be a sensible procedure.

I was never against a bank for British Columbia, but I was against and I am against a bank for British Columbia in circumstances which in my judgment, and in the judgment of the majority of the committee, would enable the province and the Government of British Columbia to influence and control that bank.

I have not changed my opinion, and what I say now is this. Why can't we, like sensible people, wait and see what Mr. Gordon, the Minister of Finance, proposes with respect to provincial governments retaining shares in banks? Surely there is no great urgency about this matter? The Rocky Mountains are not going to collapse and the skies are not going to fall on British Columbia if the granting of this charter is delayed two or three months.

As I read the reports of the great industrial units of British Columbia, they are doing very well with their existing banking facilities, and the Government of British Columbia is doing so well that it is actually lending money to other provinces. Why the haste? Can we not wait and see what Mr. Gordon has in mind? Like the distinguished senator from Vancouver South (Hon. Mr. Farris) I am not sure about Mr. Gordon, because he may not come forward with what he proposes. This has happened before. But it seems to me that our task is to wait and see what he proposes, and then if the Government of British Columbia or the sponsors of this bank want to come before us again, surely we should hear them in the new circumstances and act accordingly.

As I have said, I am not against a bank for British Columbia—far from it. Like my friend Senator Burchill I believe that banks, like other institutions, should be open to completely fair competition, but I am against a bank in any way controlled or influenced by a government. I know of nothing that has changed the situation since I voted against this in committee, and until I hear from Mr. Gordon I see no sense—and I do not say this offensively—in the motion moved by Senator Flynn.

As I said before, we all want to get rid of this session, and some of us would like to get rid of this Parliament.

Hon. A. J. Brooks: Honourable senators, it had not been my intention to speak on this bill. Like the Leader of the Government (Hon. Mr. Connolly, Ottawa West), I realize it is a private bill and it has no political aspect about which I would care to speak. However, as to the suggestion he made that we send it back to committee conditionally, with the recommendation that representatives of the Government of British Columbia come and satisfy us that the government is not going to have shares in the bank—

Hon. Mr. Connolly (Ottawa West): The sponsors.

Hon. Mr. Brooks: Yes, the sponsors of the bank—the greatest objection to that, I think is that it would be discriminatory in relation to this particular bill.

That is what I think those honourable members of the Senate who wish to support Senator Flynn's motion—and I suspect that there are many—feel. We have already passed two bills incorporating banks—the Bank of Western Canada and the Laurentide Bank of Canada—both of which have been sent to the other place for consideration.

While I have listened to constitutional arguments from very outstanding lawyers, I am still not satisfied that there is anything in this bill which contravenes the Bank Act. I recall that I felt we were adopting a rather devious or roundabout way of defeating this bill in committee by trying to find something wrong with its preamble. It was based upon that. As Senator Farris has said, he knew of only one precedent, in all of his long experience, of the use of such a procedure in respect of bills before this house.

Honourable senators, if this bill is sent back to the committee it should not be sent back only on the condition that the Province of British Columbia, the sponsors, come here and guarantee us that they are going to do as we wish, because there is the matter of discrimination that should be reconsidered. There is also the question of whether this bill should be sent to the representatives of the people in the other place. Let them deal with it. I think that that is what should be done.

For that reason, honourable senators, it is my intention to support the amendment moved by honourable Senator Flynn.

Hon. Mr. Connolly (Ottawa West): Will the honourable senator allow me to ask a question? Does he not think, in view of the fact that the committee has made its findings on the basis it has made them, it would be rather futile to send the bill back to the committee in order to review the same circumstances? Should it not be assumed that the committee will find in the same way as it has found in the report we now have before us, and, therefore, is it not more consistent with what Senator Flynn has in mind that the matter be referred back to the committee on the rather narrow point that he made, namely, that the sponsors might want to continue their application for the charter but avoid the point made in the report?

Hon. Mr. Brooks: In reply I say that I do not know how often bills have been sent back to a committee by this chamber. I would assume that when bills are sent back it is because the majority of the members of this chamber feel that there are certain other matters that should be considered by the committee. I do not think bills are sent back for the consideration of only one particular point. They are sent back because the majority of members feel that they should go back. Therefore, with the strength and force of the knowledge that the members of the Senate want further consideration of the bill behind them, the members of the committee should be very careful in the judgment they make the second time. That is my opinion.

Hon. Mr. Hayden: Would my friend not agree that what he is, in effect, saying is that the Senate today should make a decision as to whether it is in favour of or in opposition to the report? Is that not in effect your position?

Hon. Mr. Brooks: My opinion is that it should be treated in the same way as any other bill that comes before this chamber. If the members of the Senate feel it should be sent back for further consideration, then it is their right and privilege to so move.

Hon. Arthur W. Roebuck: Honourable senators, I feel that I should make my position clear in connection with the situation as it now stands. In a preliminary way let me say that I agree with the sponsor of the bill (Hon. Mr. Farris) so far as the Constitution of Canada is concerned. It is true that no

specific judgment has yet been rendered that would enable us to say that it is unconstitutional for the Dominion of Canada to prevent a legislature from subscribing to bank shares. There is nothing definite upon it. But, honourable senators will remember that I raised this point in the very early part of our discussions. During the very first speeches that were made, I raised the point as to whether the right to interfere with the property and civil rights of the Government of British Columbia and the citizens of British Columbia is within our jurisdiction, and their constitutional right under Section 92 of the British North America Act to buy what shares they saw fit to buy. I questioned whether the jurisdiction of the federal Parliament in respect of banking and the incorporation of banks refers to the management of banks only, and not to the ownership of bank shares.

I made that point a long time ago. I do not know that it is too pertinent at this moment in considering this particular motion, but it is something that should give us pause. We in the Senate have always been careful not to violate in any way the constitutional rights of the provinces, or the people of the provinces. It should give us pause. I do not know that anyone is in a position to make a definite decision on this question at this moment. We all have our opinions, of course, but who can say just what a court would rule if this matter were before it?

But that is not really the problem before us at this moment. The problem is whether, in view of all the disagreements that we find round about us, and the uncertainty to which my honourable friend Senator Burchill has referred, it would not be wise and diplomatic on our part to send this report back to the committee, in the terms of the motion as it stands, on the understanding that the committee, having heard what has been said here today, will reconsider the whole proposition and see if it is not possible to resolve the problem in some way satisfactory to the people of British Columbia and to ourselves.

Why should we divide almost fifty-fifty on a question of this kind? We know that we will offend the people of one of our provinces by one course of action that we may take. I would leave Senator Flynn's motion in the broadest of terms and ask the members of the Banking and Commerce Committee, in view of what has been said here, and with the knowledge that they have of the views of some of us, to see if some diplomatic course can be found which is satisfactory to all parties concerned.

Senator Hayden, of course, is a very forceful and clear-minded speaker, but he seems to have overlooked the fact that the Government of British Columbia, at the very last sitting of the committee, undertook not to subscribe to these shares until the Parliament of Canada determined whether or not provinces may legally subscribe to shares in banks. That, I thought at the time, settled the question of any difficulty in regard to this application for incorporation.

Honourable senators will realize, after hearing what has been said, that all of us are in favour of banks. None of us have any objection to British Columbia's having a bank. We have already passed one bill incorporating a bank in British Columbia, and my honourable friend, the Leader of the Opposition (Hon. Mr. Brooks), says that for us to approve a charter to one group and refuse it to another group under similar circumstances is discriminatory, and in my opinion it is both unwise and unjust.

Honourable senators, let me make myself clear, because I spoke on this only yesterday —not on this motion, of course, so I am not out of order, but, speaking to the motion to adopt the report in the first instance, I said:

> I still think we should incorporate this bank. So soon as the law is changed with respect to investment by provincial governments in bank stock, then that law will apply to this bank as to all other banks.

My position in this matter is that we are making fish of one and fowl of another. We cannot afford to do that. We are a judicial body. I said it twice. I said:

> It does seem to me that we should even now incorporate this bank, and allow it to be governed by the powers of the federal Government under the British North America Act to regulate banking in the Dominion of Canada.

I still hold that view. While I said that I was not going to move the resolution that had been in my mind, which was similar to that of Senator Flynn, it was because of the statement made by the Government that it would act in the matter. I should not have said that. I thought it was, perhaps, futile.

Hon. Mr. Aseltine: I was quite surprised that you did.

Hon. Mr. Roebuck: I am going to change that position now. I should have gone on with my motion, but I thought that after the long discussion we held in the Banking and Commerce Committee, and in view of the likelihood of a fairly early decision in the matter, I would not trouble the house with such an attack. Well, faint heart never won fair lady, and I am changing that position now. I shall vote for Senator Flynn's motion, and I ask all my fellow senators to do the same, not

reject this incorporation now and so leave the question in so unsatisfactory a condition. Let us send it back to the Banking and Commerce Committee, in the hope that it can come forward with some reasonable arrangement not too unsatisfactory to either side in the discussion.

Hon. Mr. Aseltine: That would not be any reflection on the chairman of the committee.

Hon. Mr. Roebuck: Oh, no. We all understand his position. He was, as he said himself, a perfectly fair chairman, and he always is, and he is a very capable chairman at that.

Hon. Senators: Hear, hear.

Hon. Mr. Roebuck: At the same time, I do not have to agree with all his opinions, although I can disagree with him and still remain friends.

Hon. Mr. Hayden: That works both ways.

Hon. Mr. Roebuck: That works both ways. Fortunately, honourable senators, it works both ways all over this chamber. Across the floor, where I have many friends too, we can have our own opinions, disagree with each other and remain good colleagues and good friends.

Hon. Walter M. Aseltine: Honourable senators, I would like to say one word regarding my position here. When the matter was before the committee, Senator Hugessen made a motion and I voted against it. I stated my reasons for doing so. I told the committee that I had been to British Columbia, that I had spoken to many people in the Okanagan Valley, in Vancouver and on the Island, and that everywhere I went they wanted this bank in the worst way. I mentioned the fact that the Government of the Province of British Columbia was probably going to apply for shares of stock in the bank, and while a few of them said they did not like that feature, the majority said they wanted the bank anyway. I came away with the conclusion that I did not want to see this application die. That is one reason why I voted against Senator Hugessen's motion in committee.

I also made some remarks with regard to discrimination and that kind of thing, but I do not think it is necessary for me to mention that at this time. I do not agree with Senator Farris when he says we have voted on the principle of this bill and therefore we are bound by what we have done. It was made quite clear in my mind before we voted on second reading that we were voting merely for the purpose of sending this bill to committee for consideration, and that we were not bound by what is usually considered to be something final, having voted for the principle on second reading.

Senator Hayden has been chairman of the Standing Committee on Banking and Commerce for many years. I was quite happy and pleased to have him as chairman of that committee while I was Leader of the Government in the Senate. I must say that on no occasion did he ever let me down. If we send this bill back to committee for further consideration along the lines which have been suggested, even if nothing happens, I do not want him to think that we do not appreciate the good work he has been doing over all these years. I certainly would be unhappy if he did not continue in his present position as chairman of that committee.

On account of what I have said on this occasion, and also what I said in committee when the matter was voted on, I think I am bound to vote for the amendment to the motion.

Hon. Donald Cameron: Honourable senators, may I ask a question? Would this get around the difficulty? Senator Hayden has asked if he is to go back to review the old straw. I agree it would be a waste of time unless something is to come of it. Is it possible procedurally that we defer a vote on the report to a date a week or ten days' hence; and that in the meantime, if the Government of British Columbia has taken no action to go further, the Chairman of the Banking and Commerce Committee could present his report and it would be dealt with in the regular way, we have leant over backwards to give the applicants every chance?

Hon. Mr. Flynn: The committee will decide, I suggest.

Hon. Mr. Connolly (Ottawa West): The adjournment of the debate would have to be agreed to, I suppose, and at this stage I wonder if anything is to be gained. Perhaps the committee could deal with this problem, if the bill is returned to it.

Some Hon. Senators: Question!

The Hon. the Speaker: Honourable senators, it is moved by the honourable Senator Hayden, seconded by the honourable Senator Vaillancourt:

> That the report of the Standing Committee on Banking and Commerce with respect to Bill S-20, intituled an Act to incorporate the Bank of British Columbia, be now adopted.

In amendment, it is moved by honourable Senator Flynn, seconded by honourable Senator Grosart:

> That the report be not now adopted but that it be referred back to the Standing Committee on Banking and Commerce for further consideration.

Is it your pleasure to adopt the motion in amendment?

Some Hon. Senators: Yea.

Some Hon. Senators: Nay.

The Hon. the Speaker: Those in favour of the motion in amendment will say "Content".

Some Hon. Senators: Content.

The Hon. the Speaker: Those against the motion in amendment will please say "Non-content".

Some Hon. Senators: Non-content.

The Hon. the Speaker: In my opinion, the Contents have it.

Hon. Mr. Lambert: Let us have a recorded vote.

The Hon. the Speaker: Call in the senators.

Motion in amendment of Hon. Mr. Flynn affirmed on the following division:

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The Hon. the Speaker: The motion in amendment is carried.

Hon. Mr. Gershaw: Honourable senators, I was paired with the honourable Senator Reid. Had I voted on this motion I would have voted for the amendment of Senator Flynn.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Friday, March 5, 1965

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

Prayers.

CANADA SHIPPING ACT

BILL TO AMEND—COMMONS AMENDMENTS

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons returning Bill S-7, to amend the Canada Shipping Act, and acquainting the Senate that they have passed this bill with the following amendments, to which they desire the concurrence of the Senate:

1. Page 2, after Line 22. Immediately after clause 1, insert the following new clauses:

"2. Section 87 of the said Act is repealed and the following substituted therefor:

"87. (1) If a person uses the National Flag of Canada and assumes the Canadian national character on board a ship owned in whole or in part by any persons not qualified to own a Canadian ship, for the purpose of making the ship appear to be a Canadian ship, the ship is subject to forfeiture under this Act, unless the assumption has been made for the purpose of escaping capture by an enemy or by a foreign ship of war in the exercise of some belligerent right. (2) In any proceeding for enforcing any such forfeiture the burden of proving a title to use the National Flag of Canada and assume the Canadian national character shall lie upon the person using and assuming the same."

3. Section 89 of the said Act is repealed and the following substituted therefor:

"89. If an unqualified person acquires as owner, otherwise than by such transmission as hereinbefore provided for, any interest either legal or beneficial, in a ship using the National Flag of Canada and assuming the Canadian national character, that interest is subject to forfeiture under this Act."

4. Subsections (1) and (2) of section 91 of the said Act are repealed and the following substituted therefor:

"91. (1) The National Flag of Canada is hereby declared to be the proper national colours for all Canadian ships and all ships and boats that would be registered in Canada if they were required to be registered at all, belonging to any British subject resident in Canada, except in the case of any ship or boat for the time being allowed to wear any other national colours in pursuance of a warrant from Her Majesty or under regulations which may be made by the Governor in Council.

(2) Where a ship or boat described in subsection (1) flies

(a) any distinctive national colours other than the National Flag of Canada; or

(b) the colours or pendant usually carried by Her Majesty's ships or any colours or pendant resembling the colours or pendant of Her Majesty, without a warrant from Her Majesty or pursuant to regulations made by the Governor in Council, the master of that ship or boat, or the owner thereof if he is on board, is guilty of an offence and liable on summary conviction to a fine not exceeding five hundred dollars or to imprisonment for a term not exceeding six months or to both such fine and imprisonment."

2. Page 2, Line 23. Clauses 2 to 37, inclusive, to be renumbered as clauses 5 to 40 inclusive, respectively.

3. Page 5, Lines 30 to 38. Delete and substitute the following therefor:

"(1b) Subject to sections 480 to 482, every Canadian steamship that is not a ship described in subsection (1) or (1a) shall have its hull, machinery and equipment inspected by a steamship inspector in accordance with the regulations before the ship is first put into service and at least once in each year thereafter or, if classification surveys are made, in such longer period, and subject to such conditions as may be prescribed by the regulations."

4. Page 10, Lines 29 to 43. Delete and substitute the following therefor:

"(d) if the ship is a cargo ship other than a nuclear ship and there has not been produced a certificate mentioned in paragraph (a)

(i) a valid Cargo Ship Safety Construction Certificate and a valid Cargo Ship Safety Equipment Certificate, where the gross tonnage of the ship is five hundred tons or more, and

(ii) a valid Cargo Ship Safety Radiotelegraphy Certificate, where the gross tonnage of the ship is sixteen hundred tons or more, or a valid Cargo Ship Safety Radiotelephony Certificate, where

the gross tonnage of the Ship is less than sixteen hundred tons, and any valid Exemption Certificate that has been issued in respect of the ship."

5. Page 19, Lines 37 to 44. Delete and substitute the following therefor:

"40. (1) Section 1, sections 9 to 30 and section 39 of this Act shall come into force with respect to Canadian ships, and with respect to ships registered in any other country on a day or days to be fixed by proclamation of the Governor in Council.

(2) Section 6 and section 38 of this Act shall come into force on a day or days to be fixed by proclamation of the Governor in Council."

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

Hon. Mr. Connolly (Ottawa West): I move that these amendments be placed on the Order Paper for consideration at the next sitting.

Motion agreed to.

DEPARTMENT OF INSURANCE

BILL TO AMEND CERTAIN ACTS—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-123, to amend certain acts administered in the Department of Insurance.

Bill read first time.

SECOND READING—DEBATE ADJOURNED

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

Hon. Mr. Connolly (Ottawa West): Honourable senators, I have asked Senator Lang to move second reading of this bill and explain it.

Hon. Mr. Brooks: I understand this bill has been amended in the Commons since it was first printed. Will there be a distribution of copies of the bill as passed by the Commons?

Hon. Mr. Connolly (Ottawa West): Yes. Copies are available, and I ask the pages immediately to arrange for their distribution.

Hon. Daniel A. Lang, with leave, moved second reading of the bill.

He said: Honourable senators, this rather formidable-looking bill, copies of which are now being distributed to you is, I have found, not quite as formidable as it might appear at first glance. However, it does cover a very broad range of material. As the title indicates, this is a bill to amend certain acts that come under the jurisdiction of the Department of Insurance. The four specific acts are: the Canadian and British Insurance Companies Act, the Foreign Insurance Companies Act, the Trust Companies Act, and the Loan Companies Act.

As I outline some of the highlights to you this afternoon, I think you will agree that it is very sound to incorporate these amendments to these four acts in the one bill before us. The main points contained in each part of the bill itself, and the sections applying to insurance companies, Canadian, British and foreign, and provisions applying to trust companies and loan companies, are in essence exactly the same or very similar.

Honourable senators, first, I would draw your attention to the fact that this bill is divided into four parts. Part I deals with the Canadian and British Insurance Companies Act; Part II deals with foreign insurance companies under the Foreign Insurance Companies Act; Part III deals with trust companies, and Part IV deals with loan companies.

Honourable senators, behind this bill are two basic policy objectives. The first basic policy objective is to expand the investment powers of all insurance, loan and trust companies that come under federal jurisdiction. The second basic policy objective is to ensure that those Canadian life insurance, trust and loan companies, coming under federal jurisdiction, which are still Canadian owned, will retain their Canadian ownership and control.

The first objective that I mentioned is primarily directed to the expansion of the equity money market available to Canadians for the establishment and development of our resources and industry, while the second objective recognizes the fact that between 1955 and 1960 nonresidents acquired control of seven of the 25 joint-stock life insurance companies under the jurisdiction of the federal Department of Insurance, leaving only 12 of those 25 companies now under Canadian ownership and control. That such a trend is not in the best interests of our country was heavily underscored, as all honourable senators know, in the recent report of the Royal Commission on Banking and Finance.

In addition to the implementation of those two objectives that I have referred to, the bill amends all of the acts mentioned in various technical and administrative aspects, primarily in order to bring existing legislation into conformity with current practices and requirements. Many of these amendments have come about at the request of, and, indeed, after consultation with, the various financial institutions affected by the legislation.

If I may, I should like to come to some of the specific terms of this bill, and to deal first with the changes in investment powers given by it. In so far as Canadian insurance companies are concerned, these changes are set out in clause 5. This is one of the most important sections, if not the most important section, of the bill. Its highlights are, first, the provisions enabling these companies—that is, Canadian life insurance companies—to invest up to 25 per cent of the book value of their assets in common shares. This is an increase of 10 per cent over the maximum limit heretofore allowed such companies. Secondly, this clause contains a provision which permits these companies to include in their common stock portfolios shares of companies with only a 5-year dividend record of at least 4 per cent per annum, instead of the present limitation of such shares of similar record over a 7-year period.

The relaxation of the restrictions in this field is further carried out in other provisions of clause 5. I would particularly draw the attention of honourable senators to the fact that under this clause the dividend record that constitutes the test as to the eligibility of shares for investment can be a dividend record notwithstanding the fact that dividends were not in fact paid by the company. All that is required is that the company could have, over the required period of time, declared those dividends and in the amounts specified if the directors had chosen to do so. These new tests of eligibility will, it is hoped, encourage foreign parent companies of Canadian subsidiaries to make shares of the Canadian subsidiaries available to Canadians and to enable Canadian life insurance companies to buy them.

In addition, the bill would give these companies additional freedom to invest in assets of their own choice that have no eligibility requirement. I refer to what is commonly known as the basket clause, which heretofore restricted to 5 per cent of the total assets of an insurance company the investment value of any security of the company's own choosing, notwithstanding its characteristics. This basket provision has now been increased from 5 to 7 per cent.

Hon. Mr. Hugessen: Which subsection is that?

Hon. Mr. Lang: It is clause 5(8), at page 14, opposite the marginal note "Limitation", (4) (c). It reads:

> (c) the total book value of the investments and loans made under this subsection and held by the company, excluding those that are or at any time since acquisition have been authorized as investments apart from this subsection, shall not exceed seven per cent of the book value of the total assets of the company.

Heretofore that provision was 5 per cent.

In regard to these provisions that I have referred to enlarging the investment powers of life insurance companies, it is expected they will enable those companies to broaden the range of their common share investments, as also does subclause (8), which I mention here as directly relating to investment powers.

Under this clause a new rule is substituted for valuing common shares. Under this rule, in effect, a company can absorb the impact of a drop in market value of its common share investments over a period of three years on its balance sheet, rather than absorbing that fluctuation all in one year as under present legislation. This to an extent ensures a relatively close approximation of balance sheet and market value figures. It relieves to a great extent the over-all restrictive effect imposed on a life insurance company by sharp market fluctuations.

These provisions are all designed to make Canadian ownership of Canadian enterprises as attractive as possible to Canadian life insurance companies, consistent with their own best judgment as to balance and the nature of their investments.

Again, under clause 5, there are further significant amendments, most notably the raising of the mortgage ceiling on real estate. Here it is increased from two-thirds of the lending value of the real estate as the ceiling, to 75 per cent of the market value. This amendment has been sought by the companies concerned themselves, and it is considered to be a responsible one and in conformity with today's borrowing requirements. It is also considered that such an increase is in the best interests of the shareholders and policyholders of the companies themselves. This ceiling has been raised from time to time by amendments to this legislation over the years. It is hoped that this most recent increase will, to some extent at least, discourage borrowing on real estate by way of second mortgage.

Clause 5 likewise broadens the scope for investment in income producing real estate. The details of this provision are quite complicated, but in essence it permits these companies to engage in the financing of income-producing real estate more flexibly in partnership with other companies. It broadens the requirements as to the nature of the lessees of these properties, to include governments and government agencies, along with corporations whose dividend records meet the requirements of the act. The broad-

ening in this regard is by way of inclusion of governments and government agencies as lessees.

This clause also departs from principle by permitting direct investment in income-producing real estate having a stipulated earning record. This is based on the general principle that real estate investments permissible for the companies themselves should be acceptable also as investments for the production of income, the security behind them being the same. In addition, this clause increases the maximum size of any one parcel of land that may become an object of borrowing.

I have here tried only to highlight the enlargement or broadening of investment powers contained in clause 5.

Besides those matters to which I have referred, this portion of the bill contains other provisions directed generally to the same end. These other provisions are of relatively minor importance and I think they can be more properly dealt with by the Senate in committee.

As I mentioned, this bill is divided into four parts. In fact, Part I of the bill is of two parts in itself. The first clauses of the bill up to clause 13 refer to Canadian life insurance companies and the remaining clauses of Part I, namely, clauses 13 to 17, deal with British life insurance companies. The provisions to which I referred dealing with the enlargement of the investment powers of Canadian life insurance companies under clause 5, are repeated exactly with respect to British life insurance companies, under the latter part of Part I, and with respect to foreign life insurance companies under Part II.

The policy underlying the enlargement of the investment powers of life insurance companies is also carried through in this legislation, but to a more limited extent, to trust companies under Part III and loan companies under Part IV.

Clause 32 deals with the investment powers of trust companies. Exactly similar provisions with regard to loan companies are contained in clause 40.

I said that the changes as they affect loan and trust companies are not as broad as those affecting life insurance companies, but they do embrace the two most significant amendments contained in the beginning of Part I of the act.

Under section 32, trust companies are given similar power to lend by way of mortgage on real estate and up to 75 per cent of the mortgage-lending value of the property. In addition, they are permitted to increase their portfolio of common stocks from 15 per cent to 25 per cent of their total investment portfolio.

I would like now to turn briefly to the balance of the amendments contained in Part I, which apply only to Canadian life insurance companies and do not directly concern their investment powers.

Under present legislation, as honourable senators know, life insurance companies may not own more than 30 per cent of the shares of any other corporation, and may not own any shares of another corporation transacting the business of life insurance. Clause 6 of the bill before us departs from that principle and enables these companies to own subsidiary life insurance companies outside Canada It permits them to own subsidiary casualty companies in Canada and subsidiary real estate companies, all subject to such terms as the Treasury Board may prescribe.

As to subsidiary life insurance companies outside of Canada, this change appears to be in line with the business requirements being met by our Canadian companies in foreign countries, and I need not add that these companies do a large volume of their business abroad.

As to subsidiary casualty companies in Canada, this change merely permits this kind of business to be done via a subsidiary rather than directly, as can now be done by any life insurance company with the concurrence of the Treasury Board. Herein, the vehicle of a subsidiary appears to be a more sound and prudent way to carry on such business.

As to the provisions with regard to subsidiary real estate companies, it would appear again to be advantageous for life insurance companies to invest indirectly through a subsidiary rather than to do so directly themselves. This would give greater flexibility in business transactions and at the same time provide a high degree of security for policyholders.

Among the minor amendments contained in this part, I might point out that clause 4 enables the Governor in Council to grant French or English versions of a corporate name, and this avoids the necessity of bringing this matter before Parliament to accomplish that purpose.

Other minor amendments are contained in Part I, particularly providing a reduction in the number of directors qualifying shareholders, under clause 2; splitting par value of shares, under clause 4; purchase of shares of other life insurance companies for merger, under clause 12; and, indeed, others which I feel must be dealt with in detail in committee, since no principles are there involved.

I have now very briefly covered the amendments affecting all life insurance companies as set forth in Parts I and II of this bill, with the exception of those provisions in Part I dealing with the maintenance of Cana-

dian control and ownership. With your permission, I would like to deal with that last, since the provision contained in Part I with respect to Canadian life insurance companies is reproduced in Part III with respect to trust companies and in Part IV with respect to loan companies.

As to Parts III and IV of the bill, I have already mentioned how the investment powers of trust and loan companies are affected by this legislation. Apart from the Canadian control sections contained in Parts III and IV, the only two other significant amendments are those contained in clauses 34 and 42. These two clauses are similar. The first one applies to trust companies, and the second to loan companies.

Under these sections trust and loan companies are enabled to borrow up to a maximum of 15 times the excess of their assets over their liabilities. Heretofore, the ceiling has been 12½ times. The financial strength and stability of these companies now seems to warrant this increase, which comes after a succession of such increases over the last many years.

May I point out, with regard to the 2½ per cent differential between 12½ per cent and 15 per cent, that the exercise of borrowing power within that range is subject to the approval of the Treasury Board upon the recommendation of the Superintendent of Insurance. These clauses also contain a new provision requiring that if a trust company owns more than 10 per cent of the shares of a loan company, or vice versa, the two companies must be considered as one for the purpose of their borrowing. In other words, when we apply the ratio of 15 times we must apply it to a consolidated balance sheet of the two companies and not to their assets and liabilities as set forth in their separate and distinct financial statements.

Parts III and IV of this bill likewise contain some minor housekeeping amendments, as does Part I, and reproduce the provisions regarding French and English names, directors qualifying shareholdings, and matters of that nature.

Finally, honourable senators, I would draw your attention to the other basic section of this act as distinct from clause 5, dealing with investment power enlargement, namely, clause 3, which deals with ownership and control of these companies.

As I mentioned earlier, this section appears in almost identical form in Part I, and again in Parts III and IV where it applies to trust and loan companies respectively. The method of dealing with the problem is basically quite simple, but the machinery of it is somewhat more complicated. Basically, the bill requires that the directors of any of these companies must refuse entry on the books of that company of any transfer of share or shares if that transfer would have the effect of bringing the total shareholdings of nonresidents in excess of 25 per cent of the outstanding capital of the company, or where such nonresident shareholdings, now exceeding 25 per cent, are thereby increased, or, on the other hand, if such a transfer would have the effect of giving to any one nonresident or one nonresident and his associates more than a 10-per cent interest in the issued capital stock of the company.

The section also provides that nonresident shareholdings in those Canadian life insurance, trust and loan companies that do in fact exceed the maximum permissible limits set out in the bill will not, upon this bill becoming law, have to be thereupon reduced to conform, but, of course, such shareholdings are then frozen at their maximum and the directors must not permit the registration of any transfer that would represent an increase.

Hon. Mr. McCutcheon: Unless the present holdings are over 50 per cent.

Hon. Mr. Lang: Yes, that is correct.

These requirements impose upon the directors the duty of ascertaining the residence of anyone requesting shares to be registered in his name. The problem of Canadian resident nominees for nonresident beneficial shareholders immediately arises. Accordingly, this section provides that in such a case no one can vote those shares. When shares are to be voted it will be the responsibility of the directors of these companies to call for a declaration as to the residence and beneficial ownership of the shares being voted. If, notwithstanding these precautions, those shares are so voted, the proceedings affected thereby are not void but are voidable at the insistence of a shareholder of the company.

Further, provision is made to the end that nonresident control may not be held through direct holding of 10 per cent of the beneficial control of a company directly and through associates and nominees holding shares in excess of that percentage. In the event of that situation arising, not only the excess over 10 per cent cannot vote the shares, but the 10 per cent itself loses its voting rights.

Basically speaking, honourable senators, there is nothing in this legislation to affect the status quo of shareholders now outstanding, nor does this section preclude the formation of companies incorporated in the future where majority control is nonresident from the outset.

The bill includes detailed transitional provisions to prevent the rights of existing shareholders being prejudiced; and, basically,

the whole design of the section is directed towards control aspects of shareholdings, and is designed to avoid affecting the proprietary rights of shareholdings.

It is expected that the existence of these sections alone will, in all likelihood, provide a very strong deterrent to further loss of Canadian control over our financial institutions.

Honourable senators, I wish to thank you for your indulgence as I tried very briefly to outline what is not a simple piece of legislation. I know this bill deserves minute scrutiny in committee, and if it receives second reading I shall move that it be referred to the Standing Committee on Banking and Commerce.

Hon. M. Wallace McCutcheon: Honourable senators, I appreciate the explanation Senator Lang has given. There are two or three questions I would like to put to him, in the hope that when he closes the debate he will answer them.

I would like to know what percentage of the life insurance business in Canada is done by companies registered under or subject to the provisions of the Canadian and British Insurance Companies Act which are subject to these new provisions.

I would like the same information as to the percentage of total business done by companies subject to the provisions of the Trust Companies Act and the Loan Companies Act.

I would also like to have a further explanation of what I understand was one of his last statements, that nothing in this bill prevents foreign interests from incorporating companies in the field covered by this legislation.

On motion of Hon. Mr. Macdonald (Cape Breton), for Hon. Mr. White, debate adjourned.

CANADIAN NATIONAL RAILWAYS FINANCING AND GUARANTEE ACT, 1964

FIRST READING

The Hon. the Acting Speaker informed the Senate that a message had been received from the House of Commons with Bill C-137, to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways System for the period from the 1st day of January, 1964 to the 30th day of June, 1965, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company.

Bill read first time.

Hon. Mr. Connolly (Ottawa West) moved, with leave, that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

INCOME TAX CONVENTION ACT

BILL TO IMPLEMENT CONVENTION BETWEEN CANADA AND JAPAN AND TO AMEND AGREEMENTS WITH CERTAIN OTHER COUNTRIES—FIRST READING

The Hon. the Acting Speaker informed the Senate that a message had been received from the House of Commons with Bill C-146, to implement a convention between Canada and Japan for the avoidance of double taxation with respect to income tax and to amend the existing agreement and conventions between Canada and Denmark, Finland and the Netherlands, with respect to income tax.

Bill read first time.

Hon. Mr. Connolly (Ottawa West) moved, with leave, that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

DOCUMENTS TABLED

Hon. John J. Connolly tabled:

Report of the Fisheries Research Board of Canada for the fiscal year ended March 31, 1964. (English and French texts).

Report of the Board of Review to the Postmaster General on National States' Rights Party, dated February 11, 1965. (English and French texts).

CANADA LABOUR (STANDARDS) CODE BILL

AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Daniel A. Lang, for Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the following report of the committee on Bill C-126, respecting hours of work, minimum wages, annual vacations and holidays with pay in federal works, undertakings and businesses:

> Your committee recommends that authority be granted for the printing of 800 copies in English and 300 copies in French of its proceedings on the said bill.

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

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

Report adopted.

ADJOURNMENT

Hon. John J. Connolly: Honourable senators, I move, with leave of the Senate, that when the Senate adjourns today it do stand adjourned until Tuesday next, March 9, 1965, at 8 o'clock in the evening.

Motion agreed to.

PENITENTIARY ACT

BILL TO AMEND—SECOND READING

Hon. John J. Connolly: I have asked the honourable Senator Roebuck to move second reading of this bill and to explain its provisions.

Hon. Arthur W. Roebuck, with leave, moved second reading of Bill C-145, to amend the Penitentiary Act.

He said: Honourable senators, I approach my task of explaining this bill with some diffidence. I do so because it will not stand comparison with the very complicated measure just presented to the house in a most capable manner by my friend and colleague Senator Lang. At the same time I thank the Leader of the house (Hon. Mr. Connolly, Ottawa West) for the honour he has done me in giving me the opportunity of explaining this bill to you.

It is a very simple bill, honourable senators. To quote a phrase used earlier by Senator Lang in reference to some sections of his bill, it is "just a housekeeping amendment."

Hon. Mr. McCutcheon: Senator Lang was too modest.

Hon. Mr. Roebuck: These amendments are purely technical and do not interfere with the rights of any person in any way. As I have said it is a simple bill, but it is a necessary one. It is essential for the due conduct of the processes of law in this dominion.

As all my colleagues who are lawyers know very well, and as all those who are not lawyers will readily appreciate, a certain time must elapse between the conviction of an individual and his removal to the penitentiary, if he is so sentenced. This is the period during which the person so convicted is allowed to file a notice of appeal. In the case of a summary conviction this period is 30 days, and then there is a further time, a hiatus, shall I call it, between the time he launches an appeal and the time when the appeal is disposed of by the court of appeal.

Now, according to section 17 of the Penitentiary Act, that is the current act, a convicted person is not permitted to be received by the penitentiary until (1) after the time for appeal has elapsed; (2) until the appeal has been disposed of; or, (3) the convict has waived his right of appeal. During this time the convict remains in a provincial institution. In Toronto, for example, the Don Jail would be the appropriate institution. But during this period the province requires statutory authority to detain him. Under the former Penitentiary Act, that is the Revised Statutes of Canada, 1952, chapter 206, section 49, this authority was provided in the following words:

> A convict shall not be conveyed to the penitentiary pending any appeal against his conviction or sentence, nor until after the expiration of the time limited for such appeal but, subject to the provisions of the Criminal Code for admitting an appellant to bail pending the determination of his appeal, shall be confined in any gaol or other place of confinement wherein he may be lawfully kept after sentence while awaiting removal to the penitentiary.

That section gave the provincial institution the power to hold and detain the individual during that time. Unfortunately—perhaps that is not quite the right word, but nevertheless it is a fact—the former Penitentiary Act was repealed by chapter 53 of the Statutes of Canada, 1960-61, and for some reason that has not been explained to me, nor was it explained in the other place, but it is readily understood, I think, as a clear and obvious error, this provision was not carried forward into the new act. Section 17 of chapter 53 of the Statutes of Canada, 1960-61 reads as follows:

> 17. A person who has been sentenced or committed to penitentiary shall not be received in a penitentiary pending the determination of an appeal nor until after the expiration of the time limited by law for an appeal, but the person may, whether or not he has entered an appeal, give written notice to the court that sentenced or committed him that he elects not to appeal or abandons his appeal, as the case may be, and thereupon the time limited for appeal shall be deemed to have expired.

Honourable senators will note that there is nothing in that particular clause which gives the province the power to hold a man in the meantime, that is, between the time of his conviction and sentence and when he is permitted to be entered into the penitentiary. And I understand, the obligation on the provincial jails to detain the prisoner during that period, in consequence of this omission, has been challenged, and so it is most necessary that we amend the Penitentiary Act, as is proposed by the bill before the house.

You will observe also that the convict, according to the section I have read, may give notice in writing that he elects not to appeal, in which event he becomes admissible forthwith to the penitentiary, and this is done in the vast majority of cases. It is not done in all cases, but in a very large number. In such cases the convict waives his right to appeal, not because the penitentiary is any more comfortable than the jail in which he would otherwise be detained, although that may be so, but simply because—and there has been some confusion in this connection—the time spent in the provincial jail, pending an appeal and its disposal by the court of appeal, does not count as part of the term in the penitentiary imposed by the trial court. That is, of course, unless the court of appeal otherwise orders. To emphasize this I shall read to you the clause from the Criminal Code that covers this particular point. The Criminal Code, section 624, provides:

> Sentence commences to run when imposed—
>
> (2) (b) The time during which a convicted person is confined in a prison or other place of confinement pending the determination of an appeal by that person does not count as part of any term of imprisonment imposed pursuant to his conviction, but paragraph (b) is subject to any directions that the court of appeal may give.

I state the law specifically because in the other place there was confusion in that regard.

The amendment in Bill C-145 applies also to section 18 of the new Penitentiary Act. Section 18 of that act reads as follows:

> Subject to any relevant agreement that may be made under section 19, the officer in charge of a penitentiary is not required to accept a person into custody under a warrant of committal unless there is, in relation to that person, a certificate of a duly qualified medical practitioner which certifies that the person is free from dangerous, contagious or infectious disease.

That may be new to many of us here, but dominion penitentiaries will not accept a person who is suffering from a dangerous, contagious or infectious disease. The result is that the individual in question remains in the provincial institution. As I have already pointed out, it is most necessary that the provincial institution be possessed of the right, power and authority to detain him, which power was lost when section 49 of the previous Penitentiary Act was inadvertently dropped from the new act. The bill that is now before us would cure that omission, as well as that in relation to the previous section which I have mentioned.

Honourable senators will notice the reference to any relevant agreement. That means an agreement between the dominion Government—the Minister of Justice with the approval of the Governor in Council—and any of the governments of the provinces. When there is no agreement in effect, the penitentiary management may refuse to accept any such person.

In addition to persons who have infectious diseases, there is the question of persons of unsound mind. Section 19 of the Penitentiary Act enables the management of our penitentiaries, with the approval of the Governor in Council, to make an agreement with the provinces to take into custody a person of unsound mind, and it gives the management of the penitentiary the authority to refuse any person of that nature, or should a person detained in the penitentiary become of unsound mind the management has the power to return him to the institution from which he has been received.

The interesting feature of that situation is that no such agreement has been entered into so far between the dominion Government and any of the provinces of Canada. What has been happening in our penitentiaries is that we have followed the ancient custom of simply refusing a person of unsound mind who is committed to a penitentiary, so that such person becomes a charge on the provincial government and not upon the dominion Government. In view of the practice of the past, we now have the person confined in a provincial institution and the dominion government pays the charges on a per diem basis.

When a dangerous case occurs—that is, a case of a contagious or infectious disease—amongst the inmates of a provincial penal institution, then section 19 of our Penitentiary Act gives the Government power to make an agreement to provide that that individual shall be sent to one of the penitentiary hospitals for incarceration and treatment. The interesting feature in connection with that potential understanding is that there are no such hospitals; we have never erected any hospitals of that nature. That is largely a dead issue, but the other is not. Frequently people are found to be of unsound mind, and are so certified by the penitentiary physician or psychiatrist, and such a person is then sent to a provincial institution with the dominion Government paying the cost. But, it is quite obvious, is it not, that the provincial institution must have authority to

detain the person and to maintain him, otherwise the provincial institution is put in a very undesirable position?

This bill provides the necessary powers in respect to all those matters. I think I should read the subsections:

> (1) A person who by reason of section 17 is not received in a penitentiary or who by reason of section 18 is not accepted into custody shall be confined in any prison, common gaol or other place ...

And that may be an insane asylum.

> ...not being a penitentiary, in which persons who are charged with or convicted of offences are usually kept in custody.

That means the provincial institutions.

> (2) The keeper of any prison, common gaol or other place referred to in subsection (1) to whom a person mentioned in that subsection is delivered shall, upon sufficient authority, receive, safely keep and detain that person under custody in the prison, common gaol or other place until he is transferred to a penitentiary or discharged from custody in accordance with law.

Subsection (3) is not as important, but it reads:

> The original of the warrant or other instrument by which a person referred to in subsection (1) is committed to or is to be imprisoned in a penitentiary, or a copy thereof duly certified by any judge or magistrate or by the clerk of the court in which that person was convicted, is sufficient authority for his detention in accordance with subsection (2).

As I have already said, honourable senators, this is purely housekeeping. It interferes with no one's rights in any way. It is simply the correction of an error. However, it is a necessary piece of legislation, and I commend it to my fellow senators for passage.

Hon. A. J. Brooks: Honourable senators, it is quite obvious, I think, to all of us that there is not very much that can be said with reference to this bill, especially after hearing the explanation from the honourable sponsor. It is rather surprising that this was left out of the 1961 bill, and it is also surprising that we have no knowledge of why it was left out. Evidently there was an error, as Senator Roebuck has stated.

The situation arising under Section 17, of course, is quite easy to understand. A prisoner, while he is awaiting an appeal from his conviction should not be in a penitentiary. There is no question about that. Section 18 does seem to be a little more difficult to follow. I did have a question to ask about it, but I think it has been answered pretty well by Senator Roebuck. I was under the impression that our penitentiaries did have hospitals.

Hon. Mr. Roebuck: Yes, they do.

Hon. Mr. Brooks: But not for mental cases.

Hon. Mr. Roebuck: This is a hospital to care for a person with an infectious disease who is detained in a provincial institution. He may be, if the proper agreement is made between the parties, transferred to a penitentiary hospital, but it has to be a hospital of the right kind.

Hon. Mr. Brooks: Yes, I understand that, but what surprises me is that the penitentiaries have not hospitals which can handle these cases. After all, there may be a drug addict, for instance, and why should the provinces have to take on the responsibility of looking after such a person if he is convicted criminally? Why is it that he cannot be sent to the hospital in a penitentiary, and his sentence start from the time he is admitted?

Hon. Mr. Roebuck: No. A drug addict is not a dangerous man in the sense that a person with an infectious disease is.

Hon. Mr. Brooks: But he is a sick man, and the warden of the penitentiary has the authority to refuse his admittance. That is as I understand it. That is a point that was not clear in my mind, and I was wondering if the honourable sponsor of the bill could clear that up. A person may have tuberculosis, for instance, and the warden may say, "No, we will not admit this man at all." Why should that man be the responsibility of some institution in the province, and not be looked after in one of our penitentiaries? After all, he becomes the responsibility of the federal Government once he is convicted. That is the only question that I had with respect to this bill.

I might say that I noticed in the *Votes and Proceedings* of the other place of November 23 a proposed resolution:

> That a special committee, consisting of fifteen members to be designated by the house at a later date, be appointed to consider the state of penitentiaries under the control of the Government of Canada and the plans of the Government in relation thereto with powers to: report from time to time its observations and opinions thereon.

It occurred to me that a matter of this kind could very well have been left until this committee had reported.

There are many points about our penitentiaries and jails of which I am sure we are becoming more conversant and which need some checking. I can remember, years ago when I was at school, there was a poem by Richard Lovelace in which these lines occurred:

> Stone walls do not a prison make,
> Nor iron bars a cage.

That is becoming obvious to the people of Canada today.

My suggestion is that people could very well have faced some of these problems, and I am not satisfied that the warden of a penitentiary should have the authority to refuse admittance of prisoners who are suffering from disease. The penitentiaries should be so constituted that they will look after these matters themselves.

Honourable senators, with that slight criticism, I feel this is a very necessary amendment to our act and I am in complete agreement with it.

Hon. Mr. Hollett: Would the sponsor of the bill describe what is meant by the words in the second subsection: "receive, safely keep and detain"? Would he tell us exactly what that means? Are there any rules or regulations whereby that is ensured, and what happens if the person is not safely kept and detained?

Hon. Mr. Roebuck: We might ask Mr. Rivard about that.

Hon. Mr. Brooks: We cannot find Mr. Rivard to answer.

Hon. Mr. Roebuck: I do not know whether there is any definition in this or in the Code as to what "safely keep" would mean; but the words are probably as plain as any explanation could be.

I want to make this a little more clear. Section 19 refers to two things: (1) people of unsound mind, and (2) people in provincial institutions suffering from contagious diseases. That section says:

> (2) Where no agreement has been made pursuant to subsection (1)—

And, as I have said, no agreements have been made in any of the provinces.

> —between the Minister and the government of any province from which a mentally ill or mentally defective person is sentenced or committed to penitentiary, the officer in charge of the penitentiary may, on the advice of the penitentiary physician or psychiatrist, refuse to accept custody of that person under the sentence or committal or, if custody of that person has been accepted, may, under the authority of a written direction by the Commissioner, return that person to the prison or other place of confinement from which he was received.

That applies only to people of unsound mind. That is all.

Hon. Mr. Brooks: One would not understand that from reading the section here.

Hon. Mr. Roebuck: Section 18 goes a little further, but it does not go so far as to take in an addict.

Hon. Mr. Brooks: Pardon me, it says "certifies that the person is free from dangerous, contagious or infectious disease."

Hon. Mr. Roebuck: Yes, but that is as far as it goes.

Hon. Mr. Brooks: That is quite a long way.

Hon. Mr. Roebuck: It is a most necessary way. With regard to the committee in the other house, if that committee finds this bill has gone too far or not far enough, it may bring in its report and then no doubt we will amend the Penitentiary Act accordingly. In the meantime it is most important that the provinces be given power to detain the individual whom we send to them either by arrangement or return to them forcibly. That seems clear, and that is really all this bill does.

Hon. M. Gratton O'Leary: May I put a question to the sponsor, please?

Under our Penitentiary Act, do we have any power whatsoever to influence or control the conditions which exist in provincial penitentiaries? I am thinking of what I read the other day, regarding Bordeaux Penitentiary, which has been in the headlines recently. It was stated that this penitentiary was built to contain 700 persons and that now there are 1,200 persons there. Is there nothing in this act, or even under co-operative federalism, by which we could insist that these provincial penitentiaries at least be conducted in a humane way?

Hon. Mr. Roebuck: I wish it were so, that we did have that authority. Bordeaux prison is not a pentientiary. Bordeaux prison is a provincial institution over which we have no authority in this chamber or in the other place—no authority whatsoever. Were we to interfere in the affairs of the Province of Quebec, I am sure we would have a protest of a very violent character.

However, there is certainly something to be done, and I hope it will be done. They are building a new institution to take the place of the Bordeaux prison, but it cannot be done in a day. I am hoping that the evil conditions

to which my friend has referred will be cured as quickly as possible by the provinces.

Motion agreed to and bill read second time.

The Hon. the Acting Speaker (Hon. Mr. Gershaw): Honourable senators, when shall this bill be read the third time?

Hon. Mr. Roebuck: At the next sitting.

Hon. Mr. Brooks: There is no intention to send this bill to committee?

Hon. Mr. Roebuck: Not unless someone desires it to be sent to committee. I would think it unnecessary, but I am in the hands of the house.

Hon. Mr. O'Leary (Carleton): There are some expert witnesses available, if you could catch them.

Hon. Mr. Roebuck: I do not think we need send it to committee.

On motion of Hon. Mr. Roebuck, bill placed on the Orders of the Day for third reading at the next sitting.

COAL PRODUCTION ASSISTANCE ACT

BILL TO AMEND—SECOND READING

Hon. Harold Connolly moved the second reading of Bill C-147, to amend the Coal Production Assistance Act.

He said: Honourable senators, it seems to me that this is a delightful bit of legislation to come before this house on this glorious Friday afternoon. I say that because of its happy background. It was introduced originally by the Government of 1949 and was subsequently improved and expanded by the succeeding Government. Incidentally, it secured the favour and won the approval of all parliamentary parties in the other place.

It is an innocuous looking bill. Longitudinally, if I may use the word, it is just about my size, because it is just about two sentences tall. All it does is extend for a period of five years the time in which loans can be made to the producers of coal in this country.

Honourable senators, it is not my desire to make a Hollywood production of this very simple bill. Perhaps we should not follow the example of the other place, because, on consulting *Hansard* of the other place, I find that the bill was dealt with very swiftly.

The record in *Hansard* for February 19 of this year indicates that the Minister of Mines and Technical Surveys moved that the house go into committee to consider the following resolution:

> That it is expedient to introduce a measure to amend the Coal Production Assistance Act to extend until the 31st day of October, 1969, the period during which agreements may be made under section 3 of the said Act.

The motion was agreed to and the house went into committee. The minister made a very brief one-sentence statement, in which he said that no change in principle was involved in the legislation. The resolution was reported and concurred in.

The minister then asked for permission to introduce the bill. The permission was granted. The bill was read the first and second times, reported at the next sitting and was passed, and now we have it here before us.

I should perhaps say a brief word about the origin of this bill. As I look across the chamber at my friend and colleague, Senator Macdonald (Cape Breton), I am reminded that he, like his father, has had a long, abiding interest in the coal mining industry, and has made great humanitarian contributions, which redound immensely to his credit, not only within the industry but outside.

I think my earliest contact with the coal mining industry was in the early twenties, when as a young reporter I was in the coal fields during a disastrous strike of that period. I developed then a sympathy for the men who spend their lives largely underground digging coal. That sympathy has not abated in all the succeeding years, because those were the days of the company union, of company stores; those were the days when coal miners, after six days of work of 60 hours a week, took home almost infinitesimally small wages. I have seen men take home, after deductions, as little as $2.94 and $3.23. When it is considered that in most cases there were families to care for, you can imagine the plight of the miner in those days.

Happily, the situation has improved. It improved immediately the company union was disposed of and the men who spent their lives in the mines were given the opportunity to work out their own destiny. It has also improved because company management has developed a consciousness of need on the part of its individual workers, which had not existed before.

The situation has also improved because governments, both provincial and federal which, up to that point had hardly recognized the industry except for what royalties they could attract from it, also developed a humanitarian aspect which has contributed greatly to the industry and to those who are engaged in it.

My sympathy has always been for the miner, and I do not detract one iota from that statement. Mark you, it does not necessarily follow that my sympathy is anti-company. However,

a problem concerns me, as well as others in my province, particularly where coal is concerned. At the moment, marketing conditions are reasonably good, but we have passed through one crisis after another, which has affected not only the people employed in the mine, particularly the youth of Cape Breton, but others who have been led to believe, despite obvious facts to the contrary, that there is a great future in coal, and that some day "King Coal" will again sit on the throne. I do not pretend to be an expert, and if I have any expertise whatever, it is because of close observation.

I venture to say that it is grossly unfair and unchristian to suggest, in the light of all that has happened respecting coal, that one day the coal mining industry of Nova Scotia will be just as prosperous as it was in the days when between 12,000 and 13,000 miners were on the payroll. I do not believe that day will ever come.

Honourable senators, that brings me to the point I started to make, that the corporation Dosco, which operates most of the mines, certainly the major mines in Nova Scotia, should—because it receives benefits from a government, whether it be provincial or federal—lay down a proper and as accurate a forecast as possible of the real potential of coal mining in that province. If it is going to resolve itself into a self-contained industry of from 3,500 to 4,000 men, the people of Nova Scotia, and particularly of Cape Breton, ought to be made aware of that fact. Upon the company's intentions should largely depend the amount of assistance that is to be forthcoming from governments in one form or another.

It may be that a completely accurate forecast is not possible. I concede that point. However, I deplore the fact that young men in grammer and high schools should be led to believe that one day they will once again know the prosperity in coal that their grandfathers knew, and believe it so firmly as to resist or not take advantages of opportunities for education which would enable them to migrate into other forms of employment, professional or otherwise. I submit that we all do a great injustice to those young people when we do not pinpoint the future more clearly than has thus far been done.

Honourable senators, a brief history of the bill is as follows. In 1949 the Government of the day introduced what was known as the Maritimes Coal Production Assistance Act, and established a fund of $10 million to be loaned for certain periods for mechanization purposes in order to improve coal production, and to bear a rate of interest to be approved by the Minister of Labour, an accepted sort of yardstick, which would be comparable to that of the yield of Canadian bonds.

That went along for quite some time, indeed, until 1959, when the then Government made what I regard as substantial improvements. To begin with, they changed the name of the Maritimes Coal Production Assistance Act to make it applicable to all Canada, which, of course, was a justice that cannot be denied. They added $10 million to the fund, raising it to $20 million, and also extended the authority to enter into loan agreements until October 31, 1964.

The situation at the moment is that the loan agreements as such expired on October 31, 1964. The statute remains, but the ability to establish or make loans lapsed because of the existing legislation. That is why we have the present bill before us, which extends until October 31, 1969 the ability to make the loans to the coal producers of this country, as has been done since 1949.

Honourable senators will recall that a report on these operations has been made each year to Parliament. The report for 1964 was tabled in the House of Commons on June 5 of that year, and every bit of information that one could possibly desire is contained in that report.

Let me summarize that report by saying that at the moment there are approximately $7½ million left for loan purposes, and that it is the opinion of the Dominion Coal Board, which doubtless is the most competent authority on the subject, that the $7½ million now in the fund will be sufficient to look after every request that will be made between now and the expiry date, October 31, 1969.

Honourable senators, the bill is as simple as that, and I commend it to your charity and your tolerance. I question whether this bill even needs to go to a committee, although I would not argue against that possibility. They do things in the other place that perhaps we do not do here; however, we might consider giving this measure first and second readings today, and after discussion has been completed by those who desire to participate, the bill could receive third reading at the next sitting on Tuesday. In any case, I commend the bill to your favourable attention.

Hon. John M. Macdonald (Cape Breton): Honourable senators, first of all, I must thank the sponsor of the bill (Hon. Mr. Connolly, Halifax North) for his very kind reference to me.

Hon. Mr. Connolly (Ottawa West): Well deserved, too!

Hon. Mr. Macdonald (Cape Breton): Thank you.

I did not agree with everything the sponsor said, but I must agree with his statement that in the coal industry we seem to live from one crisis to another crisis. In fact, I have reached the conclusion that, for some reason or other, the more you study the coal industry in Nova Scotia, the less you know about it.

As the honourable gentleman mentioned, we passed through a severe crisis some years ago. At that time it was a question of selling coal. The Dominion Coal Company, which is the big producer of coal in Nova Scotia, closed three of its mines. It was felt at that time that the production from the remaining mines would fulfil their marketing requirements, and that if this could be done the industry would be stabilized for a long period of time.

Adjustments had to be made. A considerable number of people were thrown out of employment. A production figure of four million tons was used. We thought that if we could sell an annual production of four million tons by the Dominion Coal Company's mines this would stabilize the industry. It is interesting to note that this target has been exceeded.

The following figures are subject to some revision, in that they are taken from the Dominion Bureau of Statistics' preliminary report on coal production. In 1963 Nova Scotia produced 4,554,944 tons of coal, and practically all that would be by the Dominion Coal Company, although there are a few small, independent mines. Last year, 1964, production went down somewhat, to 4,292,955 tons.

Perhaps I should say at this time that is practically full production, because those mines are worked at capacity, and occasionally of necessity operations have to be suspended for a few days. There may be an accident in the mine; some machinery may break; there may be a bad storm through which men cannot get out to work; there may be a power failure, or something like that—so you cannot depend on a mine working every day. In other words, we had production of over four million tons of coal, and all that coal was sold. In fact, I heard last year it was difficult for the company to fulfil all its orders.

Of course, we are fortunate in this way, that back in 1963 a contract was entered into with the Ontario Hydro for the purchase of, I believe, 2.8 million tons of coal over a five-year period. The annual figure has been increasing. For example, in 1964 they sold Ontario Hydro 450,000 tons of coal. In 1965 it will be 550,000 tons; and in 1966 and 1967 it will be 750,000 tons of coal. Besides that, there is at least some reason to believe that when this contract terminates at the end of 1967 it might be renewed.

Speaking in Toronto recently, Mr. H. J. Sissons, Ontario Hydro's assistant general manager of services, mentioned this—and I quote from a report in the Halifax *Chronicle-Herald* of March 2 this year:

> This year—

That is, 1965.

> —the Commission will spend $28 million on coal. . . . By 1970 the figure could reach the $70 million mark. And Nova Scotia mines are almost certain to gain a portion of this.

With that prospect before us, even though we know the Ontario Hydro is going into nuclear power, it gives us an assured market for our coal production. Besides that, there is a heavy water plant being built near the mines in the town of Glace Bay, which will provide another assured market for coal.

Hon. Mr. Burchill: How much will they use?

Hon. Mr. Macdonald (Cape Breton): I have heard it estimated anywhere from 600 to 800 tons of coal a day, but these estimates sometimes prove to be higher than the actual result.

So our problem does not seem to be a marketing one. The Dominion Coal Company mines produce over four million tons. The prospects for future sales are good. Yet again, we are experiencing a crisis because, according to its financial statement, the Dominion Coal Company lost over $1 million on its coal operations in 1964. So we ask, what is to happen?

I mentioned that we need more production with the same number of men so that the unit cost will be lower. We know that the company invited the chairman of the British National Coal Board, with one of his officials, to come to Nova Scotia. They in fact came and investigated mining methods and the like. I understand they have made a report to the company, but it has not been made public, and I do not know its contents.

As the sponsor (Hon. Mr. Connolly, Halifax North) so ably mentioned, what we would like is information. The people would like to know where they stand; what are the prospects for the future, and just what is the situation today.

Of course, people down there have heard estimates given of what is needed. There has been quite a lot of agitation to open a new coal mine, because one of the mines now in production will reach the end of its operational life before too long.

Hon. Mr. Isnor: They have opened it?

Hon. Mr. Macdonald (Cape Breton): They are supposed to open a new mine at Lingan.

How is this going to be done? I read a speech the other day given by Mr. William Marsh, who is president of the local United Mine Workers' Union down there—and I may say that he is a responsible labour leader and is of course anxious about and concerned for the future of the industry. He claims it will take $25 million to open a new mine and to make extensive improvements in existing mines. I do not know where he got his figures, but I notice there have been no comments that his estimate is too high. If to save that industry it needs that kind of money, then it is obvious it cannot come from the $7½ million left in the fund. I think it is obvious too that any company would hesitate to invest that kind of money in an industry which lost over $1 million last year. So I will not say, if the money is to be forthcoming, where it is going to come from, but it certainly would not be available from the balance left in the fund.

The industry employs over 6,000 people, and it is certainly a major factor in the economic life of Nova Scotia.

Hon. Mr. Pearson: Is that 6,000 in Nova Scotia only?

Hon. Mr. Macdonald (Cape Breton): Yes, in Nova Scotia. I am not talking about New Brunswick; and, of course, Alberta is a different proposition.

Hon. Mr. Brooks: You will hear about New Brunswick yet.

Hon. Mr. Macdonald (Cape Breton): I will let someone else speak about New Brunswick.

I do not agree with the sponsor on one matter he mentioned, that young men should understand that the future of coal mining is not too good, and they should not interrupt their education to go into the mines but should obtain sufficient education to be able to migrate elsewhere. I see a fair future in the coal mining industry—and, mind you, that industry is now a highly technical one. The mining of coal is a highly skilled occupation, and in some of these modern mines it involves a terrific operation. You have to have highly skilled men to run and maintain the machines. Even if it should happen that prospects for young people are not too good in the coal mines, I do not think we should educate them for the purpose of migration. I do think we should give them the best education possible, but if coal mining is not going to be a good industry in the future, we should continue our efforts to bring better industry to Cape Breton so that those people can stay there—live there and work there.

Hon. Mr. Connolly (Halifax North): Will the honourable senator permit a question?

Hon. Mr. Macdonald (Cape Breton): Yes.

Hon. Mr. Connolly (Halifax North): Perhaps I did not make myself clear. I did not suggest migration from Cape Breton. I suggested migration into other forms of industry—as I said, professional or otherwise.

Hon. Mr. Macdonald (Cape Breton): I should not have misunderstood my friend in the first place, knowing that his feelings on this subject are the same as my own.

As I said, this bill is good; it is extending the scope so that loans may be made, if they are going to be helpful. Again I echo what the sponsor said: I believe that the time has come when the coal companies could very frankly tell the people their position, let them know what their situation is, and what the difficulties are with which they are faced and what their future problems are likely to be so that we can all unite, as it were, and perhaps help them to solve their problems so as to maintain the coal industry in Nova Scotia as an industry which will benefit the whole of that province and give employment to its citizens.

Motion agreed to and bill read second time.

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

Hon. Mr. Connolly (Halifax North) moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

MERCHANT SEAMEN COMPENSATION ACT

BILL TO AMEND—MOTION FOR SECOND READING—DEBATE ADJOURNED

Hon. John J. Connolly: I have asked the honourable Senator Rattenbury to move second reading of this bill and to explain its provisions.

Hon. Nelson Rattenbury, with leave, moved second reading of Bill C-131, to amend the Merchant Seamen Compensation Act.

He said: Honourable senators, this Bill C-131 falls into the category, I believe, of being noncontentious, and is designed to alleviate the financial standing of disabled merchant seamen, their widows and dependent children.

The explanatory notes of the bill illustrate in some detail the proposed amendments, but I feel honourable senators should be given in greater depth some of the reasons for these amendments.

The Merchant Seamen Compensation Act passed in 1946 was designed to provide the benefits of compensation to seamen who were not eligible under the Government Employees Compensation Act or under any provincial legislation covering workmen's compensation. The act, that is the Merchant Seamen Compensation Act, and its provisions, was designed on the basic principle that it would conform to those prevailing in the workmen's compensation laws of the Maritime Provinces. It was consistent, therefore, that its benefits were revised upwards in 1952 and again in 1957, by way of amendments. A further amendment is now required because of changes in provincial law and other developments.

A study of the original act and the two amendments already referred to will indicate that no provision was made to cover any retroactive application for a new level of benefits for widows and children receiving pensions under this act as a result of earlier incidents.

The present situation is such that a number of widows and children are receiving pensions under this act that are considerably less than the current rates provided either in the act or in similar cases in the Atlantic Provinces.

It is proposed that the rates be increased to $75 monthly for widows and $25 monthly for children, these higher rates to be effective from April 1, 1964. Further, in order for the scale of other benefits payable under the act to compare more favourably with the current rates and schedules of workmen's compensation provisions, it is proposed that the following changes become effective January 1, 1964:

(a) That the allowance of $25 per month for a child be extended to age 21 from age 18, if attending school;

(b) That the allowance of $35 per month for an orphan child be extended to age 21 from age 18, if attending school;

(c) That the allowance for funeral expenses be increased from $200 to $300;

(d) That the maximum amount of earnings to be used for the purpose of computing compensation be raised from $4,500 to $5,000 per year;

(e) That the minimum amount of compensation for total temporary disability or for total permanent disability be increased from $15 to $25 per week, except where earnings have been less than this amount;

(f) That the waiting period be reduced from four days to three days. I should explain that all provinces, except New Brunswick and Nova Scotia, have waiting periods of three days or less.

Honourable senators will, I feel sure, be interested in the probable costs of these retroactive changes. I am given to understand they are relatively small; i.e., in the case of the children and orphans who will attend school to age 21 it will be approximately $3,000 per year, which of course will have to be provided annually in the appropriations of the department. The total cost, including the $3,000 referred to above for the children, plus the widows' allowances being increased to $75, will be approximately $8,500, which of course will gradually be reduced as the children reach the maximum age.

Honourable senators might be interested to know that at the present time there are 16 widows in receipt of pensions of approximately $50 per month established under old awards. This bill will correct that situation. There are also 20 dependents and five orphans, and a similar correction will take place in these cases as well.

Not too much can be said about a bill of this kind; it is straightforward. It proposes simply, as I explained earlier, to amend an act already in existence and to ease the lot of those unfortunate persons who have lost a parent or husband at sea. However, if there are any questions I shall be very happy to answer them if it is within my power to do so.

Hon. Mr. Burchill: Honourable senators, I think the honourable gentleman made an excellent presentation. I congratulate him on it.

However, I would like to ask him, if the allowance to widows is to be increased to $75, what is the present allowance?

Hon. Mr. Rattenbury: Fifty dollars.

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

The Senate adjourned until Tuesday, March 9, 1965, at 8 p.m.

THE SENATE

Tuesday, March 9, 1965

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

Prayers.

DOCUMENTS TABLED

Hon. John J. Connolly tabled:

Copy of Special Report by the International Commission for Supervision and Control in Vietnam, dated February 13, 1965, together with a Minority Statement of the Canadian Delegation to the foregoing. (English and French texts).

Copy of Special Report of the International Commission for Supervision and Control in Vietnam, dated June 2, 1962. (English and French texts).

NEW BRUNSWICK INDUSTRIAL COUNCIL

On the Orders of the Day:

Hon. Muriel McQ. Fergusson: Before the orders of the day are called, I should like to draw the attention of honourable senators to an announcement recently made by the Honourable L. J. Robichaud, Premier of New Brunswick, that a New Brunswick Industrial Council of 12 men has been created.

As you know from the economic history of New Brunswick, industry is the greatest need in that province. This council includes eminent and successful New Brunswick businessmen such as Mr. K. C. Irving, who has done so much to provide employment in our province and whose name is so well known. It also includes people from outside the province who are willing to give their assistance. One such person, is Sir Max Aitken who, in keeping with the tradition established by his father, Lord Beaverbrook, has shown a keen interest in New Brunswick affairs. The names of the others would be well known to many of you, were I to mention them. I refer to this announcement tonight because among the members of the council is the name of a man well-known in New Brunswick and throughout Canada as an outstanding businessman, and one of our own colleagues, the Honourable Senator Burchill.

PENITENTIARY ACT

BILL TO AMEND—THIRD READING

Hon. Arthur W. Roebuck moved the third reading of Bill C-145, to amend the Penitentiary Act.

Motion agreed to and bill read third time and passed.

COAL PRODUCTION ASSISTANCE ACT

BILL TO AMEND—THIRD READING

Hon. Harold Connolly moved the third reading of Bill C-147, to amend the Coal Production Assistance Act.

Motion agreed to and bill read third time and passed.

DIVORCE

RESOLUTIONS ADOPTED

The Senate proceeded to the consideration of Resolutions, numbered 654 to 705, inclusive, which were presented on Thursday, March 4.

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved the adoption of the following resolutions:

Resolution 654, for the relief of Antoine Thomas Daigle.

Resolution 655, for the relief of Marie Micheline Alda Denise Coutu Pare.

Resolution 656, for the relief of Martyn (Martijn) Andre Plaat.

Resolution 657, for the relief of Patricia Ann Charlton Nish.

Resolution 658, for the relief of Frances Strickland Legere.

Resolution 659, for the relief of Joseph Irvin Clayton Laviolette.

Resolution 660, for the relief of Sergei A. Babkin.

Resolution 661, for the relief of Rollande Larrivee Seguin.

Resolution 662, for the relief of Ruth Barbara Ann Sevigny Baldwin.

Resolution 663, for the relief of Libuse Fiserova Leibl.

Resolution 664, for the relief of Joseph Vaglia.

Resolution 665, for the relief of Norma Beryl Crete Yetman.

Resolution 666, for the relief of Lena Bernice Gertrude Cody Kruszelnycki.

Resolution 667, for the relief of Claire Tasse Soucie.

Resolution 668, for the relief of Gwyneth Elizabeth MacKenzie Skuhrovsky.

Resolution 669, for the relief of Lorne Courtney Smith.

Resolution 670, for the relief of Judith (Judy) Mary Crocker Berretta.

Resolution 671, for the relief of Francis William Cunningham.

Resolution 672, for the relief of Cecilia Anne Searle Bowden.

Resolution 673, for the relief of Roderick Michael Doney.

Resolution 674, for the relief of Jean Paul Gervais.

Resolution 675, for the relief of Maria Graup Maximow.

Resolution 676, for the relief of Yetta (Yettie) Zilbert Fleischer.

Resolution 677, for the relief of Mary Claire Faubert Demers.

Resolution 678, for the relief of Lillian Edith Patricia Ferguson Matz.

Resolution 679, for the relief of Monique Miller Gascon.

Resolution 680, for the relief of Monique Helfman Klein.

Resolution 681, for the relief of Shirley Margaret Gallop Letchford.

Resolution 682, for the relief of Muriel White Dwoskin.

Resolution 683, for the relief of Judith Carole Carpenter Griffin.

Resolution 684, for the relief of Jeannine (Janine) Lanctot Delage.

Resolution 685, for the relief of Fay Naiman Richt.

Resolution 686, for the relief of Peter Irwin Crites.

Resolution 687, for the relief of Aime Ouellette.

Resolution 688, for the relief of Yvonne Charlebois Ally.

Resolution 689, for the relief of Muriel Constance Floud Nicholls.

Resolution 690, for the relief of Margaret Irene Jones Whatmore.

Resolution 691, for the relief of Jean Maurice Bailly.

Resolution 692, for the relief of Pauline Lalanne Marcil.

Resolution 693, for the relief of Alexander Stewart Macpherson.

Resolution 694, for the relief of Jeanine Dubeau Klotzbuher.

Resolution 695, for the relief of Daphne Cockburn Rousseau.

Resolution 696, for the relief of Jean Pierre Louis Michaud.

Resolution 697, for the relief of Marie Antoinette Mireille Palin Normand.

Resolution 698, for the relief of Joseph Wenceslas Bernard Pare.

Resolution 699, for the relief of Raymond Belanger.

Resolution 700, for the relief of Ann Fuller Hunt Samson.

Resolution 701, for the relief of Philippe Leo Menard.

Resolution 702, for the relief of Jane Margaret Grace Ogilvie Manson.

Resolution 703, for the relief of Bernice Ostroff Jones.

Resolution 704, for the relief of Blanche Marguerite D'aoust Kalpakjian.

Resolution 705, for the relief of Lise Blais Wong.

Resolutions adopted, on division.

CANADA SHIPPING ACT

BILL TO AMEND—COMMONS AMENDMENTS CONCURRED IN

The Senate proceeded to consideration of the amendments made by the House of Commons to Bill S-7, to amend the Canada Shipping Act.

Hon. Paul H. Bouffard moved that the amendments be concurred in.

He said: Honourable senators, I am sure you recall the amendments which we made to the Canada Shipping Act last spring. The bill came back from the House of Commons only a few days ago with some amendments made there, arising out of circumstances which did not exist earlier. They are simple amendments that have been carried by the Commons, and I wish to give some explanation regarding them.

Section 87 of the act is being amended by substituting the "National Flag of Canada" for the British flag mentioned in that article. When we passed Bill S-7 there was no National Flag of Canada.

Section 89 of the act is similarly being amended, to replace the Red Ensign by the National Flag of Canada, which will be used in navigation, on Canadian ships and in such places. The section provides that a penalty shall be imposed on anyone who misuses the British flag or the Red Ensign. Under section 91 there is to be a penalty on anyone misusing the National Flag of Canada, for example, by trying to make people believe that some foreign ship belongs to Canada or is under Canadian nationality. Heretofore, the fine was $2,500; by amendment it is being reduced to $500.

As a consequence of these amendments some sections of the act have had to be re-numbered.

Clause 37 of Bill S-7 dealt with the coming into force of certain portions of the bill. The amendments in this respect are as follows:

> 40. (1) Section 1, sections 9 to 30 and section 39 of this Act shall come into

force with respect to Canadian ships, and with respect to ships registered in any other country on a day or days to be fixed by proclamation of the Governor in Council.

(2) Section 6 and section 38 of this Act shall come into force on a day or days to be fixed by proclamation of the Governor in Council.

Section 391 of the Act, which appeared as clause 7 of the bill, is renumbered clause 10, The only amendment made is in the first two paragraphs of this section, where there is a reference to the Canadian Safety Convention. The new amendment, section 1(b), refers to subsections (1) and (1a), where the Canadian Safety Convention is mentioned. The reason for the amendment is that there is now a new definition of the Canadian Safety Convention.

Another amendment was made to clause 16, renumbered as clause 19, concerning what is called a valid cargo ship, and the provisions relating to Safety Convention cargo ships will now apply to cargo ships of 500 tons and over instead of 300 tons.

All the amendments were made according to recommendations by the Department of Transport, and were accepted by the House of Commons. They really change nothing except concerning the substitution of the National Flag of Canada for the Red Ensign, which was in use at that time; and also that the Canadian Safety Convention shall apply to ships being of 500 tons instead of 300 tons.

Since the amendments make no major change in the bill, and the clarifications were recommended by the department, I would suggest that it is not necessary to send the bill back to committee. However, if the Senate wishes to consider these amendments in committee, I have no objection whatsoever.

Hon. A. J. Brooks: Honourable senators, I think it is quite obvious to all of us that certain further changes were necessary in this bill, which was before the Senate in June of last year and was passed by the Senate on, I believe, June 17. At that time, as we all know, the Red Ensign was Canada's flag. Since then we have a new flag, and the sections which have been mentioned by the honourable Senator Bouffard necessarily had to be amended. Those sections are sections 87, 89 and 91, which have to do with the flying of a flag over our merchant marine.

Like the sponsor of the bill, I do not see any necessity for this particular bill going back to committee, since the changes are quite obvious.

One thing which occurs to me is that after so many years it is perhaps going to be a little difficult for people in other parts of the world, where our ships have been sailing for nearly a hundred years, to recognize the change from the old to the new flag. Indeed, that might take some time. However, the sad point is that we have not much of a Canadian merchant marine to carry the Canadian flag to foreign ports at the present time. At one time, as the people of the Maritimes well know, we had many ships carrying the Canadian flag in all parts of the world. Now I think you could number the ships of the Canadian merchant deep sea marine on the fingers of your two hands.

I have read the sections of the bill that were mentioned by the honourable sponsor. I am not particularly good at drafting legislation, but I think these amendments have been very well drafted. As a matter of fact, they repeat for the most part the old sections of the bill, substituting the National Flag of Canada, for the Red Ensign.

I also agree with the sponsor of the bill regarding the other amendments he mentioned. And I read from Mr. MacGillivray's evidence before the House of Commons Standing Committee on Railways, Canals and Telegraph Lines of Thursday, February 18 last. When speaking of these other amendments he had this to say:

> It is just that in the drafting of these sections, which are highly technical, two errors have been made and were not caught by the technical people until after the bill was passed through the Senate. Since it is going to have to go back to the Senate anyway, we would like to correct these two errors. One appears in clause 7, section 391—

As mentioned by the honourable sponsor.

> —and the other is in clause 16, section 402. In each case it is just a minor error which we made. The very words that Mr. Cameron mentioned appear in line 31 on page 5 which refer to "not a Safety Convention ship". What we ought to have said is a ship that is not a ship described in subsections 1 or 1(a). I have prepared and have ready for circulation changes in those two clauses that would make them read properly in accordance with the convention.

So far as the changes in the other sections are concerned, they are necessitated by the change in the flag; and as far as this section is concerned, it corrects an error. Therefore, I am in perfect agreement with the suggestion that there is no necessity for sending this bill back to the committee.

Hon. A. K. Hugessen: I think, honourable senators, I might be allowed to say a word in support of what Senator Bouffard and the

leader on the other side (Hon. Mr. Brooks) have said.

Honourable senators will remember that in the Standing Committee on Transport and Communications we considered this bill in the greatest of detail, over quite a number of sittings during the months of May and June last year. Now, as a result of circumstances over which we have no control, the House of Commons has not been able to deal with this bill until very recently.

We did make a number of important amendments to the bill in the form in which it originally came to us, and they were incorporated in the bill as it went to the House of Commons.

Hon. Mr. Brooks: And they were not changed.

Hon. Mr. Hugessen: No, they were not changed.

I was going to say that I support what the leader on the other side has said and what Senator Bouffard has just said. These additional changes are really matters of detail and form. Honourable senators can be assured that they in no way change the principles on which we agreed when we put the bill through last June.

I think, under those circumstances, there is hardly any necessity for the bill to go back to the standing committee.

Amendments concurred in.

DEPARTMENT OF INSURANCE

BILL TO AMEND CERTAIN ACTS—SECOND READING—DEBATE CONTINUED

The Senate resumed from March 5 the adjourned debate on the motion of Honourable Mr. Lang for second reading of Bill C-123, to amend certain acts administered in the Department of Insurance.

Hon. George S. White: Honourable senators, may I first offer my congratulations to Senator Lang for the very capable manner in which he introduced this most complicated piece of legislation. The honourable senator used the word "formidable", and then he said the bill was "not quite as formidable as it might appear at first glance."

Honourable senators, I think it is formidable. The detailed provisions of the bill are very complicated, and the amendments are many and, in some cases, at least in my opinion, very technical.

This bill is of great importance, and I fully agree with the honourable senator that it should go to the Standing Committee on Banking and Commerce, where I am sure many honourable senators will require much detailed information as to the amendments and changes which will be made in the four acts being amended by the bill.

The honourable senator who introduced the bill stated at page 1348 of *Hansard* that behind this bill there are two basic policy objectives. He said:

> The first basic policy objective is to expand the investment powers of all insurance, loan and trust companies that come under federal jurisdiction. The second basic policy objective is to ensure that those Canadian life insurance, trust and loan companies, coming under federal jurisdiction, which are still Canadian owned, will retain their Canadian ownership and control.

The first item is the increase from 15 to 25 per cent of the book value of the total assets of the company in common stocks. I understand that at the present time less than 4 per cent of the total assets of insurance companies are invested in common stocks, and of that amount one-fifth is invested in non-Canadian companies. Of course, some companies may have invested up to the full 15 per cent allowed under the present act, while other companies have only invested 1, 2 or 3 per cent. Provision is also made for investment in companies with only a five-year record of dividends of at least 4 per cent. The present record is over a seven-year period. There is further provision that investment can be made in a company whether or not the dividend has been paid.

This is a most important amendment, and one that can only be dealt with in committee, but it does appear that with less than 4 per cent of the total assets now invested in common stocks the present opportunity for such investment is not being used to full advantage.

Why then, you may readily ask, is it necessary to increase it by 10 per cent, bringing the amount allowed up to 25 per cent? It will probably mean that the companies which now have 15 per cent investment, or nearly that, will be encouraged to buy more common stocks, while the more cautious and prudent companies will only moderately increase their holdings in common stocks. It will be most interesting in committee to find out what companies have requested this amendment and their reasons for doing so.

The honourable senator who introduced the bill stated, at page 1348 of *Hansard*, as follows:

> Many of these amendments have come about at the request of, and, indeed, after consultation with, the various financial institutions affected by the legislation.

The idea is that Canadians' savings in insurance companies and other companies are

to be channelled into sound Canadian companies to add to the country's general prosperity and to Canadianize its economy. I am sure no one is going to quarrel with that intent but, as pointed out before, less than 4 per cent of the assets of federally registered life insurance companies in Canada are invested in common stocks, and about one-fifth of these common stocks are those of non-Canadian companies. You may then well ask what purpose will be served by increasing the limit from 15 to 25 per cent.

The Montreal *Gazette* of September 28, 1964 had a very pertinent comment on this very point. The relevant part of the editorial reads as follows:

> The funds of life insurance companies, and other financial institutions, are already fully invested. No such company leaves its funds lying about in idleness. The new measures will encourage life insurance companies to invest up to 25 per cent of their funds in common stocks. Though the limit for such investment has previously been raised to 15 per cent, life insurance companies have so far placed only about 4 per cent in common stocks.
>
> Even supposing that full advantage were to be taken of the new 25 per cent investment ceiling in common stocks, this could be accomplished only by relatively diminishing the money placed in other securities, such as bonds, debentures or mortgages. Would the money needed for the economic growth of Canada, or for a greater degree of Canadian ownership of Canadian industries, be enlarged if this shift in investment patterns took place?

I would suggest a reduction in the present heavy corporation tax so that common stocks would pay higher dividends to owners, and these stocks would become more attractive investments for these companies and also to Canadians who want to invest directly or indirectly in their country's future.

I would also suggest that an increase of rate from the present 20 per cent reduction in income tax on dividends from Canadian tax-paying corporations would be an added inducement to Canadians to invest in Canadian corporations. I think everyone will agree that tax cuts, together with revision of the tax structure, will do more to stimulate Canadian investment to ensure Canadian control than any other device or amendment.

The increase of the mortgage loan percentage to 75 per cent is an amendment that must cause concern to many honourable senators. Those who have practised law over the years can well remember when the percentage was much lower, even below 50 per cent. I can well remember when 50 per cent was the top limit for a mortgage loan by many mortgage companies still doing business in Ontario today. This figure was gradually increased to 66⅔ per cent, and now under this bill we are asked to increase the value of the loans to 75 per cent of the appraised value. I am of the opinion that 75 per cent is too high, and I hope the committee will give serious consideration to this amendment. After all, real estate values today are inflated, and I do not think a mortgage for 75 per cent on real estate is a safe investment for trust funds or for other people's money. If you want to make a good test of this, ask yourself if you are willing to invest your own money or your wife's money in such an investment.

Hon. Mr. Farris: What is the reason for proposing this increase?

Hon. Mr. White: I hope that is something that we will be told about in committee. The present rate is 66⅔ per cent, and it is now proposed to increase it to 75 per cent, but what the reason is, I cannot tell you. However, I have noticed in the press that one of the suggested reasons is that people would not have to pay the exorbitant rate required for getting second mortgages. I have also noticed in the press that some institutions lend up to 82 and 83 per cent on first mortgages. Perhaps the persons or companies who are interested in this amendment will be able to give the members of the committee the reason why they feel that they should be allowed to lend money up to 75 per cent of the appraised value.

In clause 3 of the bill, section 16B deals with definitions, two of which I want to comment on briefly. The first is the definition of a nonresident. A "nonresident" is "an individual who is not ordinarily resident in Canada." A "resident" means "an individual, corporation or trust that is not a nonresident."

Now, as honourable senators know, these two definitions have much to do with the Canadian control of the corporation. Therefore, would it not be much better to say, "Canadian citizens ordinarily resident in Canada."? As these definitions of a resident and a nonresident of Canada now read, I think they will only lead to complete confusion. Furthermore, I am unable to find anything in the bill as to who is to make the decision as to whether a shareholder is a resident or a nonresident. I presume it will be the duty of the Board of Directors to make this decision, and they will have to decide whether or not the shareholder or their prospective purchaser is a resident or nonresident. The bill provides no rules or regulations for the guidance of the directors. This could easily

lead to the situation where one board of directors would decide that John Doe was a resident of Canada and, as such, entitled to the transfer of the shares, while the board of directors of another company could very easily decide that the same John Doe was not a resident of Canada and therefore not entitled to the transfer of the shares to his name.

There are certain penalties on nonresidents and for the clarification of all boards of directors of companies covered by this legislation, there should have been some yardstick established such as that in the Income Tax Act.

Hon. Mr. Hugessen: May I ask my friend a question? There is a very long definition of "nonresident" in section 3 of the bill.

Hon. Mr. White: Is that on page 2?

Hon. Mr. Hugessen: Yes, page 2.

Hon. Mr. White: That is the one I read. Paragraph (c) defines "nonresident", and paragraph (d) defines "resident". But as far as the bill is concerned, apart from those two definitions, I am unable to find anything else that would assist in defining who is a resident and who is a non-resident.

The bill speaks of a nonresident as being an individual who is not ordinarily resident in Canada. Just what is meant by a person "ordinarily resident in Canada"? Does this mean a period of six months in each year, or a period of 180 days, or just what does it mean? This is another important point which I feel can be dealt with more fully in committee.

The same section 16B, subparagraph (iv) raises a question as to who is to determine the degree of residence, and who is to determine whether or not there has been direct control by a trust. Is it to be the Superintendent of Insurance who can determine whether there is such interest control under the trust? I think it is important for honourable senators to be told in committee who the person or persons are who are to be the judge of matters of this kind, and whether there is any appeal from whatever decision they make. For instance, what recourse would a corporation have with regard to an adverse decision as to the residence of one of the shareholders, and whether there was a breach of the rules through indirect trust?

It appears to me there is a considerable administrative problem placed on the transfer agents who keep day-to-day records of the ownership of shares of any of the companies which are covered by this bill. Perhaps there are only two or three hundred companies involved, but after all the bill provides for investment in subsidiaries, the creation of subsidiaries, controlling interest by life insurance companies, trust companies, loan companies, etc., as well as the participation by other life insurance companies in the acquisition of certain assets. All this represents more shareholders, and therefore the transfer agents must keep careful watch on who owns what number of shares and see that they do not go over the indicated percentage.

In the same editorial in the Montreal *Gazette* there is a paragraph on this very matter, which reads as follows:

> These measures may prove difficult to administer. Only certain percentages of capital stock, shares in these companies may in future be held by nonresidents. But as these shares are often actively traded on a number of markets, what is to happen when the sales are drawing close to the line that has been set as the limit? It may be hard to know, from day to day, whether more than the permissible stock has been sold to foreign buyers, or which buyer bought stock, just before the line was reached.

There are a number of other amendments, complicated and technical, which can be much better dealt with in committee. For example, there is the right of trust and loan companies to borrow up to the maximum of 15 times the excess of their assets over liabilities; the extension of investments in leases and leaseholds; the right under the act of trust and loan companies and life insurance companies to invest in real estate companies; the complicated problems involved in the duty cast on directors to refuse the transfer of stock when such transfer would bring the total shareholdings of nonresidents to over 25 percent of the outstanding capital of the company, or the transfer to a nonresident of more than 10 per cent in the capital stock of the company.

These and many other items of the bill will, no doubt, be carefully and fully considered in the Banking and Commerce Committee.

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

CANADIAN NATIONAL RAILWAYS FINANCING AND GUARANTEE BILL, 1964

SECOND READING

Hon. Eric Cook moved the second reading of Bill C-137, to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways System for the period from the 1st day of January, 1964 to the 30th day of June, 1965, and to

authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company.

He said: Honourable senators, may I begin by thanking the honourable Leader of the Government (Hon. Mr. Connolly) for his confidence in entrusting the explanation of this bill to me. I have studied the bill carefully, and have had the advantages of reading the speech of the sponsor of this measure in the other place, and also the very clear and informative speech that the honourable Leader of the Government made in this house when he introduced the Canadian National Railways Financing and Guarantee Bill, 1962-63. This, therefore, is a bill similar in nature to those that have come before, and which have been passed by Parliament in every year with the exception of two since 1952. Its provisions, therefore, will be familiar to most honourable senators.

In seeking some words or expressions which would convey the main purpose of the bill in the shortest possible way, there came to my mind remarks that certain honourable senators made during last Friday's sitting. When introducing the bill relating to life insurance and other companies Senator Lang used the expression "housekeeping amendments". Later, when explaining the bill to amend the Penitentiary Act, Senator Roebuck gave his approval to the use of that expression. May I now concur with those two eminent members of the legal profession, and also use this expression in pointing out that the main object or purpose of this bill now under discussion is to provide for some necessary housekeeping expenses of the Canadian National Railways and of T.C.A., which is, of course, now Air Canada.

Hon. Mr. McCutcheon: It is pretty expensive housekeeping.

Hon. Mr. Connolly (Ottawa West): It is a pretty big house.

Hon. Mr. Cook: Indeed, the measure has a striking resemblance to the ordinary every day matter of housekeeping expenses. We are now in the year 1965, and it is to be noted that the bill deals with expenses incurred in 1964. This will not strike any honourable senator who is lucky enough to enjoy the married status as unusual or out of the way. Indeed, as is well known to all those who occupy the position which in the good old days was described as "head of the household", housekeeping expenses are generally applied for long after the money has been well and truly spent.

However, I hasten to explain that the situation is not what it seems to be. A study of this bill will show that its provisions do not require Parliament to grant any money. The true position is that by section 37 of the Canadian National Railways Act, the C.N.R. is instructed each year to prepare its capital budget, and if this capital budget is recommended by both the Minister of Transport and the Minister of Finance it may be approved by order of the Governor in Council, whereupon the C.N.R. may proceed according to the provisions of the approved budget.

For the year 1964, which is the year with which we are dealing, this has been done. It must be pointed out at the outset that most of the funds authorized to be spent by this capital budget are funds arising from the C.N.R.'s own operations.

The capital budget, of course, relates to only capital amounts. In so far as the bill relates to operational figures for 1964, I should point out that it was introduced in the other place on November 10, 1964 and except for the unusual pressure of business at that time would, in due course, have reached us in the calendar year 1964.

With these few preliminary remarks may I now do my best to explain the bill, clause by clause?

Clauses 1 and 2, which contain the short title and definitions, do not, I think, require any comment.

Clause 3, under the heading "Capital Expense", in subclause (1) merely sets out the capital budget of the C.N.R. for 1964, which budget, as I have already explained, has been duly approved. It provides that the C.N.R. may make capital expenditures of $155 million during the calendar year 1964. This amount of $155 million is spread over the railway operations as follows:

Road property	$77,821,000.
Branch lines	500,000.
Equipment	55,200,000.
Telecommunications	16,884,000.
Hotels	3,595,000.
Investment in affiliated companies	1,000,000.

It should be noted that the C.N.R. is authorized to make these capital expenditures. As I have said, this does not mean that Parliament has to provide this amount. The only amount which Parliament may have to provide is, firstly, the amount necessary to purchase the C.N.R. preferred shares referred to in section 12 of the bill, and, secondly, whatever may be the sum total of the annual deficit of the C.N.R. Authority to provide the deficit for 1964 will be found in section 9, to which we will come in due course.

As a matter of fact the C.N.R. generated from its own operations over $130 million of the total capital expenditure of $155 million. This $130 million came from depreciation

accruals, salvage and amortization. The balance of the $155 million will come from the sale of preferred shares of the C.N.R. which I will deal with when explaining clause 12.

The remaining subparagraphs of clause 3 (1), namely, (b) and (c), give power to the railway to make accrued capital expenditures for the first six months of 1965, up to $72 million and to enter into contracts not exceeding $36 million. These authorities are necessary only because sums due for work ordered in 1964 may not become payable until the first part of 1965.

Subclauses 2, 3, 4, 5 and 6 of clause 3 are merely ancillary provisions empowering the C.N.R. to borrow, with the approval of the Governor in Council, from the Minister of Finance for the purposes of paragraph (b) of subclause 1, and to borrow by the sale of securities for the purposes of clause 6 of the bill. These clauses contain provisions making it necessary for the C.N.R. to prepare statements of amounts borrowed, to prepare estimates of amounts required, and to include amounts payable under contracts authorized by paragraph (c) of subclause 1 in its annual budget. These clauses are all of a technical nature.

Clause 4 of the bill permits the C.N.R., with the approval of the Governor in Council, to issue up to a limit of $5 million of securities to provide amounts required by T.C.A., now Air Canada.

Clause 5 gives power to the Government to guarantee the $5 million referred to in clause 4.

Clause 6 authorizes the Minister of Finance, with the approval of the Governor in Council, to make a loan to the C.N.R. of the amount of $5 million required by T.C.A.

Clauses 4, 5 and 6 together, therefore, make it possible for the estimated amount of $5 million required by T.C.A. as interim financing for the first six months of 1965 to be provided by the C.N.R. issuing government guaranteed securities, or by the Government itself making the money available.

Clause 7 permits the C.N.R. to aid and assist financially any of its subsidiary companies by making advances to the subsidiary, and clause 8 provides that the proceeds of any loans guaranteed by the Government are first to be paid to, and are under the control of, the Minister of Finance, who will then pay the moneys to the C.N.R.

Clause 9 permits the Minister of Finance to make available amounts to the C.N.R. if its own revenues are not sufficient, which amounts are subsequently to be repaid out of C.N.R. revenues or, if such revenues are lacking, it provides that they "shall be provided for by subsequent deficit appropriations by Parliament." Honourable senators will be interested to hear that the probable liability of the Government under this clause is of the order of $38,700,000, which is the amount of the deficit of the C.N.R. for the year 1964. However, this bill authorizes the Minister of Finance to advance only this amount.

Clause 10 permits the minister to make available funds to pay any deficits of Air Canada.

Clause 11 extends the period within which the $100 million loaned by the Government to the C.N.R. under the provisions of Canadian National Railways Capital Revision Act shall continue to be interest free until the 1st day of January, 1966. Honourable senators are aware, under the provisions of that Act, authority was given to the Minister of Finance to purchase 4 per cent preferred stock of the C.N.R. up to a limit each year of 3 per cent of the gross revenue of the railway. This authority expired December 31, 1964, and the object of clause 12 is to extend this authority to December 31, 1965.

The purpose of clause 13 is to increase to $680 million the limitation, in the Canadian National Railway Refunding Act, 1955, placed on the authority to refund maturing or matured securities of the railway company. The limit at present is $480 million, and it is desirable to increase this limit in order to give the railway company the authority to refund bonds maturing in the years 1966 to 1968.

Finally, clause 14 appoints the well-known firm of chartered accountants of Touche, Ross, Bailey and Smart as independent auditors to make a continuous audit of the C.N.R. accounts for the year 1965.

Honourable senators, if this bill receives second reading I will move that it be referred to the Standing Committee on Transport and Communications.

Hon. Walter M. Aseltine: Honourable senators, it was my responsibility in years gone by to introduce several of these financing and capital expenditure bills in connection with the operations of the Canadian National Railway. In order to refresh my memory, I looked up the bill which I introduced in 1959. That bill I found contained much more detailed explanatory notes than the present Bill C-137 now before us. To understand this bill properly, one would need to refer back to the budget of the Canadian National Railway for the details. I suggest that in future, when bills of this kind are introduced, more detailed explanatory notes should be printed on the right hand pages.

The bill I introduced in June 1959 provided for the financing and capital expenditures for the year 1959 and for the first six months of

1960. The bill now before us is a little different in that respect. After the 1959 bill received second reading, I moved that it be referred to the Standing Committee on Transport and Communications. That committee met later, it reported the bill, the report was adopted and the bill was given third reading.

Bill C-137 now provides for the same things as were provided for by the bill which I introduced in June 1959. The present bill provides for the financing and capital expenditures of the national railway for the year 1964—which has gone by—and for the first six months of 1965. It is quite late in reaching us. At the resolution stage on November 10 last, it was debated briefly in the other place, only four members taking part. Then a long period elapsed before it was presented for second reading on March 4, 1965. Why was there such a delay? In the meantime, most of the money would be spent and we could do little but pass the bill.

On the second reading in the other place there was no debate whatsoever. The bill was given second and third readings in a matter of a moment or two.

I am pleased that the sponsor of the bill suggests that, if we wish, he will move that the bill be referred to the Standing Committee on Transport and Communications. I remember when the 1959 bill was referred to the standing committee, the railway officials appeared and we obtained much more detailed information than we would ordinarily obtain on second reading. I would like to obtain full details of the capital spending program. I would also like to find out if any of the borrowed money is ever paid back, or how it is dealt with as the years go by.

There is a further question which I should like to ask in the committee and also of the sponsor of the bill here this evening. What plans are in the offing, if any, for refinancing the whole Canadian National Railway debt structure? This debt now amounts to a very large sum, $680 million, as I gather from reading this bill.

Honourable senators may have forgotten that in the early 1950's a royal commission reported on the refinancing of the whole Canadian National Railway debt structure. Certain refinancing took place then. Mr. Gordon was of the opinion that the refinancing at that time would put the company in a surplus position. For two or three years he proved to be right but, taking it over the years from that time up to now, he has been quite wrong. For a brief period the refinancing helped quite a lot. In 1955 there was a surplus of $10 million; in 1956 there was a surplus of $26 million; but in 1957 there was a deficit of approximately $29 million; in 1958 there was a deficit of almost $52 million; and in 1959 there was a deficit of $43.5 million; in 1960 there was a deficit of $67.5 million; and so on. We should be furnished with all of the figures for 1961, 1962, 1963 and 1964.

Honourable senators, these deficits are taken care of usually by means of supplementary estimates. I remember that in 1961 I introduced certain supplementary estimates and a bill based on those estimates; and the Government wrote off, forgave, and cancelled the deficit for the previous year. Therefore, I presume that supplementary estimates will be introduced in connection with these railway operations and the deficit for 1964, if any, at some time before Parliament is prorogued. If not, it will come at a later time, probably between now and the expiration of the six months' period at the end of June next.

The sponsor of the bill referred briefly to clauses 9 and 10 and said that advances made from time to time by the Minister of Finance are reimbursed out of the revenues of the railway company and that any insufficiency shall be provided for by a subsequent deficit appropriation by Parliament. Clause 9 (2) reads:

> All amounts placed at the disposal of the National Company pursuant to subsection (1) shall be reimbursed to the Minister of Finance from the annual revenues of the National System in so far as such revenues are sufficient, and any insufficiency shall be provided for by subsequent deficit appropriation by Parliament.

Subsection (2) of section 10 does the same thing with regard to advances to Trans-Canada Air Lines. In other words, these deficits are cancelled and absorbed by Parliament.

Honourable senators, that is the gist of my remarks at this time. As I said before, I am pleased that the matter will go to committee, and I hope that officers of Canadian National Railways, and perhaps officers of Trans-Canada Air Lines, now known as Air Canada, will be present to answer questions.

Hon. A. K. Hugessen: Honourable senators, this is a bill which comes before us every year. I believe it has come before us every year since I have been a member of this chamber.

Hon. Mr. Aseltine: That is right.

Hon. Mr. Hugessen: In answer to the last remarks of my honourable friend (Hon. Mr. Aseltine), I think that the Senate will realize that this is the opportunity which is afforded to this house each year to inquire into the affairs of the Canadian National Railways and Air Canada; and I think honourable senators who have been members of the

Committee on Transport and Communications will agree with me, that every time such a bill has come before that committee we have been furnished by the officers of those two companies with the very fullest information that we could possibly require.

I am very glad that my honourable friend directed the attention of the chamber this evening to two or three things on which he wanted particular information, because it has been my experience, and I think the experience of all of us in that committee, that the officers of the Canadian National and of Air Canada are very careful to read the debate on the second reading of this bill and then later, when the bill has been referred to committee, to come prepared to answer the questions which honourable senators have raised on second reading.

I think perhaps when my friend asked the sponsor of this bill (Hon. Mr. Cook) what program has been evolved for the revision of the whole capital debt structure of the Canadian National Railways, he had his tongue in his cheek, because that obviously is a matter of Government policy, which neither the sponsor of the bill nor myself, nor any other member, with the possible exception of my honourable friend the Leader (Hon. Mr. Connolly, Ottawa West), knows anything about.

Hon. Mr. Connolly (Ottawa West): Include me as well.

Hon. Mr. Hugessen: There is one feature of these annual Canadian National financing bills which interests me to some considerable extent. If I understood my honourable friend the sponsor rightly, he said that the very large bulk of the capital expenditures provided for in this bill have been provided by the Canadian National Railways itself out of its earnings that have been set aside for depreciation, and so on, and that there is very little, if any, new money required. Did he give a figure for the new money?

Hon. Mr. Cook: The new money that comes from the C.N.R. is about $130 million, and the balance of $23 million comes from the purchase of the preferred stock.

Hon. Mr. Hugessen: So there is no additional capital indebtedness of any kind?

Hon. Mr. Cook: Well, there would be in the preferred stock.

Hon. Mr. Hugessen: The interesting feature about the general picture of Canadian National Railways financing, as it has gone on over the last eight or ten years, has been this: Honourable senators will remember that we have been told that there was a very large capital program underway for the refurbishing of the whole railway system, and in particular the construction at great expense of these new freight terminals in the big centres, such as Montreal and Toronto.

Hon. Mr. Connolly (Ottawa West): Hump yards.

Hon. Mr. Hugessen: Hump yards, and so on; and also for a great deal of new equipment. That big capital expenditure now appears to have come to an end, because for the last year or two, as has happened in this year, and as was explained by my honourable friend, for this year the C.N.R. in fact does not require any additional financing by way of additional capital debt, and seems to have reached the position today where it can generate the funds it requires out of its own earnings.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

Hon. Mr. Cook: Honourable senators, I move that this bill be referred to the Standing Committee on Transport and Communications.

Hon. Mr. Connolly (Ottawa West): Honourable senators, in speaking to the motion, I am quite sure that it would not be possible to have this committee meet tomorrow. It might be possible to arrange for the Canadian National officials and the Air Canada officials, and others who will be called, to be available before the end of this week. It is possible that the committee could meet on Thursday. In any event, notices will be sent out, and we will determine as quickly as possible when the committee can be assembled.

Motion agreed to.

MERCHANT SEAMEN COMPENSATION ACT

BILL TO AMEND—SECOND READING

The Senate resumed from March 5, the adjourned debate on the motion of Hon. Mr. Rattenbury for second reading of Bill C-131, to amend the Merchant Seamen Compensation Act.

Hon. Malcolm Hollett: Honourable senators, it is not my intention to detain the members here late tonight. I adjourned the debate last Friday because I felt at the time it was too late to proceed, only to discover later that this item was put at the bottom of the business on the Order Paper.

Hon. Mr. Connolly (Ottawa West): I think it was the rules which produced that result. It was accidental, not designed.

Hon. Mr. Hollett: Honourable senators, I congratulate the honourable Senator Rattenbury on the explanation he gave of this bill, though I may have one or two corrections I may wish to make.

In my opinion, this bill is more important than a good many Canadians, including many of us in this chamber, realize. If Canada is to become a great nation, the merchant seamen will constitute one of the biggest struts upon which we can build. You cannot have a nation without seamen; you cannot have a nation without merchant seamen. I can assure this house that unless we can improve this legislation very soon we shall not have any merchant seamen to man the ships which, according to Senator Brooks' statement a short time ago, are almost non-existent. It is nonsense to build ships if you have not the seamen to man them.

Honourable senators, this act was passed in 1946. It was amended in 1952, again in 1957, and now it is to be amended again. Very slowly the legislation is improving, but not very much. The act of 1946 provided that a seaman would not receive compensation unless he was disabled for a period of at least seven days. Well, in seven days a man could starve, particularly a merchant seaman if he was not getting any more money than he was getting then. The time limit for payment of compensation for disabled seamen was reduced to four days in 1953, and now it is down to three. That particular section is not so objectionable.

I come to the next amendment Section 30(1) of the act of 1946, which provided that where the death of a seaman resulted from an injury, burial expenses not exceeding $125 would be paid. I would like to ask honourable senators what kind of burial you could give a sailor or anybody for $125 in 1946? This limit is now being raised to $300, and I can assure you that the widow will have to pay more than that to bury her deceased husband who dies from injuries. I think we could have been a little more generous than that. Any honourable senator who has had to do with the burial of a friend, neighbour or relative knows that it costs a lot more than that to put a man under the ground, and a merchant seaman's wife, as a rule, does not have sufficient money laid aside for that purpose.

While I am speaking on this point, I made an inquiry today as to how many Canadian seamen were lost at sea during World War II, and I was informed that there were 1,146 such casualties. Of these, 677 were on ships of Canadian registry; 461, mind you, were on ships of other than Canadian registry, and eight were prisoners-of-war who had been repatriated but were lost.

Hon. Mr. Brooks: Casualties were heavier in the merchant service than in the regular forces.

Hon. Mr. Hollett: Much heavier in proportion; a total of 1,146. By way of illustration, if there were 50 senators here tonight the number of seamen lost in the Second World War would be equal to 23 times that number. That represents a lot of men. They did not go all at once, but one by one, or half a dozen or 20 or so at a time, as their ships were sunk.

It is not only during wartime that merchant seamen have to risk their lives to help build this nation. It is all the time; in every storm that blows they are running risks, and a good many of them are dying. It would pay Canadians to see to it that compensation for injuries, sickness and death is a little more liberal in the future than it is now; otherwise, you will not have Canadians serving on our merchant ships, if in fact you have any merchant ships. You will have people coming from depressed areas in other countries to man these ships. Canadians are not going to serve on them unless they can get fair and proper treatment. I do not have to say any more than that, because you know that what I am saying is correct.

In 1946, under section 30(1)(e)—Senator Rattenbury went into most of these things, and I hope that he will not mind if I repeat some of them—it was provided that:

> where the dependants are a widow or an invalid husband and one or more children, a monthly payment of forty-five dollars with an additional monthly payment of ten dollars to be increased upon the death of the widow or invalid husband to twenty dollars for each child under the age of eighteen years—

would be paid. That was in 1946. That was later raised, and the present section 30(2)(f) provides:

> where the dependants are children only, a monthly payment of thirty-five dollars
>
> (i) to each child under the age of eighteen years, and
>
> (ii) with the approval of the Board, to each child under the age of twenty-one years who is attending school;

In connection with that, I would like to refer to Senate *Hansard* of Friday last, when the sponsor of the bill, Senator Rattenbury, was asked by the honourable Senator Burchill:

> ...I would like to ask him, if the allowance to widows is to be increased to $75, what is the present allowance?

And the sponsor replied: "Fifty dollars." I may be mistaken, but I do not think it is

correct, because if I refer back to the Statutes of 1957 I find that:

> Paragraphs (d), (e) and (f) of subsection (1) of section 30 of the Merchant Seamen Compensation Act are repealed and the following substituted therefor:
>
> "(d) where the widow or invalid husband is the sole dependant, a monthly payment of seventy-five dollars...

is paid. That was in 1957, so it could not have been $50 since then; it had to be $75.

The 1957 amendment states further:

> (e) Where the dependants are a widow or an invalid husband and one or more children, a monthly payment of seventy-five dollars with an additional monthly payment of twenty-five dollars to be increased upon the death of the widow or invalid husband to thirty-five dollars for each child under the age of eighteen years;

So the compensation to a widow was $75 and not $50. I am quite sure that if the sponsor looks at that he will see whether I am right or he is. As I say, at page 1361 of *Hansard* he says $50.

Going on from there, we see then that in 1946 the widow got $45. From then until 1952 she received $45, and then she received $50, until in 1957 she received $75. Then we come to this bill.

There is one amendment here that does not mean a thing, and that is clause 2(2), which states:

> Paragraphs (e) and (f) of subsection (1) of section 30 of the said Act are repealed and the following substituted therefor:

It quotes paragraph (e), and it quotes it exactly the same, word for word, as it is in the Statutes of 1957, but it still says that is repealed. In that instance I take it that "repealed" is a misnomer. The only change is in subparagraph (ii) of paragraph (e), which states:

> with the approval of the Board, for each child under the age of twenty-one who is attending school;

Paragraph (e) reads:

> Where the dependants are a widow or an invalid husband and one or more children, a monthly payment of seventy-five dollars with an additional monthly payment of twenty-five dollars to be increased upon the death of the widow or invalid husband to thirty-five dollars.

That is exactly the same as in the Statutes of 1957. As I say, the only change is that the child will get $35 up to 21 years of age.

Hon. Mr. Connolly (Ottawa West): Do I understand the honourable senator to say that in section 30, as it stands now, the provision of the amendment at the bottom of page 1—namely, paragraph (e)(ii)—which has the black line to the left of it, is in the present statute?

If I may perhaps help a little further, it seems to be indicated in the explanatory note, and in the device used on the left-hand page, that the subparagraph marked (ii) is a new one.

Hon. Mr. Hollett: Honourable senators, would you look at this particular page, page 1 of the bill, section 2, subsection 2(e), where it says:

> where the dependants are a widow or an invalid husband and one or more children, a monthly payment of seventy-five dollars with an additional monthly payment of twenty-five dollars to be increased upon the death of the widow or invalid husband to thirty-five dollars—

That is exactly the same as we find in the present paragraph (e) of the act of 1957.

Hon. Mr. Connolly (Ottawa West): Yes.

Hon. Mr. Hollett: That is not repealed at all; it still remains there. The only change is that in subclause 2(e) (ii) where it says:

> ...for each child under the age of twenty-one years who is attending school.

Hon. Mr. Connolly (Ottawa West): That is the amendment provided in this bill.

Hon. Mr. Kinley: Honourable senators, this is a bill to rectify what was considered an injustice, in that certain widows did not qualify for the $75 a month in the 1957 amendment. It is also supposed to correct the fact that that bill was not retroactive.

Hon. Mr. Hollett: Do you mean in 1957?

Hon. Mr. Kinley: In 1957 it was $75.

Hon. Mr. Rattenbury: Perhaps the honourable senator will allow me to explain this. When I replied to Senator Burchill on Friday I think I was correct in my reply. The bill is not retroactive. The widows at the moment in receipt of a pension are obtaining $50.

Hon. Mr. Hollett: They are obtaining only $50 now? What about the 1957 Act? It says in the Act of 1957 that it should come into force on proclamation by the Governor in Council. I take it, it was proclaimed shortly after that.

Hon. Mr. Rattenbury: There were no claims after that.

Hon. Mr. Hollett: I would point out that the honourable Senator Rattenbury stated on page 1361:

It is proposed that the rates be increased to $75 monthly for widows and $25 monthly for children, these higher rates to be effective from April 1, 1964.

Hon. Mr. Rattenbury: That is right.

Hon. Mr. Hollett: Surely they got that since 1957.

Hon. Mr. Rattenbury: That is not my understanding. There have been no claims by widows since 1957.

Hon. Mr. Hollett: Simply because there were no casualties, there were no claims. That is a different thing altogether. Were there no merchant seamen lost since 1957? Well, that is something I cannot quite understand.

Now, I do not intend to say much more on this. There is clause 38(1) as amended, whereby the amount paid to the injured seaman can be increased according to the amount which he was earning at the time he was injured. That amount in 1954 was $3,600, in 1957 it was $4,500 and under the present amendment it is to be set at $5,000. So that an injured man may get 75 per cent of his earnings up to the amount of $5,000—that is total disability.

Hon. Mr. Kinley: May I interject? The employer is responsible for these accidents, and he pays the money. But under this bill that is going to be paid from the public funds in order to rectify an injustice that occurred in 1957. Contrary to what usually happens, when the employer pays, this will be paid by the Government.

Hon. Mr. Hollett: It will be paid out of the Consolidated Revenue Fund until such time as the shipping firms can get the insurance arranged for them. Then we have payment of additional compensation.

> In addition to the amounts of compensation payable under the Act to dependants of a seaman as a result of his death from an injury, there shall be paid, commencing with the month of April, 1964,
>
> (a) where the widow of the seaman is the sole dependant, a monthly payment equal to the amount remaining, if any, after subtracting from seventy-five dollars the amount of any monthly payment payable to her pursuant to the Act.

I do not think that is what he is referring to.

But it is a fact, and I would ask the sponsor of the bill about this, that an injured merchant seaman can get, instead of $25 a week as provided by the act, 75 per cent of his earnings up to $5,000? Is that so?

Hon. Mr. Rattenbury: That is correct.

Hon. Mr. Hollett: That is what I am trying to explain.

Hon. Mr. Kinley: The honourable senator said a seaman might starve in seven days. If a seaman is injured he goes to hospital when the ship gets to port, and under the Canada Shipping Act he gets free hospitalization paid for by the Government of Canada. The act is administered mostly by the Compensation Board of the provinces. I think Captain Slocum and another official from the Department of Transport are connected with this.

The Hon. the Speaker: Honourable senators, so that we may have a more orderly debate, I would ask the honourable senator from Burin to complete his remarks, and then if another senator wishes to speak, he may make his contribution to the debate.

Hon. Mr. Hollett: Thank you, Mr. Speaker. It is difficult to speak when one is constantly being sniped at. I have been sniped at before,—that was many years ago, but I am still here.

Hon. Mr. Connolly (Ottawa West): You are doing very well. There is no sniping.

Hon. Mr. Hollett: There are some contradictions, in my opinion, but the thing that concerns me most is that we shall have to become, if I may so express it, more merchant-seamen conscious. We will have to make it appear that there is at least a decent living available for a merchant seaman, and that there is some protection for him, having regard to the tremendous dangers which he undergoes from day to day.

I was born practically on the ocean, and I have been to sea when I was a boy. I know of the dangers these men encounter in their work, not only the danger of being drowned, but those that exist from all sides on board ship.

I think we will have to amend this act again in a short time to make the sea a more attractive field of operations for our men.

I have nothing further to say at the moment, but I do repeat my congratulations to the honourable senator Rattenbury for his very clear explanation. He did not waste words, like some of us do. He outlined it very clearly and explicitly. I congratulate him on the masterly way in which he did it.

We shall have to think seriously about the situation of the merchant seamen and their widows and children. There is one section there which says that a sailor, if he is injured, can get $25 a week. Honourable senators, if a married sailor, in an injured condition, perhaps either partially or totally disabled, is to live on $25 a week then he has to live much more cheaply than either you or I. Twenty-five dollars a week is certainly not

sufficient for a man who has been working from day to day endeavouring to build up this country of ours by making great sacrifices. I think I can safely say that a man who goes to sea today is making a sacrifice. He has only one life to live, and in many instances he gets only a small wage, and there is no protection for his wife and family. If the shipping companies can pay him only $25 a week when he is completely handicapped, then I think something should be done about it.

That is all I have to say at the present time, honourable senators.

Hon. John J. Connolly: Honourable senators, some months ago when I rose to speak on an agricultural bill it was suggested that I did not qualify for a position on the list of speakers because I was not exactly a farm boy. This evening, in speaking to a bill dealing with the merchant service, and particularly pensions to merchant seamen, I must immediately disclaim any right to the title of "an old salt".

Hon. Mr. Aseltine: You are not a mariner?

Hon. Mr. Connolly (Ottawa West): I am neither a mariner nor a maritimer. I am an inlander.

Perhaps it might be helpful if, in respect of the new paragraph (e) of section 30 of the act, I state to the chamber that the amendment is a very simple one. Heretofore, it was provided in the act of 1957 that the payment to be made on behalf of children be at the rate of $35 for each child under the age of 18 years. This amendment provides that with the approval of the Board every child under 21 years of age who is attending school is entitled to the benefit. This is an additional provision.

Having said that, I wonder if I could add just one other point to the very interesting plea that Senator Hollett has made in respect of the merchant service. I am always very glad to hear people, particularly those from the maritime areas of both coasts, talk about matters of this kind. This country owes a great debt to the men of the merchant service, particularly for the duties they performed during the last war. That service was performed not only within the merchant service itself but also in the Canadian Navy and perhaps in other naval services.

In the early days of the war when the short forecastle corvettes were commissioned, the majority of the captains of those little ships, which were certainly not comfortable ships and which were going to do the convoying in the North Atlantic, were men of the merchant service who formed the R.C.N.R.

In addition to that, what merchant ships there were available for convoy work were put into service, and were commanded by the people who remained in the merchant service. These men worked under very trying conditions because the speed of the slowest ship in the convoy determined the speed of the convoy. I can remember, too, a special school that was established under the authority of the Minister of National Defence for Naval Services in those days in St. Margaret's Bay to train young men for the merchant service that was developing during the war years. Ships of 10,000 tons were being built, which raised the problem of training the personnel to man them. This school that was established to train young men to go down to the sea and work in the convoy system trained a great many. Some of the men in the R.C.N.R. branch of the Navy performed great feats of daring during the war.

So, I do endorse everything that Senator Hollett has said about the importance of a merchant service for this country in peace time. It has proved to be an invaluable arm in naval work during wartime and in times of peace. This has been historically so. It has been difficult to maintain a merchant service in Canada for a variety of reasons. Perhaps our standard of living is too high. That is one of the penalties a country pays for having a high standard of living.

Honourable senators, I felt impelled because of a long experience with the Minister of National Defence for Naval Services in those days of war, to say these few words about the contribution that was made at that time by the merchant navy.

Hon. Nelson Rattenbury: Honourable senators—

The Hon. the Speaker: I must inform honourable senators that if the honourable Senator Rattenbury speaks now it will have the effect of closing the debate.

Hon. Mr. Rattenbury: Honourable senators, I should like to thank Senator Hollett for the kind things he has said, and also to say that I agree with much of what he said. I echo the sentiments expressed by the honourable Leader of the Government (Hon. Mr. Connolly, Ottawa West) in his remarks about the merchant service.

In my maiden speech in this chamber I mentioned the fact that I had served for many years in the merchant service, and therefore I know whereof I speak. In an explanation of this amending bill I should like to say that the period of three days mentioned by Senator Hollett is an attempt to average out the similar periods of time contained in the various statutes of the provinces across Canada, which range from four days down to one day. As an average, I think this figure is just what it should be.

All honourable senators realize why that period of time exists. It is to get away from such petty cases as those involving a cut finger. As Senator Kinley pointed out, under the Canada Shipping Act there is immediate provision for anybody needing hospitalization.

I should also point out that this act supplements similar statutes that exist in the various provinces of Canada, and not only those of the Maritime provinces. All provinces have their Workmen's Compensation Acts, but in cases of sailors going off-shore or foreign, and wherever there might be confusion, this act will take effect. It will operate in cases where there is some difference of opinion as to the eligibility of a claim under the statutes of the various provinces.

I do not think there is anything else to explain. I am not well enough versed in funerals to know whether $300 is sufficient. On reading the act I notice that there is a provision for the transfer of a body from the place where the demise took place to the place of burial. That applies in cases where the interment is not made at sea. The amount specified there is, I think, $125 and, again, I do not know how adequate that is.

I regret that in my reply the other day to Senator Burchill I may have caused some confusion, but I say now that these claims took place prior to 1957.

Honourable senators, I do feel that this is legislation that is needed, and the amendments that are proposed will bring the Merchant Seamen Compensation Act up to date and in line with the Workmen's Compensation Acts of the provinces.

Motion agreed to and bill read second time.

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

On motion of Hon. Mr. Rattenbury, bill placed on the Orders of the Day for third reading at the next sitting.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, March 10, 1965

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

Prayers.

DOCUMENT TABLED

Hon. John J. Connolly tabled:

Report of the Board of Trustees of the Maritime Transportation Unions for the year ended December 31, 1964, pursuant to section 16 of the Maritime Transportation Unions Trustees Act, chapter 17, Statutes of Canada, 1963. (French text).

CANADA LABOUR (STANDARDS) CODE BILL

REPORT OF COMMITTEE ADOPTED

Hon. Mr. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the Committee had considered Bill C-126, respecting hours of work, minimum wages, annual vacations and holidays with pay in federal works, undertakings and businesses, and had directed that the bill be reported without amendment.

Report adopted.

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

Hon. John J. Connolly (Ottawa West) moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

CANADA-HUNGARY TRADE AGREEMENT

MOTION FOR APPROVAL

Hon. John J. Connolly moved pursuant to notice:

That it is expedient that the Houses of Parliament do approve the Trade Agreement between Canada and the Hungarian People's Republic, signed at Ottawa, June 11, 1964, and tabled in the Senate on June 16, 1964; and that this House do approve the same.

He said: Honourable senators, this motion, and the other two that follow it on the Order Paper are in respect of trade agreements with countries of Eastern Europe. These countries, which are Bulgaria, Hungary and Russia, are known as state trading countries.

At the outset I should like to ask for the indulgence of the Senate that I might deal with all three motions in this one rather brief explanation. This, I believe, is the more expeditious way. Then, if the Senate agrees to carry the first motion, the other two would be carried also. If necessary, I can add a word of explanation on the other two. If I may, I shall explain generally the first motion and I shall not repeat the explanations with respect to the second and third motions.*

As honourable senators know, all three of these countries have Communist governments. The communist countries with which Canada has trade relations are Czechoslovakia and Poland. It is proposed now to have such relations with Hungary, Russia and Bulgaria. Some of these are extensions of previous trading arrangements. The treaty between Canada and Czechoslovakia was originally signed in 1928, and in October 1963 was renewed for a five-year period. The agreement was that Czechoslovakia would purchase, under that treaty and during that period, a total of 1.2 million metric tons of wheat.

The general trade treaty with Poland, which is not in issue here, was originally signed in 1935, when that country was a free enterprise country. Then in November 1963 a long-term wheat agreement with Poland was signed for a three-year period and provided for the purchase over that period of 1.2 million metric tons of wheat.

With Roumania we have no treaty at the moment, but negotiations are about to commence, if they have not already started, with a view, I would assume, of getting a treaty with that country along lines similar to those we have before us today.

I think it would be of value to honourable senators if I were permitted to place upon *Hansard* today a record of the trading from 1954 to 1963 between Canada and Albania, Bulgaria, Czechoslovakia, East Germany, Hungary, Poland, Roumania and the U.S.S.R. The first of two tables indicates that exports in 1954 from Canada to Eastern Europe were valued at $5,800,000-odd. In 1963 the value of our exports had grown to $193,500,000-odd.

The second table shows that Canada's imports from eastern Europe between 1954 and 1963 also grew, but nothing like in proportion to her exports. In 1954 the value of Canadian imports from all eight countries was $3,822,-000, and in 1963 that volume of business had grown to $20,267,000.

The figures for the other years may be of interest to honourable senators, and with the consent of the house I shall put these tables on record. May I say that they have been supplied to me from official sources in the Department of Trade and Commerce.

Hon. Senators: Agreed.

**See* p. 1381

CANADIAN EXPORTS TO EASTERN EUROPE 1954–1963
(in thousands of dollars)

	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	Total
Albania	—	—	—	—	—	—	—	5,845	3,053	2	8,900
Bulgaria	8	2	105	119	71	200	491	277	388	28	1,689
Czechoslovakia	295	1,062	24,558	1,422	1,365	4,937	6,767	32,654	3,522	13,289	89,871
East Germany	—	2,261	1,458	25	—	—	994	17,972	148	1,262	24,120
Hungary	35	165	1,913	292	387	1,115	931	564	350	374	6,126
Poland	558	4,005	17,918	16,669	645	15,631	16,665	36,819	37,391	27,200	173,501
Roumania	74	397	124	429	1,172	1,157	1,326	1,037	514	1,275	7,505
U.S.S.R.	4,854	2,680	24,606	10,658	18,868	12,638	8,233	24,276	3,297	150,123	260,233
	5,824	10,572	70,682	29,614	22,508	35,678	35,407	119,444	48,663	193,553	571,945

CANADIAN IMPORTS FROM EASTERN EUROPE 1954–1963
(in thousands of dollars)

	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	Total
Albania	—	—	—	—	—	—	—	—	—	—	—
Bulgaria	—	3	4	—	4	6	6	24	34	74	155
Czechoslovakia	1,796	2,880	5,675	5,045	4,950	6,440	6,654	8,405	9,033	9,204	60,082
East Germany	721	572	779	707	948	901	877	970	881	1,207	8,563
Hungary	210	124	209	408	810	237	338	393	417	557	3,703
Poland	405	595	2,185	1,110	1,276	1,643	1,871	3,194	4,792	6,788	23,859
Roumania	3	—	3	—	4	35	84	261	61	124	575
U.S.S.R.	687	628	1,007	2,804	1,688	2,278	3,210	2,746	1,777	2,313	19,138
Total	3,822	4,802	9,862	10,074	9,680	11,540	13,040	15,993	16,995	20,267	116,075

Hon. Mr. Connolly (Ottawa West): In addition to the value of the business to the parties on both sides of the arrangement there may be, and undoubtedly is, some value in the fact that between Canada and Iron Curtain countries there can be a development of understanding. This may be a good thing for countries behind the Iron Curtain as well as for Canada, and may generally be a good thing for the countries of the free and the western world.

Most of these countries concerned have been accorded diplomatic recognition by Canada. In Ottawa, the Soviet Union has an embassy, as has the Government of Czechoslovakia, and that of Poland. The advance guard for an embassy for Hungary is now in Ottawa, and Hungary also has a trade office in Montreal. Bulgaria too has a trade office in Montreal. The Government of Czechoslovakia has a consulate in Montreal, and trade offices in Montreal and Toronto. The name of its state trading agency is called, in English "Omnitrade."

The value of the three treaties, in the sense of purchases from Canada over the periods for which they are to run, is some $600 million minimum. The commodity generally sold will be wheat, but it is expected that utlimately there will be a development and an expansion into the field of other agricultural products, industrial raw materials and manufactured goods.

The three treaties that we have before us today, honourable senators, contain the usual clauses for favourable treatment to the other party that are found in all such treaties.

The most-favoured-nation provision is made in all three treaties, but I must say that it is considered by the Canadian authorities that this provision is not very meaningful in Canada's eyes, because these governments plan both exports and imports in their own countries without reference to private decision.

I come now specifically to the first treaty, the one with Hungary. It was entered into on June 11, 1964, and was tabled in the Senate on June 16, 1964. Under the treaty, Hungary has given a purchase commitment to Canada to acquire some $24 million worth of commodities over a three-year period. In the first year she commits herself to purchase $4 million worth of commodities, in the second year $5 million, and the balance in the third year. The items to be purchased include 1¼ million metric tons of wheat. This perhaps may be a relatively small amount, but it should be said that Hungary happens to be a wheat producer and a wheat exporter. The Hungarians would be entitled to take 50 per cent of this wheat commitment in feed barley if they so desire. About $4 million of the amount of $24 million agreed to be spent in Canada is to be allocated for the purchase of other Canadian goods. Sulphur has been mentioned as one commodity being more likely to be required by Hungarian importers.

In November the Hungarian State Trading Agency, known as Agrimpex, contracted for 100,000 tons of wheat which is nearly half the original commitment. The treaty with Hungary is a mixed one, and in this sense it is rather unique. Perhaps it provides a new pattern, because it is not restricted only to the acquisition of wheat and grains, but can be extended to other commercial commodities.

There is another feature in the negotiations with Hungary—and this may interest many honourable senators—which involves the settlement of claims as between Canada and Hungary. After the revolution a large number of refugees came to this country, some of whom have claims to advance for property in Hungary. The negotiations on the diplomatic level in respect of the trade treaties have extended into this area, and I understand that arrangements are being made so that these claims can be processed in an orderly, regular way, and I would hope that they will be settled satisfactorily.

That is all I think I need say, honourable senators, in connection with the Hungarian treaty.

If I have the consent of the Senate, I would continue and speak now on the second motion, which deals with the renewal treaty with the Soviet Union.

The original post-war agreement with Russia was made in 1956, and it provided for the purchase by that country of 1½ million metric tons of wheat over a three-year period. This was renewed in the year 1960 for a period of three years. The Soviets, by the 1960 renewal, agreed to buy twice as much from Canada as Canada bought from Russia. Russia agreed to purchase under that renewal a maximum of $25 million, half of which purchases in Canada were to be wheat.

In September 1963 the Russian treaty was renewed, and the parties reverted to the previous pattern of the purchase commitment concept. Under the renewal which is now before us, Russia has agreed to make minimum purchases in Canada over the period of the treaty of 5.3 million tons of wheat and 575,000 tons of flour, and this was to have been shipped before July 31, 1964. Russia also agreed to purchase an additional half million tons of wheat or flour equivalent. I should say that these shipments have been largely met.

Hon. Mr. Brooks: May I ask the honourable leader a question? Does he know how much of this wheat and flour is shipped direct to Russia, or if any of it is being transshipped to Cuba? I have no objection to it being transshipped to Cuba, but I did hear that a considerable amount of the wheat and flour was being sent there and it did not get to Russia at all.

Hon. Mr. Connolly (Ottawa West): I may say that some time ago I read reports in the paper of this having happened, particularly at a time when the matter of trading relations with Cuba was a somewhat critical issue. The officials to whom I have talked about this matter have not raised it, and I would assume that it might not be a significant factor at the moment. I think the requirements of these countries, particularly for these grains, are so great that they need them all for themselves. I shall make inquiries, however, and let the honourable leader opposite know.

The shipments have been made at an accelerated rate. I am told that in the first eight months of 1963 the value of shipments of wheat to the Soviet Union was $1.4 million, and in the first eight months of 1964 the value was $312 million. It seems to be clear, to my mind at any rate, that the necessity for the grain in the Soviet Union is of paramount importance.

I now come to the Bulgarian Treaty. This was tabled in the Senate on October 22, 1963, having been entered into on October 8, 1963, for a period of three years. The minimum purchase under this treaty was 100,000 tons each year, but the Bulgarians had an option to acquire a further 150,000 tons before July 31, 1964. All of the terms of the treaty have been complied with and the option has been taken up.

I should also say that the volume of shipments has increased very appreciably between 1963 and 1964. In the first eight months of 1963 the value of shipments to Bulgaria was $28,000, and in the first eight months of 1964, that is the last period for which we have these figures, the value of shipments was $15.6 million. Honourable senators will see that the requirement has been very great, mainly due, I understand, to crop failures in those regions.

Furthermore, the treaty and the diplomatic negotiations with Bulgaria have extended beyond the trading arrangements. Consular arrangements are being made, and matters outstanding between the two countries are also being negotiated.

I think, honourable senators, that that is all I can usefully say about these treaties at this time.

Hon. Arthur M. Pearson: Honourable senators, I have listened with a great deal of interest to the honourable Leader of the Government in the Senate. He has explained these treaties in his usual precise and pointed manner. I certainly agree with him in approving of these treaties. However, that is merely from a moral point of view, since these three treaties as between Canada and the U.S.S.R., Canada and the Hungarian People's Republic, and Canada and the People's Republic of Bulgaria, have previously been approved and tabled both in the other place and in the Senate, the first two in 1963, and the last one, with Bulgaria, in 1964. So at this stage Parliament is acting as representative of the people in expressing the approval of the citizens of Canada.

Nevertheless, it is rather surprising that this matter should once again be brought up in the Senate at this late date for approval. Perhaps it is a case of better late than never. I am inclined to wonder, however, if there is any connection between bringing these agreements up to date and the event which some people are forecasting will take place in Canada this Spring—in June, perhaps. If that is the case, I do not blame the Government for bringing it forward at this time; they need to take advantage of every item in the books; they will need to grasp every straw they can to help them in recovering from the shocking image that has grown of them in the other place.

Hon. Mr. Connolly (Halifax North): Do the Bulgarians vote in Canada?

Hon. Mr. Brooks: Those who are citizens here do.

Hon. Mr. Hayden: Are they Bulgarians in that situation?

Hon. Mr. Pearson: However, my purpose in speaking on this matter today is to criticize the Government for its apparent inactivity in bringing forward new trade treaties, indicating additional sales in countries other than those we are dealing with at the present time. A good salesman does not sit back and reflect on what has taken place last year or the year before; he is out breaking new ground all the time. This is my point of criticism.

I have spent most of my life in the selling end of business, and my experience has shown that only by constant and continuous efforts are new sales produced. Renewals are largely based on satisfaction given in previous sales. I remember working in one firm in which there were a number of excellent salesmen, and the sales that each man produced clearly indicated the characteristics of the man. Those who were satisfied with a large sale

and did not continue to press for the smaller sales eventually fell by the wayside as salesmen.

For that reason I say to the Government today that big sales to the U.S.S.R., or to any other country, should not make for any great degree of satisfaction on the part of the Government. They should also strive for numerous small sales which would indicate a wide distribution of our goods, whether it be wheat or manufactured products. This would also indicate that our men are on their toes and are fighting to gain every ounce of trade available to them. A broad base gives far greater security. Only by constant pressure and contact with possible purchasers can we thoroughly establish Canada as the country that produces the best wheat in the world and is out to prove it.

I remember on one occasion in western Canada meeting a traveller who was interested in farming and who had taken a trip to South America. He told me that in the various cities he had visited he had discovered in discussion with the brewing interests that apparently there was in that country a good market for Canadian malting barley, but that the people concerned apparently had no idea that Canada produced malting barley. On my way through Winnipeg I stopped at the grain commission office and asked the chief salesman if we ever sold any malting barley to South America. He informed me that they had had no inquiries from that region for malting barley. I told him what the traveller had said, and he replied, "This is most interesting and surprising, because we have agencies throughout South America and if there had been any demand for malting barley, there is no doubt we would have been advised by them."

I have no doubt whatever that if an active sales agency were to go to South America we could open up a market for the sale of many thousands of bushels of malting barley in that region.

A further point I wish to make is that in the long run of 22 years of Liberal Government in this country there was a gradual build-up of grain in western Canada until we were almost choked with grain, and thousands of bushels were being lost every year. The grain had to lie out of doors since there was no room for it either in the farmers' storage or in the country elevators. With the change of government, the wheat began to disappear very rapidly until almost all the granaries in western Canada were empty. This was accomplished thanks to the efforts of the minister for agriculture in the last government. As a result of those rapid sales of grain, large sums of money reached the hands of the farmers who, in turn, were able to go to the market and purchase millions of dollars worth of Canadian manufactured goods. Consequently, the whole economy of Canada began to boom and has not slowed down since.

Therefore, I say to this government, with all due respect and taking into consideration the signing of these three trade agreements, that the farmers will not be satisfied until they hear of many more of these agreements, even though they may be very small in relation to the total number of bushels being sold. Such an increase in the number of agreements will indicate that there is a very agressive minister in charge.

Motion agreed to.

CANADA-U.S.S.R. TRADE AGREEMENT

MOTION FOR APPROVAL OF PROTOCOL

Hon. John J. Connolly moved, pursuant to notice:

> That it is expedient that the Houses of Parliament do approve the Protocol renewing the Trade Agreement between Canada and the Union of Soviet Socialist Republics, signed on February 29, 1956, and renewed on April 18, 1960, signed at Ottawa, September 16, 1963, and tabled in the Senate on October 10, 1963; and that this House do approve the same.

Motion agreed to. *

CANADA-BULGARIA TRADE AGREEMENT

MOTION FOR APPROVAL

Hon. John J. Connolly moved, pursuant to notice:

> That it is expedient that the Houses of Parliament do approve the Trade Agreement between Canada and the People's Republic of Bulgaria, signed at Ottawa, October 8, 1963, and tabled in the Senate on October 22, 1963; and that this House do approve the same. *

Motion agreed to.

MERCHANT SEAMEN COMPENSATION ACT

BILL TO AMEND—THIRD READING

Hon. Nelson Rattenbury moved the third reading of Bill C-131, to amend the Merchant Seamen Compensation Act.

Motion agreed to and bill read third time and passed.

DEPARTMENT OF INSURANCE

BILL TO AMEND CERTAIN ACTS—SECOND READING—DEBATE CONTINUED

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr.

*See pp. 1377-81

Lang for second reading of Bill C-123, to amend certain acts administered in the Department of Insurance.

Hon. Salter A. Hayden: Honourable senators, I have one general observation to make, and after I have made it I propose to address myself to one particular aspect only of this bill.

My general observation arises out of the remarks that were made last night by Senator White. I too am a little concerned, and would like to know a little more about why the percentage that may be invested in first mortgages in relation to the value of the property is increased from 66⅔ per cent to 75 per cent of the value. Was it in view of representations that were made? If so, what was the source of those representations, and what is the supporting material to indicate that the character of mortgage lending and the character of purchases in the acquisition of properties has changed so that the whole method of dealing in transactions of that kind has been so modernized that 75 per cent is now a safe and secure ratio in relation to value? I point out that it has moved up a long way over the years from the time when it was less than 50 per cent. I think this is an aspect that we could with some profit probe in committee.

The main point which gives rise to my speaking today has to do with a provision in the bill which proposes, among a number of amendments, an amendment to the Loan Companies Act. Honourable senators will find this in section 42 of the bill, which repeals the present section 68 of the Loan Companies Act, and provides for a new section 68, which starts at page 55 of the bill and goes over to page 56. My remarks are going to be addressed particularly to subsection 3 of the new section 68 as contained in section 42 of the bill.

Before I embark on that I should indicate to honourable senators, in case they have forgotten, that earlier this year there was a certain private bill before this house that went before the Standing Committee on Banking and Commerce. By reason of my association with those who did some work on the bill I did not preside as chairman of the committee when it considered that bill. That bill, which is now at the stage of second reading in the other place, is one that would be materially affected by a change in the general law of the nature of the change here proposed.

It is my thought that you should know my background of interest. It is an interest only in the sense that associates of mine have worked on the drafting of the bill; it is not interest in any remunerative sense, because I have none in that regard. I mention this so that you may put on your finest spectacles and alert your very analytical minds even more so, and make a careful examination of any criticism or suggestion that I may make in relation to this particular proposal, and thus be sure that it rests on reason and not on any identification or association with the bill which I mentioned is presently at the stage of second reading in the House of Commons.

I should tell honourable senators that subsection 3 provides that where a loan company owns more than 10 per cent of the issued shares of a trust company incorporated under the Trust Companies Act of Canada —I am omitting the other phase of it for the moment—then special borrowing limitations are imposed which affect what would otherwise be the borrowing limitations of a loan company in relation to its paid-up capital and reserves. The formula which is prescribed in those circumstances is this: if a loan company owns more than 10 per cent of the shares of a trust company, you must take the sum total of the assets of the loan company, less—and this is a very important factor—the cost of acquisition of those shares of the trust company, plus the assets of the trust company, and from that deduct the liabilities of both the trust company and the loan company, and what is left would be your borrowing base. You calculate the amount you may borrow as of right under the law as it presently stands by multiplying your paid-up capital and reserves by four. But under the bill this becomes four times the excess of assets over the liabilities. That is your borrowing limitation as of right.

Under the act as it presently stands you could, by following certain procedures and securing an order of the Governor in Council made on the recommendation of the Superintendent of Insurance, apply for a further borrowing in the range of from four times to 12½ times that base. That has been changed in this bill so as to provide that your borrowing limit, with the approval of the Treasury Board on the recommendation of the Superintendent of Insurance, may be increased anywhere from four to 15 times the excess of assets over liabilities.

The net result of this change, and this particular formula for limiting the borrowing power of a loan company that may possess more than 10 per cent of the shares of a trust company, is that in the case of a new company, such as the one I referred to a little while ago—having regard to the disclosure in that bill as to the shares of the particular trust company that were going to be acquired—would be that on a four-times-basis there would be no borrowing

ability in the new loan company. Therefore, immediately the new loan company would have to go to the Superintendent of Insurance, and secure his recommendation for a much higher percentage or a higher number of times the excess of assets over liabilities.

The unusual feature of this, as I see it, is when we come to the explanations that are given as to why it is necessary to provide this limitation, we find that the Superintendent of Insurance has said that it is in order to prevent pyramiding of assets; that it is in order to prevent the same assets being used twice for borrowing purposes. Now let me explain that.

The assets of the trust company are the assets behind the outstanding shares of the trust company. The trust company has its own authority to borrow, and in its borrowing the base, of course, would be the paid-up capital and reserves of the trust company or, under this bill, it would be the excess of their assets over their liabilities. If a loan company acquires shares of that trust company, then it is suggested that the assets of the trust company are also behind the shares of the loan company. That to a limited extent may be so. To the extent of the book value of the assets of the trust company which stand behind the shares of the trust company that the loan company owns, that may be so. But, let me illustrate.

For instance, in a statement appearing in the *Financial Post* on March 1 of this year, they show a whole list of what are called blue chip companies, and they show the book value as against the market value. In the case of National Trust they show a book value of $9.10 and a market value of $23.25. I propose to give you the rest of the list a little later, but let me illustrate my point in this way.

What is said is that if a loan company owns more than 10 per cent of the issued shares, voting shares, of a trust company, then the assets of the loan company, for the purposes of its borrowing base, must immediately be reduced by the cost in the market place at which it purchased those shares, not a deduction from the assets of the loan company only of the book value lying behind those shares represented by the assets of the trust company. It can be said reasonably and rationally that only to this extent if there is a double use of assets as a base for borrowing, that double use is limited to the book value of the trust company assets that are behind the trust company shares, and to the extent that they are behind the trust company shares by reason of the loan company owning in excess of 10 per cent of those shares. If you apply this formula to the illustration of the National Trust shares, reference to the book value on which borrowing might be based twice, it would be $9.10 as a borrowing base by the trust company and the loan company, but that is not what the formula says. The formula says you deduct the market value, that is, what you paid for the shares.

I mention the National Trust only as an illustration and, in order to correct any impression that I might be thinking in terms of the National Trust, I shall mention the particular trust company referred to in the bill.

The trust company mentioned in the bill that was before us earlier this year was the Eastern and Chartered Trust. In that case you have a book value of the shares of about $26, with a market value today of about $51. That would mean that, in the application of this general act and this particular provision to this new loan company, as and when it is incorporated, if it held more than 10 per cent of the shares of the trust company the deduction from the assets of the loan company would be the cost thereof; that is, the market value today, $51 a share, not a deduction of the book value behind those shares; and to the extent of the increment over book value there has been no double borrowing. The value in the market place, as every person knows, is a value that is put on shares of successful companies—and sometimes of unsuccessful companies—by the investing public. What they do is capitalize the earning power of those companies, the history of earnings, and they put a capital value on that which is over and above and outside the book value of the assets themselves.

As a matter of fact, if you look in the advertisements in the financial papers and on the financial pages of various newspapers, the one thing they do not give you is the book value of the shares. They will give you the market price and the amount of dividends paid; they will relate by percentages that amount of dividend to the market price, and they will also tell you the price times earnings at which the shares are selling. Therefore, as far as the public mind is concerned, you have an area where the public takes over and puts a value. It may be intangible, but it is a value you can realize in the market place if you want to go out at any time and sell those particular shares. If I have shares of the Eastern Chartered Trust Company in this new loan company, for borrowing purposes this bill when it becomes law would say I must deduct that market value of those shares from my assets, and that cost has no borrowing value to me at all, even though there is an element in there which has never been borrowed on anywhere. That is the difference between book value and market value.

In anything I say, I do not want to lead you to the conclusion that I am complaining about the provision against pyramiding, against the double use of the same assets in different situations for borrowing. We have had no situations of that kind in the past. For many years we have had two loan companies owning trust companies in Canada. Their operations over all the years have been on such a basis, and their borrowing has been on such a basis, that they have not encroached, so I understand, on the capital value or cost of acquisition of trust shares in order to support the borrowing that they want to do. Therefore, this legislation now is in anticipation that something might happen in the future and therefore that we should provide something in the general law to take care of it. For purposes of the general law, it may be advisable to have a general provision against what I call pyramiding or the double heading or double use of the same assets for borrowing; but to have an absolute rule which permits of no exceptions, I say is going too far.

I say that there should be a discretion, whether it is in the Treasury Board on the recommendation of the Superintendent of Insurance, or whether it is in the Governor in Council on the recommendation of the Superintendent of Insurance, somewhere there should be a discretion where in the public interest it may be advisable to have some exemptions, some exceptions, or some departure from that absolute rule. In any event, I say that this provision in subsection 3 of the new section 68 cannot be supported on the basis of pyramiding; it cannot be supported on the basis that you are double heading in the use of the same assets twice for borrowing, because there is a substantial element in the cost of trust company shares to the loan company that has never been borrowed on, and that is the difference between the book value and the market value.

Hon. Mr. McCutcheon: Book value is a meaningless term, in modern conditions.

Hon. Mr. Hayden: For the investor it is a meaningless term. It has been suggested that the market value is not a safe or a secure value on which to lend or borrow, in the interest of the creditors or loan company.

What I have to say in this regard is simple, I hope. First of all, there is a place where I can go and sell the shares; there is a market there, and they have a real value.

Secondly, when a loan company borrows money from the general public, it invests that money in mortgages. It may invest it in common shares. Ratios are stipulated in the Loan Companies Act, and to the extent that that money is invested in mortgages this bill says that an investment of up to 75 per cent of, not the book value, but the market value of the property on which you are going to loan, is a safe and secure investment to make. Yet if I get $100 from a lender on the security, among other things, of the trust company shares which I hold, without any limitation, I invest $75 and immediately the lender to the loan company has a cushion of 25 per cent, before even the principal amount is affected.

So I say there is ample security to the loan company and its creditors without the necessity of this unusual and what I call abnormal provision which says that market value is not a safe value upon which borrowing in a loan company should proceed. Now, market value as I know it, is used in almost every conceivable kind of borrowing and the security at some percentage point basis is recognized as being a proper security base for borrowing.

May I take a moment to show you the margin of differences between book value and market value, from a statement that was published in the *Financial Post* on March 1:

Company	Book Value	Market Value
National Trust	$ 9.10	$23.25
Hiram Walker—Gooderham & Worts	15.25	38.00
Southam Press	6.70	35.00
Dominion Stores	7.05	26.00
Simpsons Ltd.	12.65	27.125
Aluminium Ltd.	15.61	31.875
International Nickel	22.98	87.875

Hon. Mr. McCutcheon: We had better sell all our securities.

Hon. Mr. Hayden: Yes, if any insecurity can be drawn from the suggestions that have been made in justifying the elimination of market value as being a factor in establishing a borrowing base. The table continues:

Company	Book Value	Market Value
Noranda Mines	$21.84	$55.875
Moore Corporation	14.88	62.875
British American Oil	23.48	34.25
Imperial Oil	27.50	57.625
Bell Telephone	36.71	62.50
MacMillan Bloedel and Powell River	13.31	35.00
Dominion Foundries and Steel	8.94	26.25
Algoma Steel	33.58	77.625
Steel Company of Canada	13.12	28.625
Alberta Gas Trunk	7.25	38.625
Interprovincial Pipe Line	16.66	93.875

Company	Book Value	Market Value
The Bank of Nova Scotia	46.74	81.625
The Royal Bank of Canada	47.75	82.125
Canadian Pacific Railway	61.23	67.875
Dominion Tar and Chemical	13.55	23.00

Hon. Mr. McCutcheon: A very modest market value.

Hon. Mr. Hayden: Yes.

Hon. Mr. Connolly (Ottawa West): It would be a good thing to buy, would it, Senator?

Hon. Mr. Farris: How is the book value arrived at?

Hon. Mr. Hayden: It is the net worth of the company, that is, the excess of assets over liabilities.

Hon. Mr. McCutcheon: And nobody knows how the assets have been written down. It is the most meaningless term in the world.

Hon. Mr. Hayden: It is a completely meaningless term, because if a company has operated for some time, and written off depreciation, you have a written-down value which does not represent the operating worth of the assets.

Hon. Mr. Bouffard: It is not the representative value at all.

Hon. Mr. Hayden: No. So I say that if it is desired to have a rule on the point that where a loan company owns in excess of 10 per cent of the shares of a trust company, there should be some exclusion, and the maximum exclusion, or reduction in respect of these trust company shares for purposes of a borrowing base should be a net book value of the assets of the trust company pro rated on the number of those shares which the loan company has.

Hon. Mr. Isnor: May I inquire whether any one of the companies whose names you have read make loans on real estate?

Hon. Mr. McCutcheon: National Trust Company does.

Hon. Mr. Hayden: Yes, National Trust Company does; and I would say the banks certainly did for awhile—and I referred to them. As to some of the other companies, I am not privileged to look at their portfolio of investments, so I do not know, but I would be surprised if some percentage does not—

Hon. Mr. Isnor: Only one of those names you have read is a loan or trust company.

Hon. Mr. Hayden: No, no. What I say is that the rule may be a good rule. I am not debating the goodness or otherwise of the rule. I am saying that it should not be drawn in such terms to exclude the exercise of proper discretion with regard to the increment in value above the net book value of the shares; and that should not be excluded from the borrowing base. It is an asset, and should be an asset for borrowing purposes.

Furthermore, the expression has been used in justifying this rule that in the situation of a loan company vis-a-vis a trust company, a consolidation of the two companies is the proper basis on which to look at the value of the shares, and therefore in determining the excess of assets over liabilities. However, if a loan company has acquired 11 per cent of the shares of a trust company, then when you are arriving at the formula you take the assets of the loan company, deduct the cost of the shares of the trust company, and then add to that the sum total of the assets of the trust company, although the loan company may only have 11 per cent of it. Then you deduct, not a percentage of the liabilities of the trust company that might be related to an 11 per cent ownership of shares, but you deduct the sum total of the liabilities of the trust company, including any guaranteed loans they have made, before you get to a base. I say this is going too far for the purpose to be served.

Let us turn to the other side of the picture. There is ample protection in this bill and in the present Loan Companies Act so that this provision is entirely unnecessary. For instance, in section 41, on page 55 of the bill there is a provision which governs the basis for the purchase of trust company shares by a loan company. The general law is that a loan company can invest in common shares of any Canadian company up to 30 per cent of the common shares or 30 per cent of the total shares outstanding. Then there is a limitation on the amount of money of the loan company that may be so invested in common shares. There is that general limitation. But section 41, which adds section 61A, says that when a loan company is buying shares of a trust company those general rules do not at all apply. It writes a special ticket. Section 61A (1) says:

> Notwithstanding anything in section 60 but subject to subsection (2) of this section and to such terms and conditions as may be prescribed by the Treasury Board upon the report of the Superintendent, a loan company may invest its funds in the fully paid shares of a trust company to which the Trust Companies Act applies.

Subsection 2 limits the amount of investment which a loan company can make, to the extent that it cannot be in excess of its paid-up capital and reserves. In other words, it cannot borrow money in order to buy trust company shares. Before a loan company can buy any shares of a trust company it must go to the Superintendent of Insurance, must get a favourable report from him, he already having thoroughly examined the situation, in which report there will be suggested terms and conditions to be prescribed by the Treasury Board as a basis of purchase. Otherwise, the loan company cannot make the purchase. Thus, in the first place, there must be a complete check. Here is a case where the Treasury Board, on the report of a superintendent, may say, "We will not approve this investment," and the purchase is not made.

Now, when it comes to borrowing you have another check. Let us assume that the loan company has acquired the shares of a trust company, but it wants to increase its borrowing beyond four times the amount of its assets over liabilities. It must follow the procedures of passing by-laws, having company meetings, and all that, after which it must satisfy the Superintendent of Insurance that the proposed increase is justified, because he has to make a recommendation to the Treasury Board, and then the Treasury Board has to approve of any increase in your times borrowing over four times. So in those two directions, first, before you acquire the shares you have to satisfy the Superintendent of Insurance and the Treasury Board on terms and conditions which they may lay down, and if there is any suggestion of inflation, they can look at it and the transaction may not be approved. If the transaction goes on, and then the loan company wants to borrow an amount more than four times the excess of assets over liabilities, it must go to the Superintendent of Insurance and get the approval of the Treasury Board, otherwise it cannot increase its times borrowing.

Notwithstanding all that, the suggestion has been made that there is the danger of inflation in the value of the trust shares, and I say in the present circumstances these curbs and controls would effectively prevent that.

Then there was the suggstion made that by a series of companies you might defeat the limitations in the present act and overborrow. I can only conclude what was meant was that you would have a loan company which would buy some trust company shares, and this loan company would have another subsidiary loan company which would buy some more trust company shares, and so the limitation in the act would be overcome to the detriment of the public. Well, I have some news for you. There is a prohibition in the Loan Companies Act which says that a loan company cannot invest in the shares of another loan company. So this kind of vehicle and this kind of machinery for accomplishing pyramiding and making borrowings two, three and four times on the same asset, is not possible because the law does not now permit it.

The only place where market value is a bad thing in this bill is in relation to this one provision, under section 42 of the bill. That is the only place.

Hon. Mr. McCutcheon: There are two sections, are there not?

Hon. Mr. Hayden: I am coming to that in a moment.

When it comes to the investment powers, the borrowing powers and the loaning powers of a loan company and the limitations and the inclusion of those investments in the balance sheet of the loan company, the Loan Companies Act requires they must be stated at not more than their book value, and the measure for the acquisition of investments and the loaning on securities is on the basis of market value. I am referring now to section 70.

By the way, it is section 63 which says a loan company cannot invest in or lend money upon the security of the stock of any other loan company.

Then in section 70A, subsection (3) of the present Loan Companies Act it says:

> The securities owned by a company—

That is, a loan company.

> —shall be taken into account in every annual statement at values that, in total, do not exceed the aggregate of
>
> (a) the amortized values of redeemable securities not in default, issued or guaranteed by the Government of Canada or by the government of any province of Canada, and
>
> (b) the market values of all securities other than those described in paragraph (a).

So, market value is a good base for accounting and an annual statement, which annual statement must be furnished to and examined and approved by the Superintendent of Insurance, or you may not get a licence to operate in the next year. Market value is the basis for making loans on real estate. Market value is the basis for the acquisition of investments and money loaned on investments. But market value, if you dare to purchase any percentage of trust company shares over 10 per cent, is not a good basis

of value for borrowing. Nor is the element that the market adds to the book value of the shares that you buy permitted as part of the base for calculation of amount of borrowing.

So, somewhere along the line a block has developed in the thinking which has brought the conclusion that there is not any value or any security represented by the difference between book value and market price, when it comes to just this one category, the relationship of a loan company and a trust company. And yet this bill goes further than the law heretofore has provided on common share acquisitions.

Up to the present time a loan company could only acquire up to 30 per cent in numbers and 30 per cent in value of any common shares, and this would include trust company shares. Here, under the section which I have referred you to in the bill, section 41, a loan company is made the one exception to this limitation provision of 30 per cent limitation on purchases of common shares, and a loan company may acquire any quantity of trust company shares, up to 100 per cent, if it satisfies the Superintendent of Insurance and the Treasury Board, and if it has paid-up capital and reserves of a sufficient amount to provide the money to do that. And yet, when you have that great expansion in that right, you then have the limitation which, on the borrowing side, reduces very substantially the borrowing power of a loan company that acquires the shares of a trust company.

The only other thing I have to say—and then I am through, or I think I should be—is on the other side of the picture in relation to a trust company, which you will find on page 44—

Hon. Mr. McCutcheon: Clause 34, page 44.

Hon. Mr. Hayden: Yes. What this bill says too, is that if a loan company owns more than 10 per cent of the shares of a trust company, then there is a limitation on the borrowing that a trust company can make; because, historically, and under the statute, the trust company could borrow under the amendments up to 12½ times the excess of assets over liabilities, and it is only on the difference between that and the 15 times now provided in the bill that the trust company has to get the consent of Treasury Board on the recommendation of the superintendent of Insurance.

Now I ask you this, when the trust company issues and sells its shares, how is the security of any borrowing by the trust company affected to the slightest degree, whether it is Joe Doakes who owns the shares of the trust company or it happens to be a loan company that owns the shares of the trust company?

As far as the trust company is concerned, when it has sold the shares it has no control over those shareholders, and the position of those shareholders, who they are, their identity, does not affect in any way the security of any borrowing of the trust company, and yet, if those circumstances exist, you must borrow on the formula I have outlined, which has the effect in some cases of restricting the borrowing limits of a trust company; but if it happens to be the relationship of an older trust company and a new loan company, why, the trust company, with its assets, liabilities, outstanding loans and amount of borrowing that is already done, eats up any borrowing capacity of the new loan company, certainly on anything it can borrow as of right.

Frankly, I have difficulty in trying to rationalize this at all, for any of the reasons that have been given. There was a lengthy inquiry in the Banking and Commerce Committee in the House of Commons in relation to all the parts of this bill, and there were some submissions and there was some consideration given in relation to these parts; yet the only explanation that is given is that you must prevent the possibility of pyramiding, of using the same assets twice and, secondly, you must prevent the possibility that some person who has trust company shares to sell might inflate their market price before he makes a deal with the loan company to sell those shares to the loan company. But I say that this section to which I have referred you in the bill, section 41, puts the whole question, "To buy or not to buy?" in the hands of the Superintendent of Insurance and Treasury Board, and they dictate the terms and conditions. Surely, we can assume that a man of the experience of the Superintendent of Insurance is not going to be fooled by any inflationary process that might precede an attempt to sell shares of a trust company to a loan company?

Hon. Mr. Isnor: Did I understand the honourable senator to say that the present Superintendent of Insurance had reported against this bill?

Hon. Mr. Hayden: No. What I said was that in the committee in the other place, in explaining this section, he supported the provision as being necessary to prevent pyramiding and having the same assets do double duty for borrowing purposes.

Hon. Mr. Isnor: The present Superintendent of Insurance?

Hon. Mr. Hayden: The present Superintendent of Insurance, yes.

Now we come down to the practical problem—and may I take a minute to deal with

it? The practical problem is that there are certain features in this bill, and I mentioned one in the beginning about increasing the loans on real estate from 66⅔ to 75 per cent. I understand that life companies, possibly some trust companies, and maybe some loan companies, have had such pressure exerted upon them from the construction industry that loans have been approved on the basis of 75 per cent, with the obligation on the loan companies only to advance 66⅔ per cent until this bill becomes law. I understand, too, that pressure has been very great.

If at this stage we were to attempt any prolonged examination of this, who knows what might happen? Parliament might prorogue and the bill would be suspended in mid-air. We are faced again—and I am looking at it practically—with the situation where there is something that requires correction. Yet there appear to be meritorious aspects of the bill. They would permit an expansion of investment in common shares which is in line with government policy to support the larger holding by Canadians in Canadian business and industry.

Considering all these features, the question is, how can you deal with this if it would appear that in the short run there is an immovable object? It may be that the best I can do at this time is exactly what I have done, that is, to point out the inequity and the unreasonableness, and to point out that if there is any risk there are two screens that you would have to get through before a situation could be created where you would have a creditor position in a loan company, and you might then suggest that that creditor position is in peril. Having regard to the limitation in the Loan Companies Act, and the cushion that is provided, there would have to be a financial catastrophe or its equivalent before security could be imperilled.

I realize that, after explaining the situation as I see it in this bill, the question arises as to the practical way of dealing with it. Unless the government is prepared at this moment to agree to some change I am not in a position where I can say, "Well, not only do I think they should, but I think we should insist that they do so." I would rather allow the full force of my objections to be felt here today, and since I understand they may be dealt with by witnesses in committee, I would rather have them put on the wall objectively where they can be looked at and where I would expect that sweet reasonableness might develop shortly thereafter.

Hon. David J. Walker: Honourable senators, the very able and lucid explanation of the bill, and the pointing out of some of its anomalies convinces me beyond question that the sooner we get this bill into the sanctum sanctorum of the Senate Standing Committee on Banking and Commerce, the better. There are too many questions to be decided other than at the Banking and Commerce Committee level. Although I have the greatest respect for the superintendent of insurance and his office, and I am sure these clauses have been worked out carefully, nevertheless, there are still many clauses I would like to question.

My honourable colleague, Senator Hayden, has questioned the raising of the percentage of the lending value on loans. I think it is fairly obvious that it should be raised to 75 per cent. The National Housing Act as amended by Bill C-102 was approved by this house in January last. There the values were raised up to 95 per cent on the first $13,000 of the lending value, and 75 per cent on the balance. If we are to avoid the inequities and hardships inherent in second mortgages, we should keep up with the times and have the percentage raised from 66⅔ per cent to 75 per cent. I think this is an excellent suggestion.

Another question that should be raised before the Banking and Commerce Committee is this: If a trust company owns more than 10 per cent of the shares of a loan company, or vice versa, why must the two companies be considered as one for the purpose of borrowing? How is that figure of 10 per cent fixed? It seems to me to be difficult to decide the basis for this complicated formula. How are the deductions arrived at? In my view this whole matter needs clarification.

Nevertheless, it is a good bill and is needed at the present time, subject to the clarification I have mentioned.

Senator Lang in a very learned exposition made the bill simple or, at any rate, much simpler to understand than it would otherwise have been. I want to congratulate him, and also Senator White who raised three very important questions to be determined in the Banking and Commerce Committee, particularly with regard to the definition of "resident" and "nonresident."

I do not wish to take up too much of the time of the Senate. Therefore, I am going to vote for second reading of the bill, and I am sure all these problems will find a ready explanation or amendment in the very able committee presided over by the last speaker (Hon. Mr. Hayden).

Hon. Mr. Bouffard: May I ask a question? There are trust companies that come under federal jurisdiction, and there are trust companies that come completely under provincial jurisdiction and to whom the federal law does not apply. How then would this affect the situation as between the two types of company? Would it be possible for the Federal Loan Company or Federal Trust Company to

compete with a provincial company to whom these limitations do not apply?

Hon. Mr. Hayden: First of all a situation of the kind covered by the bill would have to develop. In all the years that there have been trust company and mortgage company operations only two such situations developed, and they developed before there was any law on the subject. Except in these two situations which antedated the introduction of a law to deal with these matters, no such situations have arisen. Therefore the occasions on which such situations may arise may be few. I cannot tell you how soon this will happen.

In answer to the question as to whether, if it does happen, it would affect the position of a trust company incorporated under the Federal Trust Companies Act as opposed to a provincial company which would not be subject to this formula, I do not know what the situation would be. That will involve an examination of all the restrictions and curbs imposed on provincial companies. It may well be that the Superintendent of Insurance can give us this information in committee.

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

INCOME TAX CONVENTION ACT

BILL TO IMPLEMENT CONVENTION BETWEEN CANADA AND JAPAN AND TO AMEND AGREEMENTS WITH CERTAIN OTHER COUNTRIES—SECOND READING—DEBATE ADJOURNED

Hon. John J. Connolly: I have asked the honourable Senator Hayden to move second reading of this bill and to explain its provisions.

Hon. Salter A. Hayden, with leave, moved second reading of Bill C-146, to implement a convention between Canada and Japan for the avoidance of double taxation with respect to income tax and to amend the existing agreement and conventions between Canada and Denmark, Finland and the Netherlands, with respect to income tax.

He said: Honourable senators, I shall try to make this explanation as brief as possible. I do not want you to get tired of listening to me.

Hon. Mr. Connolly (Ottawa West): Go right ahead—make this Salter Hayden day.

Hon. Mr. Hayden: It is an easier Salter Hayden day than the last couple of days have been.

This bill, C-146, is somewhat unusual in that it implements a tax convention negotiated between Canada and Japan for the avoidance of double taxation with respect to income taxes. You will find the convention set out as schedule 1 to the bill.

Part 2 of the bill implements provisions negotiated to amend existing conventions between Canada and Denmark, Canada and Finland, and Canada and the Netherlands, and the amending provisions in relation to the latter three countries are set out in schedules 2, 3 and 4 to the bill.

May I deal first, and very briefly, with the tax convention with Japan. This convention is in a form very similar to that used in previous conventions between Canada and other states.

In general, the industrial and commercial profits derived by an enterprise of one of the contracting states carried on in the other contracting state are taxable in the latter state only to the extent that they are attributable to a permanent establishment situated in that state. In addition, this convention provides that income from other sources—that is, dividends, interest, royalties, etc.—are subject to withholding tax in the state in which those sources are situated when paid to a resident in the other state, and a withholding rate of 15 per cent is applicable generally to this type of income.

I should say that this rate of 15 per cent represents a concession, because I understand that the going rate of withholding tax in Japan is 20 per cent.

In addition I should direct the attention of honourable senators to Article VI, paragraph 2 of Schedule I, which provides that where a corporation in one of the contracting states has profits or income which it derives in that state from within the other state no form of tax will be imposed on dividends paid by that corporation unless such dividends are paid to a resident of that other state.

Hon. Mr. Brooks: That is a general principle, is it not, with all states?

Hon. Mr. Hayden: Yes, that is the general principle in the bill. In addition, this excludes a form of tax that might be said to be a tax in the nature of an undistributed profits tax.

One thing that may be a little puzzling is the fact that the beneficiary of this exemption and of the lower rate of withholding tax is described as a resident of one or other of the contracting states. When I looked up the definition of "resident" I found that it means an individual, and in relation to partnerships and trusts it is not clear as to what their position might be. It may be that in order to reap the benefit they would have to qualify as an enterprise of one of the contracting states in order to get under the umbrella.

It would be very interesting, and I think you would find it so—but I do not propose

to do it here today—to consider the definition of "permanent establishment", as contained in Article II(1)(k). The definition is considerably more comprehensive and detailed than any similar definition in any of the earlier conventions. You will find set out, for instance, a number of establishments that are deemed to be permanent establishments, such as a place of management, a branch, an office, a factory, etc. But, when the convention is compared, for instance, with the United States convention, it is noted that no specific reference is made to farms, timber lands, plantations, and warehouses. I am wondering whether this definition, in the language that has been used, is broad enough to include all those other things or whether there is something by way of a purposeful omission because I understand that the Japanese have recently been acquiring interests in pulp and paper operations on the west coast. I would think that there should be something specific there in the language used in order that a determination could be made as to whether these timber limits would be of the character of a permanent establishment.

However, that is just a comment I make. I should say that there is nothing we can do except to pass the bill, or refuse to pass it, because the agreement has been signed by both governments.

Then, certain exemptions are provided in respect of things that are not regarded as establishing permanent establishments. For instance, the maintenance of a stock of goods or merchandise, or the maintenance of a place of business solely for the purpose of display or advertising and the supply of information, is deemed not to be of itself a permanent establishment. This permits a broader activity by an enterprise of one of the states in the other state than is the case under the other conventions, and would, in particular, seem to favour the expansion of Japanese sales in Canada without our Government deriving any revenue from the Japanese activity here, provided that activity were arranged so as to avoid the "permanent establishment" status.

In most other respects the definition of "permanent establishment" is similar to that contained in other conventions, but in subparagraph (vii) (bb) of Article II (1) a specific reference is made to a business which consists in whole or in part of providing the services of public entertainers. So far as I am aware this is a new provision concerning our international conventions.

In Article V you have the usual reciprocal exemption which is made in respect of profits of an enterprise of one of the contracting states in the operation of ships or aircraft in the other contracting state, but an exception is made where any such ship or aircraft is operated wholly or mainly between places within the latter state. If the ship or aircraft is operated wholly or mainly between places within a state, then the reciprocal provision does not apply.

There is also a provision in Article X to the effect that services performed aboard a ship or aircraft operated by one contracting state in the other contracting state, provided they do not come within the exception, are regarded as services performed in the contracting state that is operating the aircraft or ship.

The withholding tax in respect of dividends, interest and royalties is set at 15 per cent. It is significant that interest is defined to include any amount in excess of the amount loaned; that is, it will include, presumably, premiums and realized discounts.

In Article VIII (3) it is provided that a royalty shall be deemed to arise in the contracting state in which the property referred to in paragraph 2 of that article is to be used. Paragraph 4 of that article is also worth noting, since it permits the imposition of a tax on the income arising from the sale of any copyright of literary, artistic or scientific work, including motion picture films and T.V. films, or video tapes, or industrial property, but the rate of such a tax is limited to 15 per cent of the gross amount paid for the property unless such income is attributable to a permanent establishment situated in the state where the sale occurs.

Article X of the convention deals with remuneration for personal services, and in general it is in the usual form, but reference is made in paragraph 3 to remuneration received by public entertainers for the purpose of excluding such remuneration from the operation of that article, since it is to be taxed under the "permanent establishment" and "industrial and commercial profits" provisions, and therefore taxable at the going rates in that country.

There is then provision for the exchange of information. I know that in other times Senator Roebuck has had things to say about the very generous basis provided with respect to exchange of information between the income tax authorities of the two countries that are parties to the agreement. Here we have it again, and there seems to be nothing that we can do about it, although it does seem to go much further administratively than one would like to contemplate.

I should also mention that professors, teachers, students and apprentices are dealt with in a special way so that they are taxable only in one jurisdiction.

Honourable senators, those are the general aspects of this treaty with Japan. It is for a period of three years, and when the convention is ratified by the passage of this bill it will become effective as and from January 1 of this year.

There is a general provision to the effect that if any person feels he is hurt by what amounts to double taxation in any of his relationships as between Japan and Canada he can complain to the government sources in the territory of which he is a resident, and this is supposed to start the machinery going to provide some relief. Whether it will, I am not in a position to say, and I do not know how long the procedure will take. However, for what it is worth, the provision is there.

There are revisions of three existing treaties, the first of which is the Canada-Denmark Convention which will be found in Schedule II. The provisions of this treaty are modified by Schedule II so as to strike out the provision of Article VI (2) of the convention. That provision provided for the reduction of the withholding rate on dividends from 15 per cent to 5 per cent where more than 50 per cent of the fully voting stock of the payor company resident in one of the states was owned by the payee corporation resident in the other state. This modification implements the Government policy first announced by Mr. Fleming in his baby budget of December 20, 1960, to provide a standard 15 per cent withholding rate in respect of all income to non-residents taxed under Part III of the Income Tax Act.

Hon. Mr. McCutcheon: Do you have to go back to 1960 to justify this iniquitous thing?

Hon. Mr. Hayden: No. In the answer "no" that I gave I do not want to be construed as being in agreement with my honourable friend that there is anything iniquitous about it.

Although no effective action was taken in this regard by the Government of that day to implement this change in taxation by revising the convention, the policy was subsequently adopted by the succeeding government, and this present modification represents the implementation of that policy.

In the convention between Canada and Finland, which you will find in Schedule III of the bill, there is a provision implementing a modification of this treaty similar to that made in respect of the Canada-Denmark Convention.

Then, in the Canada-Netherlands Convention you have a little more, because Schedule IV to the bill contains provisions which modify this convention and which are also designed to implement, subject to an exception, the Government's policy as to a standard rate of 15 per cent withholding. In addition, however, to amending the provisions regarding the withholding tax rate on dividends, the amendment to the Netherlands treaty—paragraph 4 of Article I of Schedule IV—would permit the Netherlands to raise the 15 per cent withholding rate in respect of dividends if and when it adopts a new law, which is currently in process in the Netherlands, under which distributed profits of a Netherlands company will be taxed at a lower rate than undistributed profits.

As to the possibilities that are involved, particularly by virtue of the Canada-Netherlands Convention, I do not propose to deal with them in any way. I am sure that practising lawyers will study the situation and each one for himself will ascertain whether there is elbow room for satisfactory movement in one or another direction in relation to this treaty. That is something which is not part of my job to explain on second reading.

Honourable senators, those are the highlights of the conventions that are dealt with in this bill.

Hon. A. J. Brooks: I wish to move the adjournment of the debate.

Hon. Arthur W. Roebuck: Might I ask the honourable senator does this bill become part of the law of Canada, as have previous bills of a similar nature?

Hon. Mr. Hayden: It certainly is part of the law of Canada, that is point No. 1. On point No. 2, if there is any inconsistency between this bill, when it is enacted into law, and the provisions of any other law of Canada, the provisions of this particular bill shall govern. You find that in Part I of the bill, section 2, and also in Part II.

Hon. Mr. Roebuck: It is that to which I have objected over and over again as these conventions come before us. The whole convention is made a part of the tax law of this country.

Hon. Mr. Hayden: It is put above the tax law.

Hon. Mr. Roebuck: It is imposed upon the tax law; it becomes part of the tax law. That is done by reason of section 2, I understand, in this particular bill. It is done in some section of all these bills.

My point is that while the executive may make an agreement with a foreign country, that binds the executive only. The executive must take the chance of submitting it to Parliament before it becomes a part of the law of the country which the executive may represent. That is an ancient and fundamental rule and practice in law. It goes back three or four hundred years.

My objection to taking a bill of this kind at a gulp and making it part of the law is that it becomes so complicated to those who are expected to observe the law of Canada, that it becomes almost ineffective except to those who are engaged in the particular trade referred to. That is one objection.

What should be done is this—I have said this often and I shall keep on saying it—the drafters of our laws should make such amendments to our law as are required in order to supplement the agreement, so that it is clearly understood when one looks at the income tax law, or some other excise tax law. They should make it perfectly clear what the change in our law has been as a result of this convention or agreement with a foreign country, and not leave each individual to read all these things to find out what the law of Canada may be.

If there is any change in our fundamental law of taxation as a result of this convention, it should be made in our own law, not by adopting a thing like this in bulk and leaving it to the citizen to try to find out what the law is.

Some Hon. Senators: Hear, hear.

Hon. Mr. Hugessen: May I say—

The Hon. the Speaker: There is a motion for adjournment of the debate moved by Senator Brooks. If there is unanimous consent, we could hear Senator Hugessen. Is it agreed?

Hon. Senators: Agreed.

Hon. A. K. Hugessen: I was about to say one thing in reply to my honourable friend. I think I have said it before on previous occasions when he raised the same point. If you were to incorporate, for instance, in our income tax law all the income tax conventions that this country has with 30, 40 or 50 other countries, you would have a most extraordinary and impossible income tax law.

Hon. Mr. Roebuck: Oh, no.

Hon. Mr. McCutcheon: Not much more extraordinary or impossible than it is now, Senator—just a little more.

Hon. Mr. Hugessen: It would be much more impossible. Normally speaking, when you look at an income tax act, modified, up to date, you see there are references made to the fact that this country has income tax conventions with such and such other countries. In those rather rare cases where you have a client who may be affected by one of these particular conventions, all you have to do is to look up a convention and see whether it overrides the Income Tax Act. That seems to me to be the most simple way of dealing with the matter. I would be appalled if we had to deal with it in the way my honourable friend suggests.

Hon. Mr. Roebuck: May I have indulgence to say just this? These conventions run along similar lines. They may change to some extent from one country to the other, but for the most part they are couched in the same language and mean very largely the same thing with regard to one country after the other. Some division of the Income Tax Act could easily be devised in which general principles would be laid down which would be stated to refer to this, that or the other country involved. In that way, instead of being a vast affair it would be a rather concise matter that would be comprehensive rather than broad, as it is here.

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

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, March 11, 1965

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

Prayers.

CANADIAN NATIONAL RAILWAYS FINANCING AND GUARANTEE BILL, 1964

AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. A. K. Hugessen, Chairman of the Standing Committee on Transport and Communications, presented the following report of the committee on Bill C-137, to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways System for the period from the 1st day of January, 1964 to the 30th day of June, 1965, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company:

> Your committee recommends that authority be granted for the printing of 800 copies in English and 300 copies in French of its proceedings on the said bill.

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

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

Report adopted.

REPORT OF COMMITTEE PRESENTED

Hon. Mr. Hugessen, Chairman of the Standing Committee on Transport and Communications, reported that the committee had considered Bill C-137, to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways System for the period from the 1st day of January, 1964 to the 30th day of June, 1965, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company, and now reports the same with the following amendment:

> Strike out "Trans-Canada Air Lines" in clauses 3, 4, 6 and 10 and substitute therefor "Air Canada".

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

On motion of Hon. Mr. Hugessen, report placed on the Orders of the Day for consideration at the next sitting of the Senate.

ADJOURNMENT

Hon. John J. Connolly: Honourable senators, I move, seconded by the honourable Senator Hugessen, that when the Senate adjourns today, it do stand adjourned until Tuesday next, March 16, at 8 o'clock in the evening.

In speaking to this motion, I should say that at this late date in the session there is, of course, some risk in moving an adjournment as long as this. However, I think we have made good progress with our legislation already this week.

I understand that one item will be referred to committee today. There is another item that will stand over, I understand, for discussion at the next sitting; however, there is to be some discussion this afternoon.

I am sure honourable senators will understand when I say that if developments occur in the other place which provide a fairly heavy program for the Senate, the Senate can always be recalled. I would have to advise His Honour the Speaker, depending upon the circumstances that develop. However, as I see it, the efficient conduct of the business of the Senate can be maintained, notwithstanding the proposed adjournment.

Hon. Mr. Brooks: The honourable leader has spoken of the business in prospect. I wonder if he could give us a detailed idea of the various bills which he expects might be before us next week?

Hon. Mr. Connolly (Ottawa West): I will do what I can. Certainly the Canada Pension Plan will be one. The measure commonly referred to as the "Contracting out bill" is, I understand, to follow in the other place. What else may come to us will depend a great deal on the circumstances that develop in Parliament. For instance, there are amendments to the Companies Act which have already passed this house and have been considered in a committee of the other place. I understand that they are not troublesome amendments.

Hon. Mr. Brooks: They are minor amendments?

Hon. Mr. Connolly (Ottawa West): Minor amendments.

I do not think I can go beyond what I have said today. Indeed, I may not be able to go beyond that at any time. However, there are many other pieces of legislation on the order paper, and there is a possibility that when the Senate is considering legislation that has been dealt with in the other place, there will

be further business to come to us in the event that the session draws to an early conclusion. I am afraid I cannot go further than that.

Hon. Mr. Brooks: The only definite piece of legislation, as I understand it, is the pensions bill.

Hon. Mr. Connolly (Ottawa West): And the "contracting out bill".

Hon. Mr. Brooks: Yes.

Hon. Mr. Connolly (Ottawa West): Consideration of the second one has not begun yet.

Hon. Mr. Brooks: You cannot assure us that that bill will be coming before us next week?

Hon. Mr. Connolly (Ottawa West): I would not like to give an assurance to the Senate that either bill will be before us next week.

Hon. Mr. Brooks: We are just asking.

Motion agreed to.

UNITED NATIONS

NINETEENTH SESSION OF GENERAL ASSEMBLY

Hon. Rheal Belisle rose pursuant to notice:

> That he will call the attention of the Senate to the Nineteenth Session of the General Assembly of the United Nations, held in New York City, and in particular to the discussions and proceedings of the Assembly and the participation therein of the delegation of Canada.

He said: Honourable senators, having read the Annual Report of the Eighteenth General Assembly, where it said that the United Nations had only begun to explore its full potentialities as an instrument for multilateral diplomacy, especially the most fruitful combination of public discussion, on the one hand, and private negotiation and mediation, on the other, I am now convinced that the opportunities during the now defunct Nineteenth General Assembly have been tested.

This is a fascinating field where the experience of classical diplomacy, the successes and the errors of the League of Nations and the United Nations, and the knowledge of the technique and psychology of a public debate utilizing to the full the modern media, all have to be taken into account by the political scientist as well as by those who are put in positions where they have to explore possibilities by action. Looking at the United Nations in the capacity of a parliamentary observer, I cannot find any part of that task more challenging than the one which consists in trying to develop all the potentialities of this unique organization deeply engaged in the common effort to save the peace and to safeguard a world of peace.

Having had the honour of attending what has already been called by reporters the slow funeral march on the graveyard of the United Nations, I am more than ever indebted to my leaders, the Right Honourable John G. Diefenbaker and the honourable Senator Brooks, for giving me such an opportunity.

May I be permitted to say that the pleasure of being in such distinguished and learned company as Senator Eric Cook of Newfoundland, the Honourable Paul Martin, Minister of External Affairs, and others of great experience and who have shown tremendous interest in the United Nations, was not only a good start but gave the assurance that knowledge and wisdom were to guide our actions and decisions.

I would like to add that I was extremely proud to be a member of the Canadian delegation when the Honourable Paul Martin made an eloquent plea for peace and cooperation between nations, so that the United Nations may survive.

Canada, I was happy to note, has an excellent reputation at the United Nations. This was brought about, in the main, by the conduct of our ambassador, His Excellency Paul Tremblay, who, I am pleased to learn, was last week unanimously elected Chairman of the United Nations Committee for International Co-Operation Year. I met many delegates and permanent ambassadors who had only the highest praise for him and the Canadian personnel who are carrying out Canada's commitments to the United Nations at the present time.

Honourable senators, you may feel that I am trying to be political when I say that I was extremely proud to hear many delegates state that they well recall the outstanding contribution to peace and justice made by the Right Honourable John G. Diefenbaker when he addressed the United Nations Assembly.

Of course, I heard also the name of our present Prime Minister mentioned, but that I leave to my honourable colleague, Senator Cook, who will undoubtedly be very liberal with his words and in his approach.

Most of you will recall last year when I spoke on NATO and its intricacies with the United Nations, I said this:

> Peace-keeping activities occupy a central position in the wide sphere of United Nations activity. For Canada the maintenance of peace and security was the principal reason for establishing the new world organization in 1945. The basic Canadian approach to the United

> Nations is reflected in the fact that Canada has participated in almost every one of the dozen peace-keeping operations conducted under the United Nations flag, from Korea to Cyprus.

I say with candour that on many of my suggestions I was not far wrong.

Honourable senators, in the light of what has taken place at the United Nations I would like to give you my humble views of what will be the downfall of the United Nations if the constitution is not properly rewritten.

I know that from the observations that I am about to make, most of you will say, "Everyone must decide for himself what is the right answer". But fairness requires that it be based on knowledge. A man of firm convictions does not ask and does not receive understanding from those with whom he comes into conflict. In the synthesis which should be the task of posterity, it is necessary to disengage oneself from earlier conflicts, to examine what he really stood for, and judge the power of survival of these things without projecting the conflicts of our day into the past.

Probably to make such an examination is beyond my competence.

Everyone should realize that no problem, be it political or spiritual, could any longer be resolved on the basis of Carlyle's approach. Our world of today, in his view, requires a universal vision; indeed, our anguished hearts demand it. Mankind as an ideal is not too weak a guide for our conduct. It is necessary, more necessary than ever, to seek in it an inspiration for all our actions.

For vast multitudes and nations this is an era when, for the first time, they have fully sensed the rights and responsibilities of free peoples and sovereign states. It is also the era when freedom and sovereignty for the first time have actually come within their reach. Parallel with great social and economic revolutions within many countries, we witness now a world revolution from which peoples, long dependent on others, begin to emerge as dynamic national states.

In the pride of self-realization natural to these new states, we should welcome the constructive element: self-assertion like that of a young man coming of age, conscious of his powers, eager to find his own way, to make his voice heard and to render his contribution to progress.

We should meet this new enthusiasm with understanding, in full appreciation of the rich gifts it can bring to a world of many nations and people in friendly competition. In world affairs such an attitude, which is in line with the great traditions of our country, may be regarded as an expression of true democracy in international life.

I have spoken about the positive aspect of the nationalism of a young state. Let us not forget that these positive elements can be turned into a destructive force if repressed or unguided. Constructive nationalism is a sign of true statesmanship, both in the new countries and in older nations.

National policies should be directed to avoid collisions developing out of unwise reactions to the new forces. History places a burden on our shoulders. The creative urges of the emergent African and Asian nations, some of whom I think were not really mature enough for full nationhood, are tinged with strong emotions from the past. It is for all of us, denying neither the good nor the bad of the past, to look ahead and not to permit old conflicts to envenom the spirit of the creative work before us.

We have to face also another kind of new nationalism, an idealism of a new philosophy, which is a strong force in every state. It is common knowledge that recent technological changes have created a new kind of interdependence among nations and has brought all peoples much closer to each other. For reasons which lie outside the political sphere, practically all of mankind today must be regarded as a unit in important economic, technical, social and political respects. Economic changes tend to sweep over all the world. Because it is more difficult to limit wars to a single area, all wars are of concern to all nations. Not only construction but also destruction may today be global.

It is natural that this new situation should provoke a resistance, inspired by the fear that our own country and our own private world might find itself submerged in some global development, and so we see people trying to find ways to isolate themselves from general trends and to build up closed protected units. We can understand or even sympathize with such a reaction, but we must recognize that if it represents a resistance to change, it is doomed to failure. Such self-sought isolation may persevere for some time. It will not endure forever, and the longer change is resisted and adjustment shirked, the more violent will be the final reaction when the walls collapse.

We undoubtedly need world organization, but we are far from ripe for world government, as I said in my humble remarks last year. Indeed, even modest attempts at regional integration have met with considerable difficulties, not because of any superstitious respect for national sovereignty, but because the people want to know in whose hands they put their fate if they are to surrender part of their self-determination as nations.

Furthermore, how often have we not seen those who most eagerly plead for integration among other countries, themselves shrink back from even the slightest discipline of their own sovereign rights?

Discussion about international co-operation, world organization and world government throws much light on the problem of the nation versus the world. I would not regard the widespread and often vocal resistance to anything which might be construed as tending to limit national sovereignty as a new upsurge of nationalism. It should rather be regarded as a symptom of how heavily faith in national self-determination weighs in the scales in every effort to reconcile the nation and the world. Such expression of national feelings is both an asset and a liability. It is an asset to the extent that it reflects the determintaion to shape one's own fate and to take the responsibility for it. It is an asset as a brake on immature experiments in international co-operation. But it is a liability when it blinds our eyes to the necessity of that degree of international organization which has become necessary to national life.

So far we have considered the question of the nation and the world in what I may call pragmatic and practical terms. The problem has also an ideological aspect, as I mentioned earlier.

Every nation has its heroes, its martyrs and its saints. The world also has its heroes and saints. One who long ago spoke to a small, oppressed people for the brotherhood of all men was sacrificed as a danger to the safety of his own nation. Western civilization has aspired for nearly two thousand years to follow the life and teachings of the greatest apostle of peace. But all through those two thousand years nationalism in the narrow and dangerous sense of the word has remained a major force. In the light of history, one might well ascribe to mankind the words of Milton's *Lucifer*:

> For only in destroying I find ease to my relentless thoughts.

The cynic may well ask: Where in the political and national histories of this period do we see a reflection of the creed professed by sovereigns and peoples alike? The cynic may also say that as the past has been, so will the future be. It is my belief that he is wrong on both scores. Whatever doubts history may cast, I believe that the hope for world peace and order, inspired by respect for man, has never ceased to agitate the minds of men. I believe that it accounts for the great and noble human spirit behind the ravaged exterior of a history whose self-inflicted wounds have become more and more atrocious. And I believe that at the point we have now reached in our technical development, our creed may gain new possibilities to shape history. A faith like that which has inspired the spiritual life of the west, could seem only a dream to the leader of the people of a powerful nation which can dominate others or consider itself untouched by their actions. A new situation arises the day you have to recognize that you cannot dictate to other nations. It is more difficult to see your brother in a slave or a master. It is easier to see him in somebody with whom you have to live without giving or taking orders. Looking back into the past we see how peoples have been oppressed and how peoples have accepted oppression—in the name of God. May we now be approaching a time when in His name they will be giving and accepting freedom instead!

As I said earlier, we may be assisting the slow funeral march of our United Nations. I think it is an occasion now for fresh thinking about the problems and the challenge of our world. The United Nations is an expression of our will to find a synthesis between the nation and the world.

In my humble way, I will try to assess where the faults lie in the present confusion and the complexity of its ineptitudes to function properly.

I once read a book in which it was stated that the science of psychology was to be able to observe and instantly assess the intellectuality of the dialogue given to you. If I were permitted to define for you the complexity of the language of the world diplomats arrayed at the United Nations, I would say that the psychology is such that you must not only be able to assess the intellectuality of the dialogue, but also understand in the diplomat's phraseology the message he wanted to leave with you in what he did not say.

After days of this intriguing language and life you go to your room in the evening, remove your formal wear, and there within the tranquility of your four walls you try to assess or, better still, meditate on what is the future of this unique organization.

You try to analyze what this is all about. East and west, and west and east—the winds of conflict appear to be blowing too persistently in these two directions only. You recall that in your elementary knowledge of geography you were told, and in fact you learned, that there were four cardinal points —north, south, east and west. Why is the United Nations at its present stage of development not involved more appropriately with other important conflicts arising from other cardinal points of our planet?

The first thought is that this is the twentieth century Tower of Babel. You then look in the drawer of history, take the Bible and

read for a while how the Tower of Babel became a reality. Then another thought comes to your mind: The Yalta Conference where Stalin was given undue recognition and where the Communist world expanded its might and power over many countries of Europe. Your thoughts are that there the democracies began digging their own grave in sealing the graves of several European democratic nations, thus surrendering part of their principles.

And then your mind suddenly leaps to San Francisco. Yes, was it not there that our leaders bowed to Stalin's request that no word of God, no word relating to the Divine Providence, no word mentioning Christianity, was to be included or form part of the United Nations Constitution?

Our Christian leaders who then were strong and mighty conceded to Stalin and his atheistic philosophy that the world was to be run only by moral and materialistic means. Is it that all their memories blanked the gratitude that the world owed Him for ending the war?

I cannot believe that they were so filled with glory and vanity that their foresight was made without using hindsight, without at least thinking that during the last twenty centuries history is filled with men who became so drunk with power and might that they thought themselves so indispensable that only material means and ends counted.

By the command of Stalin, twenty centuries of Christianity was left out of the United Nations Constitution and also out of the UN buildings. Their memories were short. They did not need Him; and so, honourable senators, Communism and atheism took His place. They have succeeded so well that today the West does not run the show any more. This is why there was no confrontation.

At the United Nations the human race is brought together with all its virtues and faults, its wisdom and follies, its good will and ill will. This is not a world government. This is a world meeting to talk over the pressing dangers of our times and to hunt for the way to prosperity and to give world peace according to the Eastern formula. The East have taken every opportunity to further their own propoganda. The UN cannot rule the world by making and enforcing a world law with planes and atom bombs when nearly one-third of the world population has not been admitted.

The recommendations of the General Assembly of the UN may be all the more ineffective because they do not demand obedience or discipline but only ask a decent respect for the opinions of mankind.

But your thoughts revert to what you heard during the day in a conversation with an African delegate. When you asked him why the West was losing so much ground, so much influence and support, the answer was that it was a battle of ideologies, and Communism and atheism do not surrender on principles; but the so-called Western democracies will do anything for the Almighty Dollar!

Then you ask him another question: Are there any good feelings regarding the millions and billions given by the West to assist underdeveloped nations? And his answer is that if you are thinking of the word "gratitude," you are in for a surprise, because "He who says that he is in the light and hates his brother, is in the darkness still." They believe that our so-called generosity is given only because "Charity covers a multitude of sins."

You cannot help but think that if human knowledge and technology has made it possible for you to understand, by instant translation, nearly every language spoken, our materialistic world is not too much further ahead in its understanding than that of the confusion which existed during the construction of the Tower of Babel.

Honourable senators, there can be little doubt that we have reached one of those watersheds in human affairs. It is not the first, of course, and surely I hope not the last. However, this is clearly a critical point in the long, wearisome, erratic, quarrelsome but relentless journey towards the better and brighter community which is the central thread of the human story.

All through the years, we have been taught again and again that most men value some things more than life itself. No one has reminded us more eloquently and resolutely that it is better to die on your feet than to live on your knees without freedom, than the noble spirit that left us the other day in London—Sir Winston Churchill.

This, it seems to me, makes the present juncture in our affairs historic and critical. This, it seems to me, is why the General Assembly should be able to perform its proper functions in the event of an emergency, and why this issue before us must be resolved.

What then is the issue before us? It is, in essence, whether or not we intend to preserve the effective capacity of that organization to keep peace and freedom. It is whether to continue the difficult but practical and hopeful concept of Christian philosophy, so well expounded in the Sermon on the Mount. So, therefore, we must rewrite the UN Charter and give the Almighty Creator his place.

Is it not inconsistent that powerful nations such as the United States of America and Great Britain, having God-centred and even Christian-based constitutions, would suddenly and so naïvely yield to the demand that God be ignored in this assembly which represents the focus of His rational creatures?

After all, this would only be asking for a practice that is prevalent in all our legislatures, the House of Commons and in our own Senate. This is what gives me more faith in our democratic institutions, for we are a God-fearing nation. This is what would give me more faith in the work of the United Nations.

For as long as He will be kept outside, unwanted and unsolicited, modern and advanced material technology will only increase present confusion and may unleash another world war.

I have no prophetic vision to bring to the answer of this question—for this would be a step in the dark, down an unknown path. I can only say with certainty, that the UN cannot and should not continue under this obsolete constitution chosen at San Francisco.

Who can say whether we shall have another chance to draw our lesson from another global conflict and start again? This, however, we know full well, we the human race, are fellow travellers on a tiny spaceship spinning through infinite space. We can wreck our ship. We can blow the human experiment into nothingness, and by every analogy of practical life, a quarrelsome ship's company and only material hands on the steering gear is a good recipe for disaster.

The UN organization was born out of the cataclysms of the Second World War. It should justify the sacrifices of all fighters for freedom and justice in that war. I remember the bitter lines of a great Anglo-American poet who writes in an Epitaph on an Unknown Soldier:

> To save your world, you asked this man to die,
> Would this man, could he see you now, ask why?

It is our duty to the past and it is our duty to the future so to serve both our nation and the world as to be able to give a reply to that anguished question.

DIVORCE

REPORTS OF COMMITTEE ADOPTED

Leave having been given to revert to Reports of Committees:

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 737 to 840, inclusive.

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

Hon. Mr. Roebuck: Honourable senators, in view of the situation—which I need not describe—it might be wise if we pass these reports forthwith.

If it is agreed, I would move the immediate consideration and adoption of the reports.

Hon. Mr. Brooks: These are all petitions initiated in this particular year? There are none held over from previous years?

Hon. Mr. Roebuck: I am not positively certain that they may not include a petition presented to us prior to January.

Hon. Mr. Brooks: I mean this session.

Hon. Mr. Roebuck: This session, I am sure. However, I can assure you that all the cases have been tried since the Christmas recess, that I have read every one of them and all have been approved by myself, as chairman, as well as by the committee.

Hon. Mr. Reid: Over what period of time?

Hon. Mr. Roebuck: The trials commenced shortly after the Christmas recess. Honourable senators will observe that they are all here on the table, and they present a formidable appearance. They were all tried after the conclusion of the recess. I shall have more cases to bring forward—perhaps tomorrow, but certainly by Tuesday next.

Hon. Mr. Choquette: They do not go through a machine that rapidly, do they?

Hon. Mr. Roebuck: Indeed, they do not; they go through the human machine.

Reports adopted.

CANADA LABOUR (STANDARDS) CODE BILL

THIRD READING—DEBATE ADJOURNED

Hon. John J. Connolly moved the third reading of Bill C-126, respecting hours of work, minimum wages, annual vacations and holidays with pay in federal works, undertakings and businesses.

Hon. Jacques Flynn: Honourable senators, on second reading of this bill nobody quarrelled with the principle, and I think if we were faced with a statement of government policy that it is desirable that the standards of employment embodied in this bill should be followed in normal circumstances, everybody would agree, and possibly there would be left only the argument made by the honourable Senator Choquette on second reading, that the minimum salary of $1.25, again in normal circumstances, could well be raised to $1.50. However, we are faced with a bill, not with a statement of policy, and I suggest that the meetings of the Committee on Banking and Commerce have shown that the Government was not ready to embody these standards in a bill, which it pompously called the Canada Labour (Standards) Code.

The Canadian Congress of Labour has indicated that so far as it is concerned it accepts this bill as establishing a floor for a basis on which it can negotiate. I think it is agreed by the labour leaders that this bill in practice will not do much more than make or sanction the statement of policy I have already mentioned. The bill as drafted admits in its own terms its fundamental vices, indeed, the consequent difficulties which its application will bring.

We have tried on this side of the house, those of us who are members of the Committee on Banking and Commerce, to improve this bill, especially in three domains, where its vices and faults are more apparent. First, there is the delimitation of its area of application. It is not clear at all where it starts or where it ends. I suggest, furthermore, that it is not because the draftsmen of this bill have adopted most of the definitions contained in the Industrial Disputes Act that they have done a good job. I suggest that the area of application unduly brings the federal Parliament into fields which belong to the provinces.

It may not be extremely important, but I will draw the attention of the house to the fact that it is certainly not necessary for banking legislation to operate in the domain of salaries, conditions of work, or standards of work of bank employees; and I suggest that in this respect we might very well expect that if the case were to go to the Supreme Court it would be declared *ultra vires*.

Hon. Mr. McCutcheon: It is empire building.

Hon. Mr. Flynn: Yes. Well, it is an old trend, as you know.

The second area, of course, is the obscure consequences which this bill will have on collective agreements presently in force.

I do not know why this bill should intervene in areas which are at present governed by agreements negotiated by strong bargaining units. I would suggest that these bargaining units know much more about the conditions which should prevail than does the Department of Labour.

The third domain is, of course, the fact that this bill will delegate to the minister and to the Governor in Council exorbitant powers to abrogate or to amend substantially this law. Here I refer to sections 51 and 52 of the bill. It is extraordinary to think that one would find such powers of abrogation or of amendment given to the minister or to the Governor in Council.

Hon. Mr. Choquette: Such as the powers given in the famous "class or kind" bill, which was killed because of that provision.

Hon. Mr. Flynn: Indeed. This goes much further than the powers which were given to the Minister of National Revenue in the now famous bill relating to class or kind of goods. The only explanation, of course, is that again the Government was not ready to embody in a bill standards of labour, or employment, applying to federal works and businesses.

Hon. Mr. Roebuck: May I ask the honourable senator a question?

Hon. Mr. Flynn: Certainly.

Hon. Mr. Roebuck: Did you, or one of your associates in the Banking and Commerce Committee, not move to increase the powers and discretion of the minister?

Hon. Mr. Flynn: I remember that very well. However, if the minister is to have powers like that, and if they are going to remain there, he might as well have more powers in order to be able to give a reasonable application or a reasonable exemption. That is the argument which was made by Senator McCutcheon, and I think nobody can refute the logic of it. However, if we are caught with these discretionary powers to the minister and the Governor in Council, you might as well give them more latitude, in order that they may do the best job they can under circumstances, which I am not prepared to accept; however, if we are faced with them, that is another problem.

The intention of the bill is to establish standards of employment when we are faced with the regular or normal week of work; that is, one which starts on Monday and ends Friday evening, with 8 hours per day, from 8 o'clock in the morning until 5 o'clock in the afternoon, with one hour for lunch.

That is all right, but one knows that the largest area of jurisdiction of the federal Government is in the domain of transportation by sea, land and air—by ship, by rail and highway transport, and by air transport. In this domain of transportation I do not think you will find that the regular week is as I stated it. Therefore, this bill cannot really be applied to this principal area of federal jurisdiction.

The only explanation I can offer for rushing this bill through without proper preparation, without proper solutions, is to have it adopted so that it can be used for election purposes. There is no other explanation for rushing this bill, which is ill-prepared, ill-thought out, and which will not come into force unless the minister defers its application in many instances or gives exemptions in other very important areas, especially those relating to transportation.

Before the committee, and also in the briefs that have been received by the honourable members of this house, proof has been given that this bill in its present form cannot be made to apply in the domain of transportation by sea, land and air. In this respect the minister, as I said before, will have to use the extraordinary powers provided in sections 51 and 52.

I ask honourable senators why in this very important area of transportation you should give discretion to the minister or to the Governor in Council to decide whether this bill shall apply at all or what part of it shall not apply or be deferred? It seems to me that the employees in the domain of transportation who are governed by collective agreements negotiated by recognized bargaining units, should know what should be their conditions and standards of employment, and I do not think that the minister or the Governor in Council can say any better than can these people. In fact, I challenge anybody in this chamber to prove that the standards contained in this bill, when applied to employees in the transportation field who are governed by collective agreements, will benefit them in any practical manner.

Therefore, what is the conclusion, if we want to be logical? It seems to me that we should not leave any discretion to the minister in this respect. Where we are satisfied that the standards of employment are satisfactory, we should not create uncertainty by, first of all, applying this bill in principle and, secondly, by leaving it to the discretion of the minister to apply it or defer it or amend it. It seems to me this is not a logical decision for this house to make.

There was another domain which was touched upon by the honourable Senator Thorvaldson on second reading and in committee, the domain relating to grain elevator operators. He will discuss that himself, but I suggest that, as far as the group of employees to which I have alluded before is concerned, we should accept our responsibility in the Senate in view of the uncontradicted evidence which was brought before the Standing Committee on Banking and Commerce, and amend this bill in order to remove the uncertainty and to take away from the minister a discretion which he is not able to use better than the recognized bargaining units who act for these employees.

It is for this reason that I shall move an amendment to clause 3 of this bill. As you know, clause 3 is entitled "Application." Clause 3(3) reads as follows:

> This Act does not apply to or in respect of employees who are
>
> (a) managers...
>
> (b) members of such professions...

My amendment will have the effect of removing from the application of this act the operators of country grain elevators as defined in the Canada Grain Act; and, secondly, members of the running trades, including sleeping and dining car crews of any railway, the road crews of any firm engaged in interprovincial motor vehicle transport, seamen as defined in the Canada Shipping Act, stevedores and longshoremen, flight crews of any civil aircraft:—and here is the important point—provided that the employment of such employees is governed by the terms of a collective agreement negotiated by a duly certified bargaining unit.

So you will see that the only thing this amendment will effect will be to remove the discretion of the minister and the Governor in Council—which is already too wide in principle—from a field already well provided for by collective agreements which have set reasonable standards of employment and working conditions, and to remove, at the same time, the uncertainty which would prevail if we were to adopt the bill as it is presently, leaving always the sword of Damocles hanging over the heads of the firms engaged in transportation by sea, land and air.

Therefore, honourable senators, seconded by honourable Senator McCutcheon, in amendment, I move:

> That the bill be not now read the third time, but that it be amended as follows:
>
> Strike out subclause (3) of clause 3 and substitute therefor the following:

Perhaps I may be permitted to dispense with reading clause 3(3)(a) and (b), because the wording is a repetition of what is already contained in clause 3(3); and I will repeat what I quoted before:

> ...(c) operators of country grain elevators as defined in the Canada Grain Act, or
>
> (d) members of the running trades including sleeping and dining car crews of any railway, the road crews of any firm engaged in interprovincial motor vehicle transport, seamen as defined in the Canada Shipping Act, stevedores and longshoremen, flight crews of any civil aircraft: provided that the employment of such employees is governed by the terms of a collective agreement negotiated by a duly certified bargaining unit.

The Hon. the Speaker: It is moved by the honourable Senator Connolly (Ottawa West), seconded by the honourable Senator Hugessen, that this bill be now read the third time.

In amendment, it is moved by the honourable Senator Flynn, seconded by the honourable Senator McCutcheon:

That the bill be not now read the third time, but that it be amended as follows:

Strike out subclause (3) of clause 3 and substitute therefor the following:

(3) This Act does not apply to or in respect of employees who are

(a) managers or superintendents or who exercise management functions,

(b) members of such professions as may be designated by the regulations as professions to which this Act does not apply,

(c) operators of country grain elevators as defined in the Canada Grain Act, or

(d) members of the running trades including sleeping and dining car crews of any railway, the road crews of any firm engaged in interprovincial motor vehicle transport, seamen as defined in the Canada Shipping Act, stevedores and longshoremen, flight crews of any civil aircraft: Provided that the employment of such employees is governed by the terms of a collective agreement negotiated by a duly certified bargaining unit.

Is it your pleasure, honourable senators, to adopt the motion in amendment?

Hon. Gunnar S. Thorvaldson: Honourable senators, I have much pleasure in supporting the amendment which has been moved by my colleague, Senator Flynn. I do so with all the sincerity and conviction at my command.

At the outset I would refer to the fact that when I spoke on this bill on second reading a few days ago, I said that I was in favour of the principle of the bill. Indeed, I have not heard anyone in this house speak against the general principle of the bill. I think it is a salutary thing to have on the federal statute books a standard labour code governing works within the federal jurisdiction, in the same way as this subject has been legislated upon by every province in Canada so far as the jurisdiction of each has been concerned.

I say, then, that I agree with the principle of this bill. The only things that I do not agree with are the matters dealt with in the amendment, which have indeed been fully discussed in the Standing Committee on Banking and Commerce of the Senate.

As is known to everyone here, when this bill was in the other place it did not go before any committee. It is also well known that various representations were made to the honourable the Minister of Labour in regard to the bill during a period of many months when the bill was under discussion. I believe these discussions commenced even before the bill was presented in the other house. Furthermore, most of the organizations represented before the Standing Committee on Banking and Commerce had previously prepared briefs which were presented to the cabinet or to committees of the cabinet as well as to the Minister of Labour.

Hon. Mr. McCutcheon: There was no recognition.

Hon. Mr. Thorvaldson: Needless to say no recognition whatever was given by the Government to the representations made.

Hon. Mr. Smith (Queens-Shelburne): That is unfair.

Hon. Mr. Connolly (Ottawa West): I do not think the honourable gentleman means that.

Hon. Mr. Thorvaldson: I will rather say that no effective steps were taken to solve the problems presented to us although it is true that some amendments were made, including amendments to section 51 to which I shall refer later.

Hon. Mr. Smith (Queens-Shelburne): I wonder if my honourable friend would permit me a question. If a minister as a result of discussions with industry in general brings forward 10 amendments in the house, would my friend not consider that that was getting some results from the representations?

Hon. Mr. Thorvaldson: If my honourable friend is willing to wait a little while I shall make very clear the reason why I am supporting the amendment.

As is well known, representations were made to our own Standing Committee on Banking and Commerce by various interests, including the Canadian Trucking Associations, the Dominion Marine Association, the Shipping Federation of British Columbia, the Upper Lakes Shipping Company, the Air Transport Association of Canada, and the Railway Association of Canada. May I add that the brief of the Railway Association of Canada was supported by the presence of several vice-presidents of the two major railways of this country. I refer to that simply to indicate the importance attached to the submissions of the railway companies.

There was also a submission by the Canadian National Railways in regard to their hotel system, and a brief was presented by the Canadian Warehousing Association. Furthermore, representations were made by all the interests operating grain elevators in western Canada, including the privately-owned companies, represented by the North-West Line Elevators Association, Manitoba Pool Elevators Limited, the Saskatchewan Wheat Pool, the Alberta Wheat Pool, and United Grain Growers Ltd.

All these interests were ably represented here and made submissions to the committee. Furthermore, a submission was made by the Shipping Federation of Canada, whose representatives did not appear personally but sent their brief to the chairman. I have a copy of that brief here, and I have no doubt it will appear in the proceedings of the committee.

Now, honourable senators, there was one common denominator emphasized in all of these submissions. What was it? It was that in their respective industries the problem they had to face was not a temporary one, but a permanent one. It was not a transitional problem or one that could be cured by rulings of the minister or by regulations. I think each one of these companies proved conclusively to any fair-minded person that their real problem was not one that could be cured in 12, 18 or 36 months, or even in five, 10 or 20 years. The fact of the matter is that the problems of all of those industries are rooted in the very nature and kind of business in which they are engaged. Let us take as an example the elevator industry of western Canada. This operation is carried out basically by an elevator agent or by agents who man 5,000 elevators in western Canada. Their work today is identical with that of 20 years ago and, indeed, 50 years ago, and unless there are some new inventions which would completely revolutionize the grain handling processes in western Canada, their work will be the same 10 years hence, or even 40 years hence. So, as I say, their problems arise from circumstances that are basic to these industries and unchangeable. Consequently, honourable senators, what we ask for and, indeed, what we plead for is that these facts should be recognized and faced up to by this house. I submit that conclusive proof in regard to the permanency of these problems was given by the distinguised Canadian citizens who appeared and made representations to our Banking and Commerce Committee.

Hon. Mr. Roebuck: May I ask my honourable friend a question? As I remember the discussion in committee, did not my honourable friend himself, or one of his associates, suggest that we change the permanency of the bill as it stood and require that a new application be made every year? He is now complaining about the permanency of conditions that the bill meets. Did my honourable friend not move in committee that deferment be limited to one year?

Hon. Mr. Thorvaldson: If my honourable friend will tell me who made such a motion I shall be very glad to try to recollect it, but I must say that at this moment I have no recollection of anyone doing that. If it was done by anybody then I would say it was a most irresponsible thing to do, and it certainly does not represent the views I am trying to put forward and, indeed, it does not represent any views that I heard being presented to the committee.

Hon. Mr. Roebuck: I should have said that it was suggested, not actually moved.

Hon. Mr. Thorvaldson: If that was done I do not think it affects my attitude with respect to the permanency of the problems these people have, and which they urged upon the committee.

Honourable senators, let me just say that ever since I came here it has been my understanding that one of the prime functions of our committees has been to hear submissions; to listen to them sincerely—which I know we all do—and to make amendments in detail when it is so conclusively proved that those amendments are necessary for the carrying on of the businesses that are involved. Let me say also that, as is well known, only the Senate allowed witnesses to appear before its committee in respect of this bill. Indeed, I think it is well known to all honourable senators that strong representations were made to the minister to have this bill go to the Banking and Commerce Committee of the other place, and that those requests were refused—at least, it is accurate to say that no committee of that house was allowed to hear representations with respect to this bill.

Hon. Mr. Roebuck: May I answer the question that my friend asked me a few moments ago? My honourable friend asked me who it was who moved something of the kind I suggested. I have the minute before me, and it reads:

> Motion by Senator Flynn that a new Section 52A be added as follows:
>
> "An Order in Council passed under the authority of paragraph (2) of section 51 shall lapse after one year of its adoption, if it has not been approved by Parliament in the meantime".
>
> Motion lost on the following division: Yeas 7; Nays 12.

Hon. Mr. McCutcheon: That, of course, was a kind of motion in despair, all of the proper motions that should have been adopted having not been adopted. I am sure that the honourable senator, whom I have known for many years, is not going to maintain that consistency is a virtue in politics.

Hon. Mr. Roebuck: No, consistency is the bane of small mindedness. My friends have

very big minds, and they are not at all consistent.

Hon. Mr. Thorvaldson: All I say to my honourable friend is that I did not make the motion, and the fact that Senator Flynn made it does not mean I have to agree with it. I am certainly suggesting that the method we propose now to deal with these problems, namely, amending the bill, is the only correct and proper way of handling this situation.

In reply to my honourable friend Senator Smith (Queens-Shelburne), who introduced this bill, I say, as I have already, that it is true there were certain amendments made to this bill. One of them was an amendment to section 51. I am not objecting to section 51 in the slightest. It is a perfectly good and useful section. It has its place in the bill, but I want to say now that in my belief section 51 is intended only to deal with temporary and transitional conditions. This appears in the bill under the heading "Special and Transitional Provisions." Consequently, it is intended only that these provisions of the bill, including the matter of the hearing of representations by a board of inquiry, and so on, are transitional. Nevertheless, the fact of the matter is that that section is useful in dealing with, as it says, special and transitional matters, but it is quite useless in dealing with the problems that were presented to the Standing Committee on Banking and Commerce by the companies and individuals I mentioned a few moments ago.

The next part of my case is this. As I have said, these are permanent problems. I referred to the elevator operators. I submit that nothing can be done for them under section 51.

Let me then come to the shipping industry. Is there any doubt that ships will continue to ply their trade day after day, 24 hours a day, week after week, and month after month; that they will ply their trade continuously in exactly the same way as they did 10 or 20 years ago, or as they did 400 years ago? Is there any question that the duties of the crew on a ship from the point of view of the number of hours that are required to be worked are not going to be similar to what they have been? Is there any question that the principles of seamanship and the operation of vessels is not going to be exactly the same 10 or 20 years from now as they have been in years past?

That is why I say there is a serious problem, honourable senators, and I sincerely believe it is our duty here and now to cure it in this chamber, and not to make the whole shipping industry of this country dependent, in these matters, upon the whims of the Minister of Labour, no matter who he is and no matter of what government he is a member.

One of the questions I asked the Minister of Labour in committee was whether he would be the official arbiter in these affairs, and he said yes. But he also added something like, "I only make a decision upon the recommendation of my officials".

Hon. Mr. Roebuck: And for only 18 months.

Hon. Mr. Thorvaldson: Exactly, he could make them for only 18 months. It is true that there are some additional provisions by which a board of inquiry might extend the time, but this problem, as was conclusively proved by the shipping people, is a permanent one. On that point let me read from page 2 of the submission of the Dominion Marine Association:

> While acknowledging that the bill contains averaging provisions (which, as we shall show later, are not applicable to the shipping industry), deferment periods, provisions for eight hours overtime and provides for permits authorizing an excess of overtime in exceptional circumstances—still the basic intent and purpose of the bill is to establish the 40-hour week as the standard industrial hours of work and the minimum wage at $1.25 per hour. Whether it be now, a year from now or three or five years from now, eventual compliance with the standard provisions of the bill will be insisted upon by the Department of Labour. The delayed application of the bill, we are told, is to prevent sudden dislocation and provide a period of gradual but inevitable adjustment. It is our intention at this stage of the submission therefore to ignore for the moment the averaging and deferment provisions of the bill. These provisions are palliative only and to rely thereon is to rely on regulatory decree and ministerial discretion.

Then a little later on at page 3 they say:

> One cannot tell now, even if the averaging provisions were applicable to shipping, what the regulations will say concerning the averaging of the hours of work under Section 5(2) of the bill; one cannot tell now what the minister will consider to be exceptional circumstances so as to justify a permit authorizing additional hours of work; or what a commission under section 35 will consider a proper period of deferment under section 51. A shipping company cannot plan its operations on the assumed content of ministerial decree. It can only analyse now what it knows to be those

provisions of the bill which are immutable—that the hours of work in the standard work week shall be 40 (with the possibility of eight or less authorized additional hours of overtime) and that the minimum wage shall be $1.25 per hour.

This submission, I suggest, supports what I have been saying. What these people are afraid of, and rightly so, is that it will be impossible for them to live under this bill, for the palliatives that are offered are merely transitory and can only deal with temporary problems and not with the permanent problems of the trade.

I say that that was the common denominator of every submission made to the committee. Honourable senators, I suggest we should think these things over very carefully before we deny the relief that these people have requested.

Hon. Mr. Roebuck: Did any of the employees make such representations?

Hon. Mr. Thorvaldson: I am just coming to that, senator. As a matter of fact, I shall deal with that right now. I mentioned that there had been representations from the Canadian Trucking Associations. There were representations also from the Household Goods Division of the Canadian Warehousing Association. Those are people involved in transporting household goods from one place in a province to another, or from one place in Canada to another.

Hon. Mr. Roebuck: Those are employers.

Hon. Mr. Thorvaldson: Yes. That was an employer's brief. I am coming in a moment to the point to which you referred. These people tell us that their problem is no different today from what it was years ago or what it will be 20 years from now. The fact of the matter is that, as indicated in their brief, the real rush period is during the months of July and August of each year. The bulk of their business is done in May, June, July, August and perhaps September. That is when most household moving is done by Canadians. I quote from the brief:

> We are particularly concerned with the section of the bill which relates to maximum hours which may be worked in any one day or week.
>
> At the time this bill was given its second reading in the House of Commons, our Association directed a protest to Hon. A. J. MacEachen, Minister of Labour, in which we detailed some of the serious difficulties which would be experienced by interprovincial carriers of household goods, if the hours of work regulation was applied in the proposed form.
>
> Some of the areas which particularly troubled us were:
>
> (a) The household goods moving industry is highly seasonal in character, with optimum pressure being exerted during the summer months, followed by a substantial reduction in volume of business in the late fall, winter and early spring. It is an established fact that the volume of household moves during the months of June to September exceeds by far the number of moves during the balance of the year. This situation is generated mainly by the desire of most families to avoid dislocation of their children's schooling. As a result, our industry is required to meet this excessive demand for service by extending what might be regarded as normal hours of work.

Honourable senators, I should also like to quote from page 4:

> (e) In addition to our concern with the detrimental effect of the hours of work limtation on the general public and the companies operating moving and storage businesses, we would be remiss if we did not indicate the strong possibility of lower take-home pay for the appropriate employees. This concern is shared by many employees who have channelled petition forms through our Association to the Minister of Labour, pointing to the areas in which they would be specifically affected. A copy of the petition form is attached hereto. This will be self-explanatory.

Honourable senators, there is a form of petition which, we are informed, was signed by a number of employees and submitted to the minister.

Hon. Mr. Roebuck: May I ask whether that petition was signed by highway transport drivers, the men who drive trucks?

Hon. Mr. Thorvaldson: I am presuming so. It just refers to "employees" and I could not state what categories they were.

Hon. Mr. Roebuck: They are employees, in the main, who drive trucks and move furniture, are they not?

Hon. Mr. Thorvaldson: Yes, of course.

Hon. Mr. Roebuck: So these men are complaining of not being able to drive trucks for more than eight hours a day. They are a menace to the road. That is the crowd, is it not?

Hon. Mr. Thorvaldson: They are complaining that their earnings are going to be restricted.

Hon. Mr. Roebuck: By long hours.

Hon. Mr. Thorvaldson: I do not accept that at all. I think the whole idea of this petition —and I am sure every fair-minded senator will agree with me—is that the employees are asking that they should not be restricted in the amount of money they can earn per annum.

It is obvious that this is a practical problem in any business. Certainly in my own business over the years I have tried to have ample man power and to work harder during seasons when business was good than I would at other times. I quote paragraphs 4 and 5 of this formal petition:

> (4) Since we are basically paid on an hourly rate, the limiting of the work day or week during the period when our earnings are substantially above the average for the year would seriously affect our income.
>
> (5) The proposal to permit a maximum of 48 hours of work in any one week, with subsequent "averaging out," would be highly impractical for our industry. We would, therefore, ask that the household goods moving and storage business be exempted from the proposed work day and week limitation.

Much the same facts were presented by the other trucking organization that I referred to, namely, the Canadian Trucking Associations.

Hon. Mr. Connolly (Ottawa West): Would the honourable gentleman say whether in his amendment he has included the people for whom he was speaking a moment ago?

Hon. Mr. Thorvaldson: I think they are covered, namely, in 3(d) of the proposed amendment, where it refers to "members of the running trades including sleeping and dining car crews of any railway, the road crews of any firm engaged in interprovincial motor vehicle transport, . . ." and so on. I think that would cover it.

Hon. Mr. Connolly (Ottawa West): That is it.

Hon. Mr. Thorvaldson: This has nothing to do with people engaged solely in transport within a province. The exemption would affect only those engaged in interprovincial transport.

Hon. Mr. Roebuck: That is everybody to whom the bill refers.

Hon. Mr. McCutcheon: The people we are trying to exempt are the people for whom we are trying to legislate.

Hon. Mr. Roebuck: Certainly. That seems logical. It is clear.

Hon. Mr. Thorvaldson: I shall not refer further to the shipping people, but to some of the other industries concerned. However, I repeat that it is a matter of common knowledge among experienced people here that, in regard to the trucking industry, a trucker may leave Montreal, his destination being Vancouver. How in the world is he to operate within this bill? I wonder if any honourable senator could explain that to me. One may say "Look at section 51," but I reply that that is a transitional section, that it is a temporary remedy and cannot possibly deal with the permanent situation involved in regard to these truckers.

Hon. Mr. Connolly (Ottawa West): It may be that he needs this legislation.

Hon. Mr. Roebuck: I was wondering if it could be any worse than the present situation.

Hon. Mr. Reid: These transports generally carry two men on the road, and one sleeps while the other drives.

Hon. Mr. Thorvaldson: Honourable senators, representatives of the railway companies appeared before us, but I will leave that problem to Senator McCutcheon. For instance, they have a problem in regard to railway hotels. The Air Transport Association people have problems—

Hon. Mr. Aseltine: They do not work by the hour.

Hon. Mr. Thorvaldson: I will leave that problem for my colleague. Honourable senators, I shall now ask you to hear me for a few moments in regard to the problem of the elevator operators of western Canada. If the honourable Senator Beaubien (Provencher) were here—

Some Hon. Senators: He is.

Hon. Mr. Thorvaldson: I would have something to say to him. Having met him in an elevator of the building this morning—

Hon. Mr. McCutcheon: A grain elevator?

Hon. Mr. Thorvaldson:—I expressed surprise that he had not supported the decision we took on this matter in the Banking and Commerce Committee. He replied, "I do not think you know much about country elevators. You may know something about law, but certainly not about country elevators."

Hon. Mr. Beaubien (Provencher): Is the honourable senator referring to me? If so, will he kindly express his own opinion. I will look after mine.

Hon. Mr. Thorvaldson: I will try to express my own opinion. I just want to say to the honourable senator that he must know that a very large proportion of those of us who went through college in western Canada during the twenties made our way by working on farms. I did my share of that—stooking in the fall, pitching sheaves of grain, and dealing with elevator operators. I had quite a few years of experience with elevator operators, so I know something about how they have to operate.

The problem of the elevator operators was presented to the committee in the brief of the North-West Line Elevator Association, and by Mr. W. J. Parker, representing the wheat pools, and by Mr. A. M. Runciman, representing the United Grain Growers Limited. I want to make short references to the presentations made by the grain people.

You will recall that the grain elevator companies were represented by all owners of grain elevators in western Canada. They were represented by the private companies, which own over 2,000 elevators, and by Mr. Runciman, the president of United Grain Growers Limited, which is one of the great co-operative companies of Canada. I think he said that they operated about 760 elevators in western Canada. The remainder of the elevators, about 2,500 or more, are operated by the Manitoba, Saskatchewan and Alberta wheat pools. They unanimously requested that the managers, the operators of their elevator business, should be exempt from the provisions of this act. I am sure that all those who are members of the Banking and Commerce Committee and who listened to the evidence of these people, will agree that they had very cogent reasons indeed to ask for that exemption.

I now want to put on record the fact that Senator Hugessen suggested they were exempt from the act, anyway, by virtue of section 3, subsection (3)(a), which reads as follows:

> (3) This act does not apply to or in respect of employees who are
>
> (a) managers or superintendents or who exercise management functions,....

Honourable senators will recall that in committee I attempted to amend that section, by adding to it these words:

> including managers and/or operators of country grain elevators as specified in the Canada Grain Act.

That amendment was declared lost in committee.

Honourable senators will recall that Senator Hugessen suggested that our Law Clerk and Parliamentary Counsel might consider this problem, because he, Senator Hugessen, was of the view that we did not require an amendment, that these people were covered anyway by the Canada Grain Act.

Naturally, we would be very happy if Senator Hugessen was correct in that contention. I will not speak for him, but I am quite sure that he and most members of the committee would be happy if this interpretation were a correct one, namely, that the elevator operators would be exempt from the act as it now stands.

I feel that it is of importance that I should put on record the opinion presented by our Law Clerk in regard to this matter, and therefore I shall read it:

> In my opinion, country elevator operators, on the basis of the able and comprehensive description given as to the nature of their work, are excluded from the operation of the Bill by reason of the words in subclause (3) of clause 3, "or who exercise management functions". I believe that these words in themselves would operate to exclude such operators and that any restricting definitions given in the Canada Grain Act, for the purposes of that Act, would not govern in the interpretation of the words quoted. In my opinion, it is a clear case for the application of the literal canon of construction, namely, that statutory words are construed in their ordinary, grammatical sense.
>
> Moreover, as pointed out by Senator Hugessen, the introductory words of subclause (1) of clause 4 recite, inter alia, that "This Act applies notwithstanding any other law".

Honourable senators, naturally I would be very pleased if we could rely on this as being the law.

Hon. Mr. McCutcheon: Except that the Minister of Labour and his officials do not agree with it.

Hon. Mr. Thorvaldson: I want to come to that. However, I wish to point that out to you, and indeed I am quite sure that Senator Hugessen would also be pleased if this was the law, because then these operators would be exempt.

Honourable senators, here is our problem in this regard, and the reason why we ask for the amendment. After all, the elevator companies have eminent counsel in western Canada. Lawyers in the west may not be equal in quality to lawyers in the east. Nevertheless, in the west these people were advised —otherwise they would not have come here

—that there was no certainty that the provision I quoted would exempt them from the operation of the act.

Secondly, their testimony to the committee was that they had discussed this subsection with the officials of the Department of Labour, some of whom I see up in the gallery now, and they had been told very distinctly that it was the opinion of those officials that they were not exempt; in other words, that their operators were not classified as "managers".

Hon. Mr. Roebuck: They did not give us that impression.

Hon. Mr. McCutcheon: They stated that very specifically, senator.

Hon. Mr. Roebuck: Oh, no.

Hon. Mr. Thorvaldson: That statement was made to us by the elevator people, that the first thing they had done in this matter was to go to the officials of the department for a ruling on this question. May I say also that the Department of Labour itself has a legal branch. I looked up the records and found that there are two solicitors in that department. So presumably those men must have advised the senior officials in regard to the law.

Lastly, in this regard, the minister appeared before the committee and this question was discussed with him. I am sure those who were present will recall what he said. I am sorry to have to paraphrase. I would prefer to quote what he said from the transcript of the evidence, but unfortunately the printed proceedings are not yet available. The minister said something to this effect, "We agree that some of these elevator operators might come within the exemption section." However, he reiterated later that only some—

Hon. Mr. Roebuck: That is, those who exercise the managerial function would come within the section, and those who do not would not come within the section.

Hon. Mr. Thorvaldson: Yes.

Hon. Mr. Roebuck: Now, does not your resolution cover those who do not exercise managerial functions? It covers all of them, whether managerial or not.

Hon. Mr. McCutcheon: They are all managers.

Hon. Mr. Roebuck: If they are all managers and exercise managerial functions, the minister assured us that they would come within the act and be exempt.

Hon. Mr. Thorvaldson: Oh, no. I disagree wholeheartedly with my honourable friend's conclusion if he suggests that that is the whole case. The point is, of course, that we hope they are all managers. However, the minister made it very clear that he and his officials were of the opinion that only some of them came within the exemption. Might I add further that apparently the yardstick or the criterion the minister uses in regard to the question of whether a person who is an operator is a manager or not is whether he is the sole operator or has some people working under him. Apparently his interpretation is that if an operator of an elevator has someone working under him, then he is a manager; and if he is alone he is simply an operator and is not engaged in a managerial capacity.

Hon. Mr. Roebuck: I do not think that correctly quotes the minister.

Hon. Mr. McCutcheon: That is what the minister says.

Hon. Mr. Thorvaldson: I am going to suggest to my honourable friend Senator Roebuck, if he believes that is not correct, that when we meet here next Tuesday evening we will have the transcript and will be able to read it.

Hon. Mr. Roebuck: Agreed.

Hon. Mr. Thorvaldson: And if I am wrong in the general purport of what I have to say in this regard, I will certainly apologize to him.

May I just add that, as I understand it, there are some United States decisions on the point which have held that the question of whether or not a person is a manager depends on whether or not he has some employees under him.

Honourable senators, so much for that, but let me also quote to you two sections of the Canada Grain Act which may have a strong bearing on this matter if it ever comes into the courts. Indeed, that is the reason we are asking for this amendment, because we want to avoid this problem and so keep out of the courts. I believe I said in committee that if the bill goes unamended we may indeed be faced with some 5,000 lawsuits in regard to this problem, if each case has to be determined on its facts.

I quote from section 2(17) of the Canada Grain Act:

> "manager", when used with respect to an elevator, means the person in possession of the premises constituting such elevator, either as owner or lessee thereof or as being entitled under a contract with the owner or lessee to operate such elevator for his own benefit and advantage, but does not include a person in charge of an elevator who is remunerated for his services by commission;

Those are the facts. Most of these men are remunerated by salary plus commission.

Then subsection (20) of the same section reads:

> "operator", when used with respect to an elevator, means any person appointed or authorized by the manager of such elevator to take charge of the operation thereof, or to represent him in connection with its operation;

Hon. Mr. Aseltine: Would that be a superintendent?

Hon. Mr. Thorvaldson: Well, I do not know. Now we have another word suggested, and I think we had better stick to the two words "manager" and "operator", otherwise we will further complicate the matter.

Let me say most sincerely to you that it is not difficult to amend the act in this regard. I am quite sure that the House of Commons would be most happy to accept such an amendment were we to make it. But at least, by this very simple amendment which is proposed, we would be clarifying this matter in accordance, I am sure, with the wishes of all honourable senators who have any detailed knowledge of the operation of the grain trade in western Canada.

Honourable senators, I want to leave something for my colleague Senator McCutcheon and, perhaps, others to say on this bill. Consequently, I am going to conclude by saying this: As we all know, this is a legislative body, the purpose of which is to give sober second thought to the provisions of bills that are transmitted from the other place for our consideration. This need not be a partisan problem; there is nothing in it which makes it such. Surely, those on this side of the house, in the party to which I belong, cannot look at this matter any differently from the manner in which those on the other side do. Perhaps many members in the other house would be relieved if this question were resolved by the simple amendment we seek, particularly in regard to these elevator operators.

Honourable senators, in this matter I most sincerely plead with you to exercise the functions of the Senate as they are intended to be exercised, namely, with sober second thought and mature judgment, and let us cure the defects in this legislation which should be obvious to us all.

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

DEPARTMENT OF INSURANCE

BILL TO AMEND CERTAIN ACTS—SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Lang for second reading of Bill C-123, to amend certain acts administered in the Department of Insurance.

Hon. M. Wallace McCutcheon: Honourable senators, I will delay you for a very few moments.

I think I should say at the outset that with most of the provisions of this bill I am in complete agreement. I should also add, for the benefit of some of my friends in the chamber, that I am in complete agreement with the views expressed by Senator Hayden with respect to several sections of this bill, and to which he spoke with some eloquence yesterday.

Now, it will not, of course, surprise any of my friends in this chamber if I once again echo my displeasure at the tenacity of the Minister of Finance. I have great admiration for him. He and I are old friends, but he is pursuing this will-o'-the-wisp of Canadian control to an extent that almost becomes laughable—and, of course, he has pursued that course in this bill respecting insurance companies, trust companies and loan companies which are subject to federal jurisdiction. It is like taking a sledge hammer to hit a fly.

There are only four substantial life insurance companies in this country affected by the share ownership provisions of this bill. I am not going to name them; other honourable senators may if they wish. However, I will name them in committee. I am not a director or officer of any of them.

I asked my friend Senator Lang some questions the other night, I have satisfied myself as to the answers, and any more details required we will get in committee.

As to trust companies, I would say that at least 60 per cent of the business of trust companies in Canada is done by two companies who are not subject to this act at all, who are not subject to this vicious takeover, this "dreadful" business of having foreigners buy shares, and so on.

I think if I analyzed the loan company business—with which I am not so familiar—I would come to the same conclusion, that that part of the bill is a facade, it is meaningless.

The largest writer of life insurance in this country is the Metropolitan Life. I do not know who controls the Sun Life, but I suggest that since it has become mutualized it is controlled outside of this country. There is nothing in this bill about that.

I cannot understand why we indulge in these pinpricks and put these very onerous obligations on company directors, when the Minister of Finance controls the operations of these companies absolutely. If he wants to

direct the investment affairs of life insurance companies in Canada—that is, the great majority of them—all he need do is pass an act. He can direct that these companies may only invest their assets in 20-year Government Bonds at 3¾ per cent, which would be a great saving to the Treasury but rather hard on the purchasers of life insurance. Or he could say they must invest 25 per cent of their assets in equities. He can say the same thing about subsidiary control, loan companies and mortgage companies. Parliament has absolute control. So why should we just annoy our friends in other places a little bit more? They do not say that we cannot buy their life insurance companies or their loan companies; they do not say we cannot buy their mortgage companies. I say this more in sorrow than in anger, and I have no doubt I shall have to repeat it on other occasions.

Now, having said that, and having already said that I am in complete agreement with the views expressed by Senator Hayden, I hope to have something more to say about it in committee. I shall support him in committee. There is one clause of this bill which I shall want to discuss in committee, but which I should also like to mention at this point. I am in complete accord with the extension of the investment provisions or the investment regulations governing authorized investments by the group of companies affected by the bill. I think in fairness to the life insurance companies I should say this—we heard Senator Lang, and I am satisfied that what he said was said in all good faith, because that is the only basis on which the figures are published, that the life insurance companies in this country were authorized to invest 15 per cent of their assets in common stocks at 5 per cent. That is all right, but as Senator Hayden said yesterday he is not talking about book value. There is no company in this country which has more than 15 per cent of its assets by market value invested in common stock. I would say the life insurance industry has 8 or 9 per cent of its assets invested in common stocks.

Hon. Mr. Roebuck: Somebody said 4 per cent.

Hon. Mr. McCutcheon: Four per cent book value. That is a meaningless term. Market value is what counts. Now, I am not saying that life insurance companies might not do better, but I am going to suggest a method which would encourage them to do much better than the mere authorization that they can invest 25 per cent of their assets in common stocks. It will take most of them a long, long time to reach the stage to which I refer. I draw your attention to subclause 4 at the top of page 14 of the bill, which is the so-called basket clause. When the basket clause was introduced some years ago I think the public impression was "All right, we have got to put reasonable restrictions on life companies and other companies as to the type of securities in which they invest or the type of investments they make, but we are going to allow them complete freedom as to 5 per cent of their assets." Well, of course, that was not true. Now we are going to be allowed complete freedom as to 7 per cent of our assets, but again that is not true because within the basket we still have quantitative limitations. Those quantitative limitations are contained in the bill, but I think I can describe them without referring to the details. You cannot make a 90 per cent mortgage or a 100 per cent mortgage, although this is a basket. You can only invest a certain percentage of your assets in a particular piece of income-producing real estate, even though it is a basket, and has an over-all 7 per cent limitation on it, and you cannot invest in more than 30 per cent of any class of shares of any company.

I suggest that if the Minister of Finance—and I believe he is completely sincere in this—wants to see life insurance companies put money into the risk capital business, then the basket should be made a basket. There should be no restrictions, and it should say "You can invest 7 per cent of your assets in anything you want." And I would suggest, having had some experience in the life insurance business, that no company will go broke under those circumstances; no policyholder will lose any money and all claims will be paid, because if you are putting money, real money, into the risk capital market, 30 per cent of a company is not enough. You are investing in a very speculative situation, and you are letting other people control you.

The life insurance companies and some of the other financial institutions have tried to get around this by creating a company called "Canadian Enterprise Developments Limited," and I should confess right now that I am a director of that company which is designed to do exactly this. But that company, in some cases, may take 20 per cent of the equity in some cases, 70 per cent in others, or even 30 per cent with an option on another 50 per cent. If you are putting up that kind of money, you have to be in a position to move in. I am not suggesting, of course, that we put the life insurance companies into the speculation field beyond a reasonable limit. What I am suggesting is that the 7 per cent is a real basket.

Hon. Mr. Connolly (Ottawa West): But you are relating it to the 15 per cent.

Hon. Mr. McCutcheon: Not at all. The 25 per cent is limited by stringent regulation as to earnings over a period of years, and so on.

Hon. Mr. Connolly (Ottawa West): You believe that?

Hon. Mr. McCutcheon: Yes. For the 7 per cent all I want is complete freedom.

Hon. Mr. Connolly (Ottawa West): Will the honourable senator permit me a question? Is it not true that the effect of that proposal would be to increase in certain cases the right of a life insurance company to invest in common stocks up to 32 per cent?

Hon. Mr. McCutcheon: That is quite right. I think that would be a most exceptional case, but I agree it is theoretically right. But I put it in another way: the trust company can buy 51 per cent of the shares of a life insurance company. I suggest that with the two types of business so interrelated today, providing you can do it within the basket, it ought to be legitimate for the life insurance company. Of course I am going on the assumption that companies are in business to make money. It ought to be within the power of a life insurance company within the basket to buy 21 per cent or 31 or even 71 per cent of the shares in trust.

Hon. Mr. Connolly (Ottawa West): I must say too that I should not be asking the question in the terms in which I put it because the 7 per cent is on one basis, and the 25 per cent is on a really different basis.

Hon. Mr. McCutcheon: That is right.

Hon. Mr. Connolly (Ottawa West): I am sorry if I interrupted the honourable senator.

Hon. Mr. McCutcheon: No, you did not. I have said that I support Senator Hayden in his views on those sections, and I need add nothing more. I think that is all I have to say at the moment.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Lang, bill referred to the Standing Committee on Banking and Commerce.

The Senate adjourned until Tuesday, March 16, at 8 p.m.

THE SENATE

Tuesday, March 16, 1965

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

Prayers.

DOCUMENTS TABLED

Hon. John J. Connolly tabled:

Report of the Board of Transport Commissioners for Canada for the year ended December 31, 1964, pursuant to section 31 of the Railway Act, chapter 234, R.S.C., 1952. (English text).

Capital and Operating Budgets of the Canadian National Railways for the year ending December 31, 1965, pursuant to section 37 of the Canadian National Railways Act, chapter 29, Statutes of Canada, 1955, together with a copy of Order in Council P.C. 1965-375, dated March 4, 1965, approving same. (English text).

Report of the Governor of the Bank of Canada, and Statement of Accounts certified by the Auditors, for the year ended December 31, 1964, pursuant to section 27(3) of the Bank of Canada Act, chapter 13, R.S.C., 1952, as amended 1953-54. (English and French texts).

Report of Air Canada for the year ended December 31, 1964, pursuant to section 29 of the Trans-Canada Air Lines Act, chapter 268, R.S.C., 1952. (English and French texts).

Report to Parliament of the Auditors on the Accounts of Air Canada for the year ended December 31, 1964, pursuant to section 29 of the Trans-Canada Air Lines Act, chapter 268, R.S.C., 1952. (English and French texts).

Statutory Orders and Regulations published in the *Canada Gazette*, Part II, of Wednesday, March 10, 1965, pursuant to section 7 of the Regulations Act, chapter 235, R.S.C., 1952. (English and French texts).

Report, dated February 18, 1965, of the Restrictive Trade Practices Commission, under the Combines Investigation Act, in connection with the Production, Distribution and Sale of Propane in British Columbia. (English and French texts).

DIVORCE

RESOLUTIONS PRESENTED

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the following resolutions:

Resolution 706, for the relief of Angela Claire Hartridge Matz.

Resolution 707, for the relief of Jean-Guy O'Brien.

Resolution 708, for the relief of Harold Clarke Sweet.

Resolution 709, for the relief of Maurice Paquette.

Resolution 710, for the relief of Florence Christina McWilliams Hughes.

Resolution 711, for the relief of Agnes Dunski Kuehne.

Resolution 712, for the relief of Gaetan Lefebvre.

Resolution 713, for the relief of Nancy Joan Thomas Le Tual.

Resolution 714, for the relief of Evelyn Deziel Griffith.

Resolution 715, for the relief of Rolanda Kursner Wyllie.

Resolution 716, for the relief of Marie Jeanne Marcelle des Rivieres Houde.

Resolution 717, for the relief of Dorothy Barbara Marchant McLagan.

Resolution 718, for the relief of Edith Mary Seymour-Higgins Thom.

Resolution 719, for the relief of Joseph Alphonse Lagace.

Resolution 720, for the relief of Lloyd Elliot Imhoff.

Resolution 721, for the relief of Noreen Linda Alguire Shirley.

Resolution 722, for the relief of Dorothy Ann Dixon MacArthur.

Resolution 723, for the relief of Ruth Aurelia Kleinerman Miller.

Resolution 724, for the relief of Margaret Ann Parker MacDonald.

Resolution 725, for the relief of Clarissa Grun Damant.

Resolution 726, for the relief of Mary Elizabeth Lindsey Sakellariou.

Resolution 727, for the relief of George Edward McNamee.

Resolution 728, for the relief of Abraham Leo Bronstein.

Resolution 729, for the relief of June Rosemary Brook Doty.

Resolution 730, for the relief of James Patrick Cannon.

Resolution 731, for the relief of Pauline Elkin Fruitman.

Resolution 732, for the relief of Rolland Belanger, otherwise known as Rolland Bergeron.

Resolution 733, for the relief of Micheline Drouin Martineau.

Resolution 734, for the relief of Audrey May Landers Groom.

Resolution 735, for the relief of Ingrid Erna Adele Boehm Bork.

Resolution 736, for the relief of Dorothy Elizabeth Chan Frigault.

Resolution 737, for the relief of Evaristo Cruz Iglesias.

Resolution 738, for the relief of Edith Mary Ann Thyer White.

Resolution 739, for the relief of Robert Pronce.

Resolution 740, for the relief of Nicholas Kotar.

Resolution 741, for the relief of Francoise Cholette Perusse.

Resolution 742, for the relief of Muriel Edna Stevens Pinsoneault.

Resolution 743, for the relief of Secundina (Secondina) Michetti Warren.

Resolution 744, for the relief of Clifford Robert Winter.

Resolution 745, for the relief of Brenda Ann Lawrence Zetchus.

Resolution 746, for the relief of Merrily Rose Weisbord Kachanoff.

Resolution 747, for the relief of Gerard Viau.

Resolution 748, for the relief of Gerard Oscar Lanthier.

Resolution 749, for the relief of Lucia Tweedie Kowaluk.

Resolution 750, for the relief of Joseph David Roma Beriault.

Resolution 751, for the relief of Diana Fellen Harris.

Resolution 752, for the relief of Guy Massicotte.

Resolution 753, for the relief of Roma Tetreault.

Resolution 754, for the relief of Micheline Guernon Leveillee.

Resolution 755, for the relief of Joseph Roger Lucas.

Resolution 756, for the relief of Francine Geoffrion Bilodeau.

Resolution 757, for the relief of Marie Cecile Reina Fleurette Constantin Bissonnette.

Resolution 758, for the relief of Marcelle Yvonne Rigaud Schembre.

Resolution 759, for the relief of Armande Harel Paquette.

Resolution 760, for the relief of Joseph Germain Jacques Francois Barcelo.

Resolution 761, for the relief of Gladys Beatrice Wooland Bernard.

Resolution 762, for the relief of Ingrid Lucy Kliem Raymond.

Resolution 763, for the relief of Ann Viola Woodward Anderson.

Resolution 764, for the relief of Teresa Di Nardo Beliveau.

Resolution 765, for the relief of Dorothy Silverstein Segal.

Resolution 766, for the relief of Marion Marguerite Duncan Hesler.

Resolution 767, for the relief of Joseph Mabo.

Resolution 768, for the relief of Marga Pfrommer Blattner.

Resolution 769, for the relief of Christiane Herregods Le Maire.

Resolution 770, for the relief of Donald William Morrow.

Resolution 771, for the relief of Mortimer Joseph Garelick.

Resolution 772, for the relief of Ruth Cohen Richer.

Resolution 773, for the relief of Karol Frank Bisok.

Resolution 774, for the relief of Johanna Geertruida Maria Emons Blom.

Resolution 775, for the relief of Charlotte Picard Ratcliffe.

Resolution 776, for the relief of Charles Wall.

Resolution 777, for the relief of Oakland John George Rennie.

Resolution 778, for the relief of Maria Teresa Bonaccorsi Prioreschi.

Resolution 779, for the relief of Gertrude Elizabeth Manning Saunderson.

Resolution 780, for the relief of Mirjam Sole Batasonsky.

Resolution 781, for the relief of Gilles McNicoll.

Resolution 782, for the relief of Sidney Cutler.

Resolution 783, for the relief of George Johann Kreuzer.

Resolution 784, for the relief of Susan Furth Muller.

Resolution 785, for the relief of Colette Verreault Vaillancourt.

Resolution 786, for the relief of Dorothy (Dorothee) Begin Desjardins.

Resolution 787, for the relief of Marcel Braitstein.

Resolution 788, for the relief of Doris Fern Long Chapman, otherwise known as Doris Fern Long Kenny.

Resolution 789, for the relief of Marie Ruth Ernestine DesRosiers Frye.

Resolution 790, for the relief of Sabina Zakrzewska Oboruns.

Resolution 791, for the relief of Oscar Ernest Mauskopf.

Resolution 792, for the relief of Veronica Dunski Gorman.

Resolution 793, for the relief of Louis Georges Grenier.

Resolution 794, for the relief of Gladys Mary Watmore Corey.

Resolution 795, for the relief of Virginia Isabel Baker Douglas.

Resolution 796, for the relief of Alice Drover Gray.

Resolution 797, for the relief of Roland Joseph Fernand Paquette.

Resolution 798, for the relief of Beverly Ann Widgington O'Connor.

Resolution 799, for the relief of Juliana Zichy Penney.

Resolution 800, for the relief of Marie Germaine (Ruth) Nicole Morency Yarosky.

Resolution 801, for the relief of Bernard Charles Thillaye.

Resolution 802, for the relief of Douglas Norman Seaban.

Resolution 803, for the relief of Michael Zajdel.

Resolution 804, for the relief of Bernice Ann Meikle Walters.

Resolution 805, for the relief of Gwendoline Vining Blott Paxton.

Resolution 806, for the relief of Madeline Edith L'Ecuyer Burdon.

Resolution 807, for the relief of Robert David Elder.

Resolution 808, for the relief of Gisela Elizabeth Eichmann Bragard.

Resolution 809, for the relief of Kathleen Linda Maslin Dutton.

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

Hon. Mr. Roebuck: Honourable senators, with leave of the Senate, I move that these resolutions be taken into consideration at the next sitting.

Motion agreed to.

CANADIAN NATIONAL RAILWAYS FINANCING AND GUARANTEE BILL, 1964

REFERRED BACK TO COMMITTEE

On the Order:

Consideration of the Report of the Standing Committee on Transport and Communications with respect to Bill C-137, intituled: "An Act to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways system for the period from the 1st day of January, 1964 to the 30th day of June, 1965, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company".—(Honourable Senator Hugessen).

Hon. A. K. Hugessen: Honourable senators, I am going to ask the house to take a rather unusual step in connection with this report. I move that the report be not now adopted, but that it be referred back to the Standing Committee on Transport and Communications for further consideration.

Perhaps I should explain that the committee made a minor amendment to the original bill in the form in which it came to us. The amendment simply substituted the words "Air Canada" for the words "Trans-Canada Air Lines" where they appeared in the bill as it came from the House of Commons.

It is quite evident, I think, from the legislation passed in that connection at this session, that whether we use the term "Air Canada" in the bill or the term "Trans-Canada Air Lines" makes no difference whatsoever.

To be perfectly frank with honourable senators, it has occurred to me that if we send the bill back to the House of Commons with a proposed amendment towards the very end of the session, and in the state of feeling which appears to exist in that house at the present time, even a simple amendment like this might give rise to hours of acrimonious debate. I am going to suggest to the Senate, therefore, that we refer this bill back to the Standing Committee on Transport and Communications, and that if the house agrees to that referral, that we consider simply passing the bill as it has come to us from the House of Commons, so as to avoid the step of sending it back to that house.

Hon. Mr. Brooks: Was it an unnecessary amendment to start with?

Hon. Mr. Hugessen: It was not a necessary amendment. It was really a cleaning-up amendment related to the bill that was passed by Parliament in December, which makes it quite clear that wherever the words "Trans-Canada Air Lines" are used in any statute they are to be taken as meaning "Air Canada". So it was really an unnecessary amendment in itself; it was just a cleaning-up amendment.

Hon. Jean-François Pouliot: Honourable senators, before this report is adopted, it seems to me that in order to have a clear understanding of the C.N.R. picture and the C.P.R. picture, we should know what are the duties of each one of the vice-presidents. There are quite a number of officials of the railways.

I remember one day, before the Commons railway committee, Mr. Chevrier, the then Minister of Transport, asked the committee

to decide whether the amount of the salary of the president and chairman of the board should be made public, and the answer of the committee was "No". The committee did not want to have the salary of the chairman made public. But, on the other hand, I feel this question is so important that we must know who are the vice-presidents and what they have to do. In order to know who are the directors of the railway we can look at *Who's Who*—their biographies appear there. But this is not enough for the numerous vice-presidents of the Canadian National Railways and the Canadian Pacific Railway. We must know what are the duties of each one of those gentlemen.

This is something I have had in mind for a long time. If you look at the figures given in the reports prepared by the chartered accountants, even though they may be well considered and studied, you still know nothing about the business of the Canadian National Railways, and you still are not in a position to realize whether those people are carrying out the tasks that have been assigned to them. I hope I have made myself clear. My reason for saying that is because there are liars among the officers of the C.N.R.

Some Hon. Senators: Order, order!

The Hon. the Speaker: The honourable senator knows the rule against the use of such expressions. They are unparliamentary. The people to whom they apply are not here to defend themselves; therefore, I would ask the honourable senator to make his point without using expressions of that kind.

Hon. Mr. Choquette: Did the honourable senator say lawyers or liars?

Hon. Mr. Pouliot: With respect to your ruling, Mr. Speaker, I do, of course, accept it, but I will say that some officers of the C.N.R. have not been truthful in their reports to the Government and to the management in Montreal. No one knows that better than the Leader of the Senate and the Minister of Transport. Why are we deceived by those gentlemen? There was no reason for it. I know what I speak of and I can prove what I say. It has appeared in the press. I do not wish to abuse anyone, but I want all the officers of the C.N.R. to be fair and to respect Parliament. I regret to say that some have no respect for Parliament. I do not speak of the officers of the C.P.R., but of the C.N.R.—there are a few exceptions that I could name with honourable mention. It is time to scrutinize what has been done by the C.N.R. We must consider those who are worthy of their salaries and of the confidence of the public.

Your Honour knows that nobody has more respect for the Chair than I have. But there are some circumstances when parliamentarians should raise their voices to bring the attention of the public to certain important matters that have to be decided right away. It is not a question of partisan politics; it is not a question of Liberal or Conservative policies; it is the fact that those who belong to crown companies should be responsible to Parliament for every cent that is spent by that crown company. Naturally, there is the socialist policy to the effect that we should leave them alone to perform their tasks. But is it fair to the Canadian taxpayer to propound such policies? Our duty is to check every cent of expenditure of the Canadian National Railways, and we can ask the same information about the Canadian Pacific Railway when their officials come seeking joint legislation.

I remember the first C.P.R.-C.N.R. bill, which was sponsored by Dr. Manion, then Minister of Railways and Canals. It was quite a shock for many people at that time, and it was then that pool trains were being established. It was a new policy for the railways. Now that there is so much competition between both railways, I must say that we have a job to perform and we, the Senate, can do it. The Chairman of the Standing Committee on Transport and Communications is one of the outstanding members of this chamber, and the members of the committee are equal to the job. They can do much if they want to. If they do it, it will be done in the public interest. I shall not insist further but, Mr. Speaker, I will give you privately, if you wish, more particulars that will justify the language I have used.

Hon. M. Wallace McCutcheon: Honourable senators, I have great regard for Senator Pouliot, but I have never disagreed with any statement in this house as much as I do with the statements he has just made about the devoted officials who are operating the Canadian National Railways. I do not approve of these broad assertions. After all, a large majority of the directors of the C.N.R. are appointees of the Government which the honourable senator supports. If there is any problem, let them discuss it. If the honourable senator wants to bring the officials before the Standing Committee on Transport and Communications, that is fine, but let us not have these broad assertions which are nothing but smears made about people who, by and large, to my personal knowledge could go into private industry and earn far more money than they are earning now. They are serving in their present capacities because they have a sense of public duty.

Speaking as a former civil servant, I resent everything that the honourable gentleman has said.

Motion agreed to.

CANADA LABOUR (STANDARDS) CODE BILL

THIRD READING—MOTION IN AMENDMENT NEGATIVED

The Senate resumed from Thursday, March 11, the adjourned debate on the motion of Hon. Mr. Connolly (Ottawa West), for third reading of Bill C-126, respecting hours of work, minimum wages, annual vacations and holidays with pay in federal works, undertakings and businesses, and on the amendment thereto by Hon. Mr. Flynn, seconded by Hon. Mr. McCutcheon, that the bill be not now read a third time but that it be amended in certain respects.

Hon. M. Wallace McCutcheon: Honourable senators, I am rising to support the amendment to Bill C-126, moved by my honourable colleague Senator Flynn. Before dealing with it in detail I should like to draw the attention of the Senate to today's issue of the Ottawa *Citizen*, on the front page of which there is a little capsule headed:

> No prorogation until two bills passed—Pearson

And the text reads:

> Prime Minister Pearson Monday assured the Commons that Parliament will not be prorogued at least until the national labour code and the Canada Pension Plan bills are approved by both the Commons and Senate.

I might interject that from what one hears in the corridors it might be quite a while before the Canada Pension Plan bill comes to us.

> Stanley Knowles (NDP—Winnipeg North Centre) sought the assurance because of the 'delay' in the Senate on the labour code bill. The pension bill is still in the Commons.

Honourable senators, I regard that as a reflection upon this body. I know of no delay, in inverted commas, that has occurred in our consideration of the so-called labour code bill. In fact, its progress through this house has been a little faster than that of many other bills. Second reading was accorded it after first reading with no delay. It went to committee—and I point out that the Minister of Labour was not prepared to let it go before a committee of the other place. I will leave it to honourable senators to decide why the Minister of Labour did not want it to go to a committee. I suggest to honourable senators that, having sent it to a committee in this place, as is our normal practice, we have learned a great deal more about this bill than did many people who discussed it in another place. I regard the statement of Mr. Knowles, if he is quoted correctly, and I assume he is, as a reflection on every member of this house.

We have accepted this bill in principle—there is nobody on this side of the house for whom I speak who does not accept this bill in principle. But it is one thing to accept a bill in principle and it is another thing to do what this chamber is supposed to do, take a sober second thought and improve the legislation.

Nobody on this side of the house is opposed to standards as to wages, hours of work, holidays. There are some of us, however, who feel that it is an unnecessary intrusion to have government interject itself into those areas where it is obviously not needed, to become the third party at the bargaining table where the parties have already demonstrated that they are both strong and both capable of looking after themselves.

The idea is abroad in this country—an idea which one sees in the pension bill and in a variety of other legislation—that in order to look after a relatively small group of people one must legislate for many. Those who sat through the hearings in the Banking and Commerce Committee on this bill and those who have read this bill know that those who need protection, if indeed they do, —that is, those whose standards of employment are not up to the minimum standards of employment in the bill—are very few. Nevertheless, the theory seems to be that you do not legislate for the few: you must legislate for the many, you must intervene in everybody's affairs in order to accomplish that which most of us agree should be accomplished for a limited group in society.

I refer again to the newspaper clipping. The suggestion is that by our having two days in committee on this bill and a two- or three-day debate, we are delaying the bill. Honourable senators, we are doing exactly what we are here to do: We are taking this sober second thought.

Honourable senators, I suggest—and I believe that I can conclusively prove—that a case has been made out for the amendment which my colleague Senator Flynn moved. The evidence we heard in the Banking and Commerce Committee remains uncontradicted. We had the minister before us and he did not contradict that evidence. His officials were before us and they did not contradict any of it. Therefore, I suggest that on that evidence a conclusive case has been made out for the amendment which is now before this house.

Honourable senators, it is the duty of each member of the Senate to act according to his conscience. As I see it, there is no partisan attitude to be taken on this bill. If I may

paraphrase the British North America Act, this is a matter "for the general good of Canada." It is our duty to look at it on that basis and to vote on the amendment according to our conscience.

Honourable senators, let me turn for a moment to the amendment. It provides that among those groups which the amendment proposes should be absolutely exempted from the provisions of the bill are:

> (c) operators of country grain elevators as defined in the Canada Grain Act, or (d) members of the running trades including sleeping and dining car crews of any railway, the road crews of any firm engaged in interprovincial motor vehicle transport, seamen as defined in the Canada Shipping Act, stevedores and longshoremen, flight crews of any civil aircraft: Provided—

This is the same type of provision to be found already in the bill in another clause, namely, clause 28, in Part IV, providing for the substitution of one holiday for another, instead of using the eight holidays named in the bill, where—and I quote from the bill:

> (a) where a class of the employees of an employer is represented by a trade union and the parties to a collective agreement entered into with regard to the terms or conditions of employment of the employees notify the Minister in writing—

The absolute exemption that this amendment proposes is subject to this proviso:

> Provided that the employment of such employees is governed by the terms of a collective agreement negotiated by a duly certified bargaining unit.

As I go along, I hope I will be able to carry honourable senators with me in concluding that the groups of employees who will be exempted under this are represented by not weak, ineffective bargaining units but by the strongest bargaining units in this country.

My colleague, Senator Thorvaldson, in speaking on this amendment at the sitting of the Senate on Thursday last, dealt with the operators of country grain elevators. I propose to deal specifically with other groups of employees. However, I thought honourable senators would be interested in an editorial which appeared in today's Winnipeg *Free Press*, headed "Elevator Agents".

Honourable senators, the Winnipeg *Free Press* is not a periodical which generally supports the position taken by myself and my friends. However, I think this editorial is worth putting on the record. It reads:

> The exemptions which the western grain trade is seeking from the hours of Work Provision of the new National Labour Code has been widely interpreted as signifying the grain companies total opposition to the bill itself. This is quite unfair. The bill, which has been approved by the Commons and is now before the Senate, provides for a $1.25 an hour minimum wage in industry under federal jurisdiction, a two-week annual vacation, 8 statutory holidays, and a maximum 40 hour week. These standards are already in effect in most industries and, with some minor exceptions, will impose no great burden on others...

I interject here that I agree with that statement and suggest that there is a great deal of facade in this bill—using a sledge hammer to hit a fly. I will not pursue that observation for the moment. I continue with the editorial:

> Apart from the hours of work provision, no objection to these reasonable reforms have been expressed by the grain trade.

And, I interject, obviously not because they are more than complying with them.

> Its standards are already well above the benefits called for in the legislation: most grain companies' employees enjoy two or more weeks vacation annually, work less than a 40-hour week and have eight paid statutory holidays.
>
> There is a special problem, however, in attempting to enforce an average 40-hour week (plus a maximum of 8 hours overtime) for country elevator operators, who work long hours during short periods of the year and at other times are almost completely free of duties. The government has recognized this difficulty by providing in the legislation for averaging of hours over a period of time and also by permitting an 18-month exemption for industries which require a period of adjustment. This will not, however, solve the problems of the country elevator operators.

This is the Winnipeg *Free Press* speaking:

> The elevator agent is a man responsible for a plant worth $60,000 to $100,000, plus stocks of grain which may be worth $500,000. His signature on a grain ticket is his company's bond, as good as cash in some communities. At some periods of the year he may work, or at least be available to his customers, for 12 or more hours a day, at other periods he has little to do and often fills his time with part-time side-line work, selling oil, insurance, fertilizers and other commodities, on a commission basis.
>
> It is unlikely—

And that, I think, is a complete understatement.

> —that this sort of endeavour needs the kind of protection proffered by the new Labour Code and he has not asked for it. He does not punch a time clock and would find it extremely difficult to account for his exact hours of work most of the year, yet at the peak season his presence at the elevator may be essential for more than the 48-hour maximum required by the bill.
>
> The private grain companies and the farmer-owned United Grain Growers have not objected to the spirit of the new code; they already observe it. Their objection is to the simple impracticality of enforcing the maximum hours clause under special conditions. If they are not exempted from this provision now it is virtually a certainty that the government will be forced to amend the bill anyway in a year or so on grounds that it is unenforceable at country elevators.

I ask honourable senators to observe the last sentence.

> The simplest and most logical thing is for the Senate to grant the exemption now.

That is what Senator Flynn's amendment is directed to.

Now, before dealing with specific situations which my colleagues have not dealt with, I would like to touch on one or two matters that have been referred to earlier in debate. The sponsor of the bill (Hon. Mr. Smith, Queens-Shelburne) referred to, I think, the ten amendments that were made in the other place, as evidence that we did not need to be too concerned about it. However, the fact is, and of course the evidence has disclosed, that none of those ten amendments touch on the special situations of the group of employees to which this amendment refers.

Section 51, of which we have heard a great deal, is headed, "Special and Transitional Provisions." Special and transitional provisions means that you are dealing with a situation which you can resolve, if you have time; over a period of 18 months to two years you can work the situation out. What I am suggesting to honourable senators is that the situations with which this amendment deals are not temporary situations, but are permanent situations due to the nature of the work.

I want to put on the record some of the evidence that we have had, and which no person has appeared to deny. The Canadian Labour Council appeared and delivered a brief, and dealt in broad general terms with the fact that they were in favour of purity, motherhood and other things, but did not really touch on the provisions of the bill at all. The Teamsters Union appeared and did not even discuss their own members. They discussed owner-operators, who of course do not come under the federal jurisdiction, and their remarks were completely irrelevant. I make the assertion confidently that no one has denied the statements which I am going to read and put on the record now in these various situations.

First, I would like to turn to the marine shipping industry. The amendment, of course, covers seamen as defined in the Canada Shipping Act. I shall read now from the brief of the Dominion Marine Association, which is on the record. At page 5, the brief says:

> The length of time of each voyage will vary of course depending on the type and speed of vessel employed and the delays encountered while locking through the canals and the Seaway but the above figures are representative. After loading or unloading the vessel will immediately depart for another destination and is thus constantly on the move.

This amendment refers only to special groups of employees who, by the nature of their employment, cannot be subject to the rules and regulations that are applicable to a factory employee who has a fixed place of employment, who goes there in the morning, has his coffee break, has his lunch break, goes home at night, and reports again, and occasionally works overtime. These employees are tied into the vehicle of their employment.

To continue with the brief:

> The main point to be observed is that an employee in the shipping industry is a prisoner of his employment.

I suggest, and I shall be dealing with this later, that that is also true of the running trades, of the crews which give service on the dining and sleeping cars on the railroads; it is true of the flight crews on aircraft; it is also true of stevedores and longshoremen, because their employment depends on when the ships come in and when they want to turn them around. There is no eight-hour day for the docking and moving out of ships—and many honourable senators on the other side know more about the shipping industry than I do.

The brief continues:

> He cannot, as in the case of an ordinary industrial employee, enjoy the weekend at home with his family.
>
> At the risk of labouring the obvious, members of the crew of a vessel, upon the conclusion of a 40-hour week, cannot be returned to their homes but must, of necessity, remain on board their vessel.

> Crews of lake vessels look forward to earning in from eight to ten months sufficient wages to support their families for twelve months—but in order to do so they must be able to work for a weekly period in excess of 40 hours. Restricted, of necessity, to the vessel in any event but unable to work because of the bill beyond the 40 hours, it can be anticipated that the members of the crew would not be overly enthusiastic with the hours of boredom and, as will be shown later, the possible loss of wages attendant on their being unable to obtain their additional 16 hours work each week of their employment.

I do not recall any representations from the Seamen's International Union contradicting those statements. I do not recall that they came in and said, "We support this bill."

I do not want to delay honourable senators unnecessarily, but I think we must place some of this evidence on the record. Let me turn next to page 35 of the brief, where the reference is to competition from other countries:

> It also should be noted that Hong Kong Chinese are British subjects and thus, under law, may man British flag vessels which vessels can presently trade in Canadian waters.
>
> The hours of work provisions of the bill which have been discussed previously will be, of course, as applicable to the ocean-going vessels as to Great Lakes operations. It is unnecessary to repeat what has been said before in this regard except to point out that the hours of work provisions will result in additional wage and other costs over and above the increases therein caused by the minimum wages provisions and will have the same dislocating effects on the size of the crews.
>
> If the interested observer remains unconvinced with the above figures and arguments, let him look to the U.S. maritime situation. American shipowners in increasing numbers have been registering their vessels under foreign flags to escape the high wages and other operating costs under the U.S. flag. More than 450 vessels, many built within the last six years and aggregating more than 11,000,000 tons, accounting for more than 70 per cent of U.S. total tonnage in dry bulk cargo carriers and above one-half of the U.S. total tonnage in tankers whose ultimate control rests in U.S. corporations, are presently registered in Panama, Honduras and Liberia. As a result, employment on American flag vessels has dropped sharply from 158,860 positions in 1945 to 45,000 in 1964. It costs $800,000 more annually to operate a 47,000 ton bulk carrier under the U.S. flag than under virtually any other flag (other than the Canadian flag) in the world. . . . Bill C-126 will quickly place the new Canadian flag theoretically side-by-side with the U.S. flag in this regard both as to cost and as a flag to be avoided.

And we had some evidence from shipowners that it might be necessary to transfer some ships to other flags and to lay up others.

> Bill C-126 will ensure that the Canadian flag will never become established on the high seas for even this dubious benefit. The bill will certainly result in the annual operating costs of a vessel the size of the *Cape Breton Miner* being upwards of $500,000. This figure compared with the annual operating costs of a 20,000-30,000 ton Norwegian vessel of approximately $297,050 shows the competitive impossibility of operating an ocean-going Canadian flag vessel. Presently, although the competitive position vis-a-vis foreign flags is extremely uncomfortable, a Canadian flag vessel can still operate on a slim margin in special trades but under the bill even this will now be denied.

I refer to page 38 of the brief—and this also has not been contradicted:

> No other maritime nation limits the maximum hours of work with respect to its shipping industry. The provisions of Part I of the bill impose severe operational restrictions on any shipping company's ability to trade on the ocean and on the Great Lakes. Indeed such provisions impose a prohibitive dislocation on the operations of all Canadian shipping both financially and physically.

I could go on, but in that connection I just want to re-enforce that contention, and then I am through with the shipping industry.

I now read a telegram which was addressed to the Leader of the Government in the Senate (Hon. Mr. Connolly, Ottawa West), and which was read into the record of the Banking and Commerce committee meeting of March 9, report No. 2, at pages 132 and 133. It is from a quite different class of operators, being signed "Leopold Langlois, Q.C., St. Lawrence Shipowners Association Inc., L'Association des Propriétaires de navires du St-Laurent Inc."

The telegram reads:

> Our Association wishes to respectfully voice its strong opposition to Bill C-126 Canada Labour Standards Code as passed by House of Commons on February 22 last and presently under consideration by

> your committee. Our Association represents owners of over 100 vessels plying exclusively in Canada coastal trade on the Great Lakes and the East Coast of Canada and mostly between ports of the St. Lawrence River. These vessels are of the coaster type and consequently of much smaller dimensions than lakes or canalers. Although these vessels generally operate on a seasonal basis approximately 25 per cent of them do operate on a year round basis and for these latter there is an absolute impossibility of averaging hours of work over a period longer than the regular navigation season.

Honourable senators will recall that it was suggested by a departmental official that there was no problem of averaging because on the Great Lakes these ships operated only eight or nine months; then, all you had to do was keep your men on the payroll for 12 months and average. Of course, the answer to that is so simple: the men are not going to stay on the payroll but are going to get other jobs or, in this day of the welfare state, are going to collect unemployment insurance. They are not going to stay on the payroll for the satisfaction of letting the Canadian steamship companies average their wages out over 52 weeks.

> ...The crews live on board these vessels and are recruited mostly within the Province of Quebec. There is actually a very acute shortage of certificated deck and engine room personnel and owners have to financially support the training of such personnel with consequent result absolutely impossible to obtain qualified personnel if crews have to be increased to meet requirements of new legislation. Modern equipment and machinery require qualified and trained personnel. Owing to limited carriage capacity of vessels and consequent relatively small earnings derived from their operation it is anticipated that the increased cost resulting from application of contemplated legislation will almost double present cost of operation. Our vessels are competing with vessels of foreign registry permitted to operate in our coastal trade and with other means of transportation falling under provincial legislative authority such as provincial trucking, provincial railroad, provincial ferries in receipt of subsidies from governments, etc. ...which means of transportation will not be affected by the passing of Bill C-126 with the result that our industry will be put to a very obvious disadvantage. Irrespective of prohibitive high cost of operation actual dimensions of vessels make it absolutely impossible to accommodate larger crews on board same.

And I interject here that honourable senators heard Mr. J. D. Leitch, President of Upper Lakes Shipping Company, say that even if it were economically feasible it would be physically impossible for him to provide the extra space required for crews on his smaller ships, if his company were to become subject to this legislation.

> ...Since vessels must operate seven days of the week it is absolutely impossible to contemplate restricting hours of work which restrictions would adversely affect not only owners but employees as well. For all the above reasons and many others which need not be enumerated here and which have been placed before your committee by other representatives of shipping industry our association submits that the new legislation should not be made applicable to the shipping industry which legislation will surely cause the nucleus of merchant marine existing in Canada to disappear.

Honourable senators, that telegram is inviting the amendment which is before you this evening, and I shall refer no further, except perhaps incidentally, to the shipping industry.

I would like now to turn to the question of air crews. We had a brief from the Air Transport Association of Canada. They deal with very strong unions. We had no one from the Pilots' Union say, "We are in favour of this bill, and we disagree completely with the brief that our employers have presented"—and until someone says that or there is some evidence to contradict this brief, I am accepting the representations that were made to us as factual.

Again, I am going to put some of them on the record. They start out by saying that by and large all their employees are working at standards higher and better than the minimum standards provided in the bill, and with that I agree. They continue:

> However, there are two areas in which the bill would create severe problems for the airline industry.
>
> The first of these problem areas has to do with our flight crews, which have historically enjoyed working conditions based upon an entirely different concept of work that is normally accepted by industry.

Honourable senators, that is the nub of the problem; that is the nub of the amendment which deals with, in numbers, a comparatively small group of people; in income, a very high income group; as far as their

bargaining position is concerned, they are represented by the strongest bargaining units in this country; and their working conditions are based upon entirely different concepts of work from those normally accepted by industry. That, as I say, is the nub of the problem.

> The 40-hour work week concept is entirely inapplicable to this group. Flight crew working conditions are based on 85 hours per month. This is 255 flying hours per quarter year and only 1,020 flying hours per calendar year—approximately one half of the working hours associated with the standard 40-hour a week personnel (2,080 hours per year).
>
> This flight time limitation concept is established in Canada by federal regulation under the Aeronautics Act, and I wish to file as an exhibit for the committee DOT circular 0/19/61, which sets forth the regulations governing the Canadian airline industry. ...These regulations have been established to avoid air crew fatigue and to assure air safety and certainly already meet one of the broad intents of the bill, which is to establish minimum labour conditions. The actual flying hours achieved by any flight crew member, however, is significantly below 1,020 hours per year and more normally approximates 75 hours per month.

So we are going to legislate for this poor fellow who works 75 hours a month.

> This is due to the fact that several provisions exist to reduce the availability of flight crews, as well as vacation and sick leave time, which reduces flight time availability by 2 hours and 48 minutes each day the flight crew member is on vacation or sick leave. Flight time is further reduced by what have been called "duty rigs." These duty rigs provide items such as the following:
>
> 1. Flight time credited on the basis of the scheduled flight time or the actual flight time, whichever is greater.
>
> 2. Minimum flight time credited on the basis of a minimum payment for each duty period. This normally approximates one hour's pay for each two hours on duty.
>
> 3. Minimum flight time credit of one hour for each four hours away from home base.
>
> 4. Flight time credits while in class room training.
>
> 5. Flight time credits when removed from a flight, even when that flight is operated by a fellow flight crew member who requires a training flight.
>
> 6. Minimum guarantees of 60 hours per month on domestic operations and 65 or 70 hours per month on overseas operations. This means a flight crew member receives 70% to 82% of his possible earnings during a month regardless of the fact that he may not operate one trip during that month. In the case of regional carriers the minimum guarantee for any month whether worked or not may be equal to 100% of salary.

I could read more from the brief, honourable senators, but I think I have read sufficient to indicate that we are dealing with a situation which is not that of a manufacturing industry where people go in in the morning, punch a clock, come out at night, punch the clock, and occasionally do overtime.

Now I would like to turn for a moment to another group of people, the running crews, including the dining and sleeping car crews on railways. I have here the brief of the Railway Association of Canada, a brief which, incidentally, I am led to believe the minister had seen some weeks before but of which no cognizance was taken when these amendments which were supposed to be made for the benefit of industry were introduced. Despite the fear of repetition, I would like to say that none of the amendments made in the House of Commons affected the special situations with which we are dealing tonight and with which Senator Flynn's motion in amendment deals.

The Railway Association had this to say:

> ...the bill seeks to apply uniformly to all types of employment situations a set of standards which have been basically devised to apply to only one, albeit a more common, type of employment situation.
>
> The eight-hour day and forty-hour week with penalty overtime as well as the eight general holidays with pay are at least capable of accommodation in manufacturing establishments where regular hours can be scheduled during a normal five-day week, where periodic cessations of work at nights, week-ends and general holidays are not in conflict with the nature of operations, or where regular eight-hour shifts can be established and the work is done at a constant pace in a fixed plant and under direct management supervision.
>
> These characteristics do not exist in many railway operations and, despite the efforts made in the bill to facilitate application of the provisions in certain unusual employment situations, the bill in its present form would impose heavy burdens on the railways and on their employees

engaged in operations the nature of which require provision of round-the-clock, year-round services to the public with peak periods at nights, week-ends and general holidays.

Then there are some paragraphs dealing with the running trades. Then it goes on:

> These same employees have in the process of collective bargaining sought and agreed upon wages and working conditions which take these differences in requirements fully into consideration and which, at the same time, have put them in the forefront of all workers in Canada. They have been able to maintain this position notwithstanding the minimal growth in railway business during the last decade. There can be no question of the effectiveness and bargaining power of the unions which represent these employees, but throughout the North American continent they have chosen to negotiate benefits more desirable to them and compatible with and appropriate to the nature and requirements of their work than limitation of hours.
>
> Imposition of the provisions of the bill would also cut deeply into the area and scope of collective bargaining. Some employee groups which have already obtained through collective bargaining earnings among the highest in Canada would, by legislation, be put in a still more favourable position. This is bad in principle, because if a union obtains such benefits through legislation, it is encouraged to seek further gains through this medium. This bypasses true collective bargaining and deprives the employer of the right to bargain for adjustments desirable in his operations as an offset to the union demands.
>
> Collective bargaining has long been acknowledged to be the best method of arriving at a level of wages and working conditions in industries where employees are sufficiently organized to be able to protect their own interests. The whole of federal industrial relations law has been designed to encourage private collective bargaining and to provide safeguards for the interested parties and the general public.
>
> True collective bargaining recognizes the economic realities which face a company and its industry.

I could put on the record some remarks as to the dual system of pay, but they can be read in the record of the proceedings. But to allay any suspicion that we are talking about downtrodden persons, I want to refer to the earnings of fulltime running trade employees of Canadian Pacific Railway who performed some work in each month of 1963. Eighty per cent of them earned over $6,000, only 2 per cent earned less than $5,000 and there were employees who earned over $10,000.

On the question of general holidays, and I may have to refer to this again later this evening, I would simply quote from the brief, and again I would mention that nobody, neither the minister nor the officials, has questioned these facts because obviously general holidays are completely inappropriate to groups like seamen and to the running trades of the railroads and to flight crews.

After all, the running trades are allowed by their union agreements to run only so many miles per month. The maximum monthly mileage on freight trains is 3,800 in western Canada and 4,300 in eastern Canada. I am speaking for the engineers and firemen on freight trains. The maximum such persons are allowed to run is limited by the union agreement. The railway cannot permit them to run any more. Passenger train engineers and firemen are allowed to go up to 4,800 miles a month. Of course their guarantees are very close to their minimums.

I could put on the record the average number of actual days worked. The fact is that they have far more holidays than senators have. General holidays are not included in the working of road service employees, nor are general holiday provisions in effect for any road service running trades employee on the North American continent who enjoys the advantages of the dual basis of pay.

Honourable senators, is the Government of Canada going to sit at the bargaining table and introduce a new system of collective bargaining in Canada and deal with the great international unions that have brought the running trades of the railways up to their being the aristocrats of the labour force? I suggest that that would be quite improper.

Another group that is mentioned in the amendment are the road crews of any firm engaged in interprovincial motor vehicle transport. Any honourable senator can refer to the evidence, but the situation with respect to those men is analogous to that of the road crews on the railways.

We come then to the stevedores and the longshoremen. They are tied in with the ships. They work when the ship comes in, and many of them move out of the St. Lawrence after the summer season down to the Atlantic provinces. The number of hours they work in a year is large, but they will not be controlled by this bill because they are working for several employers, and they work because they want to work. The fact that a person wants to work is becoming a kind of archaic

thought in this country, but there are still some people who like to work, and to work long hours and to make money. We have not heard from the longshoremen or the stevedores saying that they think this bill is wonderful, and that they want to work only 40 or 48 hours a week. I have figures as to the hours they work, and honourable senators have the same information. Some of these people work 3,000 hours a year.

When that matter came up in the Banking and Commerce Committee I said I thought that Senator Leonard had also worked 3,000 hours in some years, but the reporter—and I hope he will not make the same mistake tonight—had me say that I thought Senator Leonard made $3,000 a year. I would never downgrade him to that position.

Hon. Mr. Leonard: Latterly, he may be right.

Hon. Mr. McCutcheon: Honourable senators, the point is that the special and transitional provisions of this bill are not adequate to cover the special situations referred to in the amendment, because these are not special or transitional situations. They are permanent situations so far as anybody can see today, and looking into the future, by reason of the special nature of the employment of these individuals.

There is a further fact that I may have to refer to later this evening, and that is that the special and transitional provisions, in any event, do not permit the minister or anyone else to grant any exemption from the provisions of Part IV of the bill which deals with the so-called regular holidays, and which would provide regular holidays for air crews. I wonder what you would pay an air crew for a regular holiday. I think, if I were management, I would say: "Well, boy, this was the day you were supposed to run a Beechcraft from Montreal to Toronto or from Montreal to Ottawa and we pay you only $75 for that." I would not want to pay him what I had to pay a jet pilot flying overnight to Europe, and then pay him time and a half.

I could give other examples, but in the present bill there is no provision for anybody to exempt people from Part IV, such as will be accomplished by this amendment. It is designed to provide for complete exemption, and I think it is the clear duty of the Senate to pass it.

Hon. John J. Connolly: Honourable senators, I think it will be generally agreed that the Senate has had a very thorough and informed debate on this bill. It will be generally agreed too that the work done in committee was careful, painstaking and thorough. I heartily agree with the honourable senator who has just spoken (Hon. Mr. McCutcheon), and I reject also, as I am sure all honourable senators do, the proposition that this bill is being held up by this honourable chamber. This house is a part of Parliament. It is its duty to consider measures that come before Parliament. I will say that the Senate has done no more than its duty, as it is bound to do, and it has done no less, in the kind of consideration it has given this bill.

I do not pretend that the viewpoint of the honourable senator coincides with my own on this bill. There is a great deal of room for honourable senators to disagree with the provisions of this bill. I think that in this chamber we can agree to disagree, and I would expect that this evening we may carry that disagreement to the point of voting.

Hon. Mr. Thorvaldson: But not where the truth is obvious.

Hon. Mr. Connolly (Ottawa West): I hope the honourable senator will let me make the argument I propose to make, as he was certainly given every opportunity of making his.

Hon. Mr. Thorvaldson: Senator Roebuck did not exactly give me a full opportunity to make my speech. His interruptions, I think, numbered about twenty-five.

The Hon. the Speaker: Order. I hope the honourable Senator Thorvaldson will allow the honourable Senator Connolly to make his remarks.

Hon. Mr. Connolly (Ottawa West): Without in any sense wanting to be critical of the honourable senator, I certainly do not want him to make my remarks for me, because I do not think we agree on this general subject.

This bill, excluding federally-employed civil servants, is intended to apply to some 360,000 workers in Canada who are in private employment and in Crown corporations. The amendment proposed by the honourable Senator Flynn would affect the operators of country elevators who are said to number about 5,500; the employees in the running trades of the railways who, I am advised, number some 17,000; sleeping and dining car crews numbering 3,500; the road crews of motor vehicle interprovincial and international trucking enterprises which number 14,000; seamen numbering some 21,000; stevedores and longshoremen numbering some 12,000 and the flight crews on civil aircraft which number some 5,000.

The thing that we must keep clearly in mind is that this bill is intended to provide minimum standards. These minimum standards are $1.25 a day on the pay side—

Hon. Mr. McCutcheon: $1.25 an hour, I hope.

Hon. Mr. Connolly (Ottawa West): Yes—and an eight-hour day, and a 40-hour week, in undertakings that are subject to federal jurisdiction. The honourable senator who has just spoken said all parties support this bill in principle. I think it is agreed also by all parties that only the federal Parliament can legislate with respect to conditions of work for those 360,000 people in Canada.

No one has said—and, indeed, what Senator McCutcheon has said makes it very clear—that the 360,000 people work under conditions below the standard proposed. In fact, very many of them, perhaps the vast majority of them, because of their collective agreements and because of the conditions of the industries in which they work, work under conditions vastly superior to the proposed minimum conditions which are suggested in this legislation. However, the fact of the matter is that some employees work under conditions which are not as good as these minima. The purpose of the legislation is, as indeed is the purpose of Parliament, to try to raise the standards of those people.

Hon. Mr. McCutcheon: Honourable senators, I wonder if the Leader would let me ask one question. I do not want to interrupt his argument. I agree with everything he said. I merely ask him which of the groups affected by this amendment does he feel are working below the standards. I am very happy to bring the comparatively few people—because I think they are few—covered by this legislation, up to the standard. This amendment deals with people who are far above the standards.

Hon. Mr. Connolly (Ottawa West): I realize that. I do not think there is any single group mentioned in the amendment that, as a group and for everyone in the group, is below those standards. But there are people below the standard probably in every one of the groups. The plain fact is that in the field of labour legislation in this country, in respect of those 360,000 people, there is a vacuum to be filled.

The federal-provincial meeting of Ministers of Labour, which took place in March 1964, agreed to the desirability of closing this gap. The Deputy Ministers from the provinces met with the Deputy Minister of Labour of Canada in December 1964 and agreed also. They also agreed that the provinces could not legislate in respect of these particular employees. As honourable senators know, in the provinces, legislation is constantly being revised for the purpose of improving working conditions and labour standards.

This country has a long record of adherence to the principle of improving conditions of labour. Since 1919 Canada has been a member of the International Labour Organization. In fact, Canada was one of the first members.

In 1935 an attempt was made by the leader of the party opposite to provide legislation based on recommendations of I.L.O. In 1962, when an I.L.O. resolution proposing reduction of hours of work was introduced, the then Minister of Labour agreed that this would be given very careful study.

As honourable Senator McCutcheon has said, perhaps it is not too difficult to provide rules for minima of the type proposed in this bill—for factory workers, for office employees such as those in the offices of the railway service. But it is more difficult in other industries. As he said, perhaps there are industries in which an entirely different concept of work time has to be considered, and carefully considered, in the application of these minimal standards.

The main objection made to this legislation is in reference to Part I, "Hours of Work", particularly in industries where the work is distributed irregularly, by day, by week, by season, where there are times of peak activity followed by a slackening of activity, where, as the evidence in the committee indicated, the employee is tied into his vehicle. Examples of these unusual situations are given in the amendment: the air crews, the running trades in the railways, the country grain elevators, the feed mills, the stevedores and others.

The first proposal in the bill to deal with these situations is the averaging proposal contained in clause 5(2), which I should like to read into the record now.

> Where the nature of the work in an industrial establishment necessitates irregular distribution of an employee's hours of work, the hours of work in a day and the hours of work in a week may be calculated, in such manner and in such circumstances as may be prescribed by the regulations, as an average for a period of two or more weeks.

That is interpreted to mean that working hours could be averaged over the 52 weeks of the year. The bill proposes that no more than 40 hours of work in a week, or 2,080 hours in a year, should be worked on a regular basis.

Hon. Mr. McCutcheon: Would the honourable senator tell me whether he believes that the suggestion of the deputy minister, that you average the seaman who works eight months every 12 months by keeping him on your pay roll, thereby depriving him of the opportunity of taking another job, or drawing unemployment insurance, is a practical suggestion?

Hon. Mr. Connolly (Ottawa West): That is a very good question. Perhaps if the honourable senator would allow me, I will come to it later. I want to make my argument now in

a way which I think will deal with that situation. It does present a difficulty.

I said that the normal number of hours of work, as proposed by this bill, is 2,080. For example, in the stevedoring industry, I should think that most stevedores in our ports approach this maximum. In the Maritime ports in the winter they have a peak period; they have to deal with all the shipping on the east coast, and I think many times their hours exceed eight in the day and 40 in the week. This is also because they have to meet the shipping deadlines. However, I think the averaging provisions I have quoted, applied to these people, would remove many of the difficulties which some of the operators may be anticipating.

It is only after the averaging provisions are used, that the overtime provisions in the bill come into force. From clause 6 it is clear that eight hours per week can be worked overtime without a permit. There is provision in clause 10 for emergency overtime work. Clause 9 provides for cases where overtime permits can and will be granted by the minister.

Honourable senators, I am informed by the officials that since 1938 a system of issuing permits for overtime work, under the Fair Wages and Hours of Labour Act, has in fact been in very general use, and some 200 to 300 of such permits are issued under that act every year.

Hon. Mr. McCutcheon: As applied to the industries covered by the amendment?

Hon. Mr. Connolly (Ottawa West): I am talking now about the general practice of issuing overtime permits under the other act, and through the Department of Labour, and perhaps to some of the industries referred to in the amendment. Perhaps some of these permits are—

Hon. Mr. McCutcheon: The honourable senator says "perhaps." He is not asserting that permits have been issued?

Hon. Mr. Connolly (Ottawa West): In these industries?

Hon. Mr. McCutcheon: Yes.

Hon. Mr. Connolly (Ottawa West): No. As a matter of fact, I do not know if they have been issued in any of these particular industries, but I think they may very well have been. As a matter of fact, I believe that in the stevedoring industry this has been the practice.

The idea of the concept of averaging, of course, is not new. It is provided for in many of the collective agreements, particularly of the running trades and the railways.

Honourable senators, if the averaging provisions fail to provide the remedy, then section 51 of the bill may be invoked. It may be useful to read part of that section:

> (1) Where upon the submission of any person it is shown to the satisfaction of the Minister that the introduction of the standard hours of work or the maximum hours of work under Part I in any federal work, undertaking or business
>
> (a) would be or is unduly prejudicial to the interests of the employees therein or to any class of employees therein, or
>
> (b) would be or is seriously detrimental to the operation of the federal work, undertaking or business,
>
> the Minister may by order defer or suspend the operation of Part I in respect of that federal work, undertaking or business or that class of employees therein for such period as may be fixed in the order; but a period of deferment or suspension under this subsection shall not exceed a period of eighteen months from the date of the coming into force of Part I, or the date of the order, whichever is the later date.

The honourable senator has made a good deal about the fact that these are described as special and transitional provisions. In a sense, I suppose they are special provisions, and in a sense they are transitional provisions.

There have been a good many representations made to the minister, and he has had a good deal of discussion with various people concerned with the application of this act. There has been a good deal of discussion by people who have appeared before the Senate committee. Here, perhaps, I should say that I do not think the honourable senator who has just spoken can necessarily conclude that because a point made in any given brief by an industry was not answered by an employee group, that point is necessarily valid.

Hon. Mr. McCutcheon: Would the honourable senator tell me what point was invalid?

Hon. Mr. Croll: All their points were invalid.

Hon. Mr. McCutcheon: Coming from that source, I can understand.

Hon. Mr. Connolly (Ottawa West): I think that perhaps with the proper understanding of section 51, coupled with section 35, a good many of the points that were made and unanswered will find an adequate explanation. The minister has said that he expects to make deferral orders immediately for any industry for which a *prime facie* case can be made. So long as the application is not a frivolous application, then the 18 months deferral will be given. He has said also in the other place

that so far as transportation by sea is concerned, it is almost certain that the application will be made, and equally certain that deferral will be given. He has also said that so far as the trucking industry is concerned, in interprovincial and international trucking, they will need time to comply with the minimum standards set up in the bill. This implies, of course, that the deferral would be granted.

Forthwith, however, upon the deferral, the application of section 35 comes into play. If I may, honourable senators, I will read section 35:

> (1) The Minister may, for any of the purposes of this Act, cause an inquiry to be made into and concerning employment in any industrial establishment and may appoint one or more persons to hold the inquiry.
>
> (2) A person appointed pursuant to subsection (1) has and may exercise all the powers of a person appointed as a commissioner under Part I of the Inquiries Act.

Honourable senators are familiar with the terms of the Inquiries Act (which contemplates an objective, thorough, fact-finding exercise into the subject matter before the commissioner appointed under the act. These boards, or inquiries, are not to be undertaken for the purpose of disrupting an industry or of disaffecting workers. Boards will sit with the objective of trying to realize the minimum standards provided by this bill without disrupting any of the industries making representations before them. For the first time, section 35 allows the federal authorities to get the full facts about the working conditions in these industries subject to federal jurisdiction.

The matter of ministerial discretion does not come into play in respect of the work of inquiries undertaken through the Inquiries Act under section 35.

Hon. Mr. Thorvaldson: I challenge that statement.

Hon. Mr. Connolly (Ottawa West): The minister expects, for example, in the matter of marine shipping, that if averaging fails, an application will be made under section 51 and forthwith a board will be constituted under section 35. If the industry cannot conform to the precise conditions here proposed, the recommendations of the board can provide for rules whereby adequate standards can be observed in this industry.

Hon. Mr. Thorvaldson: I wonder if the honourable senator would allow a question, just for the record. Is it not correct that under the act when a board of inquiry reports, it is a question of whether the minister accepts that report or does not accept it, and consequently the decision must be that of the minister and not of the board? In other words, is it not a fact that the board merely recommends?

Hon. Mr. Connolly (Ottawa West): I think a recommendation coming from the board, an objective order made by the board, an objective order made under the Inquiries Act, would be the kind of report that a minister would have very great difficulty rejecting. I have full confidence in the kind of work that these boards can do. I have full confidence also that a minister of the Crown in any government would look at the recommendation and deal with it in the way governments deal with recommendations of this character.

Looking now at the grain elevator operators, about which so much has been said, I think it can be assumed that under section 3, subsection (3) of the bill, many of these country grain elevator operators in western Canada are in the managerial class and will be excluded by the operation of section 3, subsection (3). The chairman of the committee thought so, and I think the counsel to the committee thought so.

Some of them may be employees, some may not.

Hon. Mr. McCutcheon: They are all employees.

Hon. Mr. Connolly (Ottawa West): Well, they may be.

Hon. Mr. McCutcheon: The question is whether they are managers.

Hon. Mr. Connolly (Ottawa West): Well, all right; the managerial test is perhaps the appropriate one. In any event, some may not fall within that category, and I submit to honourable senators that the averaging, which is permitted under section 5(2), might very well solve the problems of a great many of the others. But if averaging does not succeed in solving the problems—and I should point out here, as has been pointed out to me, the fact that the permit system which is now in operation in western Canada may cut down a good deal the hours worked by grain elevator operators there. But, as I say, if the averaging system does not work, then the provisions of section 51 are applicable, and also the provisions of section 35.

Honourable senators are very concerned, and I think with reason, about conditions in the trucking industry. Many of the drivers spend long hours on the road; fatigue is a fact of life with them. Fatigue means danger not only to the drivers themselves but to the public at large.

I am informed that in 1962 the driver control branch of the Department of Transport of Ontario listed 758 accidents as due to extreme fatigue. These were accidents with cars and trucks. And in 1964 there were 13 accidents among tractor-trailer drivers alone due to extreme fatigue.

Hon. Mr. McCutcheon: How many?

Hon. Mr. Connolly (Ottawa West): Thirteen.

Hon. Mr. McCutcheon: Honourable senators, I trust the honourable senator will not mind my interjecting at this point. We did have a representative of the Teamsters Union appear before us. He made no representations about the working conditions of the members of his own union, because he apparently was perfectly satisfied. His whole representation was directed to what he called the owner-driver, the broker-driver, who is not controlled by this bill or by various provincial acts at all.

I am not denying that fatigue will cause accidents and so on, but I do suggest to my honourable friend it is a little unfair to say that the provisions of this bill are going to correct that situation, because they do not touch what the head of the Teamsters Union referred to.

Hon. Mr. Connolly (Ottawa West): Perhaps the provisions of the bill will not touch every individual case, but they will touch a great many cases. The fact they touch so many cases might be the reason for what opposition there is to the provisions of this bill. And if this opposition did not exist, probably the condition would not have to be remedied.

Hon. Mr. Thorvaldson: Would the honourable leader allow a question at this time? I am wondering if he was present at the meeting of the Banking and Commerce committee when testimony was given, that the number of accidents per unit-mile by these truck drivers was less by, I think, about a third than the accidents caused by the general public. I think that is in the evidence.

Hon. Mr. Connolly (Ottawa West): That may well be, and I take second place to no one in my admiration for the skill of the drivers of these tractor-trailers. But I do say that if this bill is going to improve conditions in that industry to the advantage of the general public as well as to that of the trucking drivers, then I am all for the bill.

The provinces are concerned about this problem, and only Parliament can deal with this question of excessive hours in inter-provincial and international trucking. I come back again to what I said earlier, that the truckers and the trucking industry need time. The minister has indicated that there will be time given to study the operation, to see how quickly and how thoroughly the trucking industry can conform to the proposed minimum standards.

I should refer to another point as well. The amendment proposes to exempt road crews and flight crews, among other groups in the industries mentioned in the amendment. But it should be remembered that in the case of the trucking industry the work of the warehouseman and the repairman is subsidiary to and complementary to the work of the road crew. Very often these groups are in the same collective agreement. Most of them are organized. The same applies to the flight crew, because the airline mechanic and serviceman performs services that are subsidiary to and complementary to the work of the flight crew.

Hon. Mr. McCutcheon: I would be quite willing to enlarge the amendment, to include these other workers.

Hon. Mr. Connolly (Ottawa West): The amendment is before us. I do not think that is a useful interjection.

The point is this, that the amendment would extend the benefits of this legislation to certain segments of this industry, and would deny it to others—

Hon. Mr. McCutcheon: Nonsense!

Hon. Mr. Connolly (Ottawa West): —and I do not think it is the intention of honourable senators to discriminate as between groups within an industry and say that one group shall have the benefits of these minimum standards while another group shall not.

Hon. Mr. Flynn: The minister will be able to do that under his ministerial discretion.

Hon. Mr. Connolly (Ottawa West): After the inquiry is held to investigate the conditions in an industry, the inquirer will be able to do a good deal to reach equitable results. But I think that an arbitrary exclusion, as is proposed here, might very well produce results that are not equitable.

Honourable senators, this legislation is new. I do not deny that there are difficulties facing the administration in trying to establish it in all of the different industries subject to parliamentary jurisdiction. But I do suggest that there has been introduced into this legislation an element of elasticity. Rigidity has been eliminated largely by the provisions of section 51 and section 35, as well as through the averaging provisions. The purpose of the bill is not to apply a rigid uniformity across the board in all industries subject to federal jurisdiction. The purpose of the legislation is to achieve reasonable minimum standards. The purpose also is to anticipate problems arising out of the expected rapid expansion

of the labour force. The report of the Economic Council of Canada said that by 1970 1½ million new jobs have to be found in this country. There is provision in this legislation for special cases and for the enactment of rules for those special cases. I am told also that before the regulations are drawn there will be close consultation between representatives both of employers and employees.

I would therefore ask honourable senators to reject the amendment and to give the bill third reading.

The Hon. the Speaker: It is moved by the honourable Senator Connolly (Ottawa West), seconded by the honourable Senator Beaubien (Provencher), that Bill C-126, intituled: "An Act respecting hours of work, minimum wages, annual vacations and holidays with pay in federal works, undertakings and businesses", be now read the third time.

In amendment, it is moved by the honourable Senator Flynn, seconded by the honourable Senator McCutcheon:

> That the bill be not now read the third time, but that it be amended as follows:
>
> Strike out subclause (3) of clause 3 and substitute therefor the following:
>
> (3) This Act does not apply to or in respect of employees who are
>
> (a) managers or superintendents or who exercise management functions,
>
> (b) members of such professions as may be designated by the regulations as professions to which this Act does not apply,
>
> (c) operators of country grain elevators as defined in the Canada Grain Act, or
>
> (d) members of the running trades including sleeping and dining car crews of any railway, the road crews of any firm engaged in interprovincial motor vehicle transport, seamen as defined in the Canada Shipping Act, stevedores and longshoremen, flight crews of any civil aircraft: Provided that the employment of such employees is governed by the terms of a collective agreement negotiated by a duly certified bargaining unit.

Is it your pleasure, honourable senators, to adopt the motion in amendment?

Those in favour of the motion in amendment will please say "Content".

Some Hon. Senators: Content.

The Hon. the Speaker: Those who are against the motion in amendment will please say "Non-content".

Some Hon. Members: Non-content.

The Hon. the Speaker: In my opinion, the Non-contents have it.

Some Hon. Senators: Let us have a recorded vote.

The Hon. the Speaker: Call in the senators.

Motion in amendment of Hon. Mr. Flynn negatived on the following division:

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Belisle	Méthot
Blois	O'Leary (Antigonish-Gusyborough)
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Gélinas	Roebuck
Gershaw	Savoie
Gouin	Smith (Queens-Shelburne)
Haig	Taylor (Norfolk)
	Veniot
	Woodrow—38.

The Hon. the Speaker: I declare the amendment lost.

It is moved by the honourable Senator Connolly (Ottawa West), seconded by the honourable Senator Hugessen, that this bill be now read the third time. Is it your pleasure, honourable senators, to adopt the motion?

FURTHER MOTION IN AMENDMENT—NEGATIVED

Hon. Mr. McCutcheon: Honourable senators, I move in amendment, seconded by the honourable Senator Flynn:

That the bill be not now read the third time, but that it be amended as follows:

1. Immediately after section 53 insert the following as section 54:

"54. Where it is made to appear to the Minister that in the case of any federal work, undertaking or business referred to in paragraphs (a), (b), (c), (d) and (e) of subsection (1) of section 3 or of any class of employees therein that the application of Part IV would disturb any employment custom peculiar to such federal work, undertaking or business or any operation therein, the Minister may by order suspend the operation of Part IV in respect of that federal work, undertaking or business or of any class of employees therein."

2. Renumber present section 54 as section 55.

The Hon. the Speaker: It is moved by the honourable Senator Connolly, seconded by the honourable Senator Beaubien (Provencher), that this bill be now read the third time.

In amendment, it is moved by the honourable Senator McCutcheon, seconded by the honourable Senator Flynn:

That the Bill be not now read the third time, but that it be amended as follows:

1. Immediately after section 53 insert the following as section 54—

Some Hon. Senators: Dispense.

The Hon. the Speaker: Is it your pleasure, honourable senators, to adopt the motion in amendment?

Hon. Mr. McCutcheon: Honourable senators—

Hon. Mr. Fournier (De Lanaudière): Honourable senators, I rise on a point of order. This is a complex motion that we are called to vote upon, and as it presents two different propositions it is, in my opinion, completely out of order. I should like to have your ruling on that, Mr. Speaker.

Hon. Mr. Flynn: Perhaps if the honourable senator had a copy of the amendment he would change his mind.

Hon. Mr. Fournier (De Lanaudière): My having a copy of the amendment will not cause me to change my mind. I listened very carefully when His Honour the Speaker read the motions—and I mean "motions," plural.

Hon. Mr. McCutcheon: Honourable senators, I am quite prepared to accommodate myself to the honourable senator, and adjourn the debate.

Some Hon. Senators: No.

The Hon. the Speaker: Honourable senators, it is moved by the honourable Senator McCutcheon, seconded by the honourable Senator Flynn, that this debate be adjourned until the next sitting of the Senate. Is it your pleasure to adopt the motion?

Some Hon. Senators: No.

Hon. Mr. Connolly (Ottawa West): Honourable senators, I do not think we want to divide on a motion for the adjournment of the debate. It would be desirable, I think, to draw this debate to a conclusion tonight. Perhaps the honourable Senator Fournier (De Lanaudière) will agree not to press his point of order, so as to enable the sponsor of the amendment to explain it. Perhaps that can be done briefly. If it can, then I suggest that we continue to a conclusion tonight.

The Hon. the Speaker: I have a motion to adjourn the debate.

Hon. Mr. Connolly (Ottawa West): I am asking the honourable senator if he really wishes to press his point of order.

Hon. Mr. McCutcheon: I am quite willing to withdraw the motion, honourable senators. I was merely trying to accommodate my honourable friend, Senator Fournier (De Lanaudière). If he accepts the suggestion of the honourable Leader of the Government, then I am prepared to proceed.

Hon. Mr. Fournier (De Lanaudière): Are you asking if I accept the withdrawing of the motion?

Hon. Mr. Connolly (Ottawa West): No. Do you withdraw your point of order?

Hon. Mr. Fournier (De Lanaudière): If my understanding is correct I heard honourable Senator McCutcheon say: " I am prepared to withdraw my motion."

Hon. Mr. McCutcheon: No; I am prepared to withdraw the motion to adjourn the debate.

Hon. Mr. Fournier (De Lanaudière): Well, honourable senators, I think a reasonable man must always keep a doubt in his mind about his own thinking. If honourable Senator McCutcheon would kindly explain his motions perhaps we shall find that they can be put in the form of one motion. If that is the case, then I have no objection to proceeding tonight.

Hon. M. Wallace McCutcheon: Honourable senators, there is, of course, only one motion before us at the moment, and the purpose of it is to assist the Government and the minister in the administration of this bill.

I noted down the words of the honourable Leader of the Government when he was speaking to close the debate at a previous stage earlier this session, and he referred

to the element of elasticity that had been introduced into this bill by sections 51 and 35. It would be quite improper for me to traverse the ground that we were discussing at that time, but I should like to say that none of the principals who appeared before us, and who are included within the classes of employers to whom the previous amendment applied, felt that a type of elasticity which left a guillotine over their heads forever was really a type of elasticity under which they wished to operate. Having said that I am sure, with some mental reservations, I speak for more than the "Contents" in the voting on the last amendment. It would be quite improper to pursue that argument at the moment.

Honourable senators, I want to introduce a complete element of elasticity into this matter. If we are to have the Minister of Labour cutting through the heart of agreements negotiated between strong unions and strong employers, if we are to have him sitting like Banquo's ghost at every bargaining table, then I think it only proper that we should go the whole way.

I should like first to draw the attention of honourable senators to the classes of business covered by this amendment. These are set out in clause 3(1)(a), (b), (c), (d) and (e) as follows:

> (a) any work, undertaking or business operated or carried on for or in connection with navigation and shipping, whether inland or maritime, including the operation of ships and transportation by ship anywhere in Canada,
>
> (b) any railway, canal, telegraph or other work or undertaking connecting a province with any other or others of the provinces, or extending beyond the limits of a province,
>
> (c) any line of steam or other ships connecting a province with any other or others of the provinces, or extending beyond the limits of a province.
>
> (d) any ferry between any province and any other province or between any province and any country other than Canada,
>
> (e) any aerodrome, aircraft or line of air transportation,

Therefore, the industries covered by this amendment are the same industries certain of whose employees were covered by the amendment which was disposed of earlier in this sitting.

While the Leader of the Government referred to this element of elasticity—which he said had been introduced into the bill by clauses 51 and 35, an element of elasticity as to the effectiveness of which I and others have some doubts—he did not, and in the circumstances there was probably no necessity for it, draw your attention to the fact that that element of elasticity does not extend to Part IV of the bill, which is headed "General Holidays" and which purports to give every person covered by the bill eight general holidays a year.

Honourable senators, there is a clause in the bill—and I want to anticipate the argument which may be made—which provides that employees do not necessarily have to accept the general holidays specified in the bill, but that any designated holidays may be substituted for them. But in what circumstances? I am referring to clause 28(1)(a):

> where a class of the employees of an employer is represented by a trade union and the parties to a collective agreement entered into with regard to the terms or conditions of employment of the employees notify the Minister in writing that a specified day has been designated in the collective agreement as a holiday with pay in lieu of a general holiday under this Part, such designated day shall, for those employees mentioned in the collective agreement, be a general holiday for the purposes of this Act;

This is the next provision:

> (b) where no employees of an employer are represented by a trade union—

The people in whom I am interested are all represented by strong trade unions, so I shall not read that paragraph (b). But, suppose you have a collective agreement which provides for no general holidays.

Hon. Mr. Connolly (Ottawa West): Are there any?

Hon. Mr. McCutcheon: Yes. Not a single running trade in the railways of North America has any provision for general holidays in its collective agreement—and this involves one of the strongest labour unions in North America. Senator Roebuck acted for them on many occasions. There are no provisions for general holidays in the collective agreements of the air lines. There are no provisions for statutory or regular holidays in the collective agreements of the flight crews in the air lines. There are no provisions for regular holidays in contracts with seamen, and so on.

Therefore, how can the employer and the employee notify the minister that they are going to substitute another day for a general holiday that, under their collective agreement, does not exist?

There is evidence which has not been denied. I do not accept the position of the Leader of the Government when he says that because it has not been denied it necessarily

is correct. My own suspicion is that the unions affected, the unions representing the running trades, the flight crews, the seamen, the S.I.U.—I would think that even this Government might have some evidence that the S.I.U. was a strong union—if they were concerned, would have appeared before us.

I am going to accept the statement of the Railway Association of Canada, and I shall have to read again. I am reading from page 17 of their brief, which is on the record of the Banking and Commerce Committee:

> General holidays are not included in the working conditions of road service employees to which group reference was made earlier. Nor are general holiday provisions in effect for any road service running trades employees on the North American Continent who enjoy the advantages of the dual basis of pay.

We had a vice-president of the Canadian National Railways—of course, Senator Pouliot does not regard them too highly. We also had a vice-president of the Canadian Pacific Railway before us. They heard this brief read, and by their presence and by their subsequent examination they indicated that this was a factual statement. I believe no person in this chamber can challenge the statement, and no other person came before the committee to challenge it. I quote from the brief again:

> It is worth repeating that the working conditions of such employees already recognize the requirements of their service in accordance with the necessity of the railways discharging their obligations as common carriers seven days a week and 365 days per year.
>
> When the majority of employees can be released for the holiday the fundamental principle of penalty payment is effective; where the majority of employees cannot be released for the holiday, as in the case of road service employees, the principle of the penalty payment is defeated. To apply a penalty where it cannot be effective in eliminating or controlling work performed would be contrary to the generally accepted principle governing penalty payments.
>
> The railways have never quarrelled with the position that the basic system of pay applicable to road service employees as well as their level of pay should, as it does, reflect the unusual requirements of the service, including work performed on general holidays without extra remuneration. Under the dual method of pay the increased average speeds have resulted in these employees earning their pay in fewer and fewer hours.

I refrain from quoting the examples which are in this brief and are on the record. The brief continues:

> To add to these advantages, as would be done if Bill C-126 were enacted in its present form, is without justification.
>
> On sixteen different occasions since 1950, the three major Brotherhoods representing running trades employees have submitted demands pertaining to general holidays with pay on both major railways. In ten cases such demands were withdrawn by the Brotherhoods in the collective bargaining process; in the remaining six cases, Conciliation Boards were appointed to consider these demands and after thorough investigation, rejected them.

The principle of dual pay, the peculiar circumstances of employment, are the same for the employment of a flight crew; the principle of dual pay applies equally there. The principle of dual pay does not apply to seamen. The peculiarity of employment, the tie to your place of employment, the inability to move away from it, and so on, does apply. The purpose of this amendment is to put the minister in a position where upon application he can—it does not require him to do so—suspend the operation of Part IV in respect of a particular federal work, undertaking or business, or any class of employees therein, only in these circumstances where it is made to appear to the minister that the application of Part IV would disturb any employment custom peculiar to such federal work, undertaking or business or operation therein.

That completes the element of elasticity which the Leader of the Government (Hon. Mr. Connolly, Ottawa West) is so proud to have in this bill. It is taking nothing away from anybody. It is enabling the minister to exercise his discretion in a limited number of circumstances. He may or he may not do it, but at least he cannot take shelter behind the act and say, "Well, of course, I cannot help you. It is too bad. You never had these things. No railway in North America has them, and I do not know how you are going to solve these things, or determine what is time and a half for a pilot who only works a maximum of 85 hours a month anyway." The minister now, has an opportunity to demonstrate that there is an element of elasticity in this bill; and as a minister, of course, he must be subject to criticism, depending upon what his decisions are in particular cases.

I say that the adoption of this amendment is the sort of action which the Senate should take in order to improve a piece of legislation without in any way depriving any person, subject to the ambit of the legislation, of any of the benefits that may accrue to him under the legislation, without due representations being made, doubtful and all as some of us may be as to some of the benefits which may accrue.

Hon. John J. Connolly: Honourable senators, in his usual cogent way, the honourable senator has made his point, and I think very clearly. I may not be as clear. In the first place, I disagree.

His reference to the statement I made earlier in the debate this evening, that there is an element of elasticity introduced into the operation of the act by sections 51 and 35 is, I submit, in a context quite different from the one posed by the honourable senator.

I say in all deference to the honourable senators opposite, that it is pretty hard for them to have it both ways. The argument of the senator, and the argument of his deskmate earlier, was that there was too much ministerial discretion in this bill. What the honourable senator is proposing now is to give the minister a great deal more ministerial discretion than the bill had contemplated. If this had been done in the first instance, I am sure that the honourable senator would perhaps have been one of the first to rise and say this minister is taking a great deal too much unto himself in the way of discretions.

We are talking primarily about general holidays. Perhaps I should read from section 2(f), which defines general holidays:

> "general holiday" means New Year's Day, Good Friday, Victoria Day, Dominion Day, Labour Day, Thanksgiving Day, Remembrance Day and Christmas Day and includes any day substituted for any such holiday pursuant to section 28.

The idea behind this bill is that workers in Canada, subject to federal jurisdiction, should have these holidays. I think, with that proposition, most of us are in agreement.

Hon. Mr. McCutcheon: Not if we want to travel on Christmas Day, or New Year's Day or Remembrance Day.

Hon. Mr. Connolly (Ottawa West): No. It does not by any means exclude the use of transportation or other facilities on those days. But there are other ways of dealing with that. There are eight such general holidays, and consistent with the idea of establishing minimum standards for Canadians in these industries, it was felt that these holidays should be made general holidays for the purposes of this legislation.

The honourable senator proposes by his amendment that in any cases where the application of Part IV would disturb "an employment custom peculiar to such federal work," the minister may suspend the operation of the section of the act in respect of that act. Well, if the employment custom in a given industry is such that these holidays, which everybody recognizes as holidays, are to be denied people, then I take my stand on the side which argues that they are entitled to these holidays and should have them.

What we are talking about under this legislation is a minimum standard. May I now read section 33:

> No employee is entitled to be paid for a general holiday on which he does not work when he is not entitled to wages for at least fifteen days during the thirty calendar days immediately preceding the general holiday; and no employee who is employed in a continuous operation is entitled to be paid for a general holiday on which he did not report for work after having been called to work on that day.

In other words, the man who works for fifteen days prior to the holiday is entitled to the holiday. If he does not, he is not so entitled. I think that on the basis of this section, this objection having been raised in committee, the minister said he felt that this was a factor which must be taken into consideration in dealing with the proposal which the honourable senator has just put to the Senate.

I think also that the general representations made to the minister, to the department and to the committee, did not make the major point about this section, to which the honourable senator has referred. I would therefore ask the Senate to reject the amendment.

The Hon. the Speaker: It is moved by the honourable Senator Connolly—

Hon. Gunnar S. Thorvaldson: Honourable senators, considering the time that has been devoted to this bill by this body, we are all agreed that the problems posed by it are important ones. We who supported the first amendment that was made and debated this evening are of the view that that amendment was important, and that it should have been passed by this house. Considering the importance of the present amendment, and indeed we do consider it important, and also considering the fact that this body is one which is intended to give sober second thought to important problems of state, I think some further consideration should be given to this matter than has been given tonight.

Consequently, I have much pleasure in moving the adjournment of the debate.

The Hon. the Speaker: It has been moved by the honourable Senator Thorvaldson, seconded by the honourable Senator Macdonald (Cape Breton), that this debate be adjourned until the next sitting of the Senate. Is it your pleasure, honourable senators, to adopt the motion?

Hon. Mr. Connolly (Ottawa West): No.

Hon. Mr. Smith (Queens-Shelburne): Let us finish.

The Hon. the Speaker: Those who are in favour of the motion, please say "Content."

Some Hon. Senators: Content.

The Hon. the Speaker: Those against the motion, will please say "Non-content."

Some Hon. Senators: Non-content.

The Hon. the Speaker: In my opinion the Non-contents have it.

Hon. Mr. Thorvaldson: Steamroller, steamroller!

Hon. Mr. Connolly (Ottawa West): Oh, no!

Hon. Mr. Thorvaldson: We can finish this in half an hour tomorrow.

The Hon. the Speaker: It has been moved by the honourable Senator Connolly (Ottawa West) and seconded by the hourable Senator Beaubien (Provencher) that this bill be now read the third time. In amendment, it is moved by the honourable Senator McCutcheon—

Hon. Mr. Flynn: Is the motion for amendment defeated?

The Hon. the Speaker: I was putting the question. I think I gave sufficient time for senators to get up, and not seeing two senators rise, that is the reason I was reading the amendment. I think it is too late to call for a vote.

Hon. Mr. Grosart: On a point of order, Mr. Speaker, may I with respect suggest there have been many occasions in this chamber when the pause, which you have suggested is required, was much greater and when you gave considerable latitude. You have given latitude, I suggest respectfully, in many cases since I have been in this house, that you are now reluctant to give. I suggest the latitude that has been given in many other cases should now be given to those senators who have risen.

The Hon. the Speaker: Honourable senators will recall that when I put the question, "Those in favour of the motion, will please say 'Content'" I heard some say "Content"; and when I called for the "Non-contents" I also heard some honourable senators say, "Non-content." After that, I again paused. I did not see any senators getting up, and I even heard one senator—and I must say it was the honourable Senator Thorvaldson—make some remarks without rising. So not seeing any senators getting up, the only thing that was left for me to do according to the procedure, was to read the amendment before the Senate.

For those reasons, I think I have given sufficient time. I must say to the honourable Senator Grosart that I have never been reluctant to give sufficient time to any honourable senator to ask questions or to make any remarks. Of course, I did not check the time by my watch, but I think, in the circumstances I have already stated, I have given sufficient time.

Hon. Mr. Thorvaldson: Honourable senators, on a point of order, I want to say that I am absolutely amazed at the ruling that is being made—

Some Hon. Senators: Order, order!

Hon. Mr. Hayden: What is the point of order?

Hon. Mr. Thorvaldson: The point of order is that we believe we have the right to vote on the motion which I made to adjourn this debate until tomorrow.

The Hon. the Speaker: This question was put and, nobody getting up, I could not ask for a vote. That is the reason I say it was too late.

It is moved by the honourable Senator Connolly (Ottawa West)—

Hon. Mr. Flynn: Mr. Speaker, you have made your ruling, and I, for one, accept it, but I think the next thing is to revert to the point where we were. The honourable Senator Thorvaldson was discussing the amendment before the Senate, and I think that he should be given the opportunity to do so.

The Hon. the Speaker: If I remember the discussion well, there was a motion to adjourn the debate.

Hon. Mr. Flynn: Yes.

The Hon. the Speaker: The motion for the adjournment of the debate was defeated.

Hon. Mr. Flynn: Yes; so the debate continues.

Hon. Mr. Aseltine: Sentaor Thorvaldson has the right to go on with his speech.

Hon. Mr. Choquette: If he is ready to go ahead, he should continue.

The Hon. the Speaker: If he wants to go ahead, that is all right.

Hon. Mr. Brooks: Not on a point of order. I know this motion is not debatable, but this is the first time since I have been in the Senate that we have had proposed a division on the motion to adjourn. It is now well after the time that we usually sit and, as the honourable Senator Thorvaldson has told us, this is a very important matter.

Frankly, I will not accuse anyone of being discourteous, because I know the honourable gentlemen opposite too well, but speaking in general I think it is a bit discourteous to ask us to go on at this time on an amendment which has just been introduced. I ask honourable senators if this might not be adjourned until tomorrow.

As far as I personally am concerned, I have been doing nothing here in Ottawa from last Thursday until today, and a good many other senators have been in the same position. Why half an hour or an hour is going to make all this difference is very difficult for me to understand; I really do not understand the attitude.

Hon. Mr. Connolly (Ottawa West): Honourable senators, it is always very hard to resist the blandishments of the Leader of the Opposition (Hon. Mr. Brooks). Really the only point I had in mind in connection with this matter was that, unfortunately, I cannot be here tomorrow. That is a personal reason, but I was rather anxious to see this matter concluded this evening, if at all possible.

If the honourable senator who spoke and proposed the adjournment of the debate feels that he has something that he just wants to add to this discussion tomorrow, then I think, in the circumstances, we would agree to its adjournment. But if, on the other hand, he considers the matter might be concluded quickly here this evening, he might so indicate.

Hon. Mr. Thorvaldson: Honourable senators, I thank the honourable Leader (Hon. Mr. Connolly, Ottawa West), for the remarks that he has just made. It is very generous of him to suggest that the debate might be adjourned until tomorrow, and I appreciate that suggestion.

However, I would like to say this, particularly to the honourable leader, that my purpose in adjourning this debate was nothing in the nature of a trick or anything of the kind unduly to delay the debate. I ask honourable senators to believe me when I say that. I had intended to speak on this amendment tomorrow for perhaps 10, 15 or 20 minutes, but I did want to prepare the remarks I would make.

As I understand it, I do not know of anyone else on this side who wants to speak in this debate—that is, on the second amendment made by the honourable Senator McCutcheon. There may be somebody on the other side who would like to speak on it, but considering the generosity of the Leader of the Government in this regard, which I appreciate very greatly, I will say to him now that anything I might say tomorrow might not be of such significance as to change the views and opinions of anybody here.

Consequently, I will say, if the Leader really desires to close the debate—

Hon. Mr. Choquette: Even with a vote!

Hon. Mr. Thorvaldson: —to close the debate, it is not my intention to hold up the business of the Senate. I ask you to believe me when I say now it was not my intention to hold up the business of the house for more than perhaps 15 or 20 minutes or half an hour tomorrow.

May I conclude by saying that, to my knowledge, it has never been the purpose of anybody in this house deliberately to adjourn a debate for the purpose of embarrassing the other side or for the purpose of unduly delaying the progress of this house. Again I say to you, it was not my purpose. Consequently, if the honourable Leader of the Government maintains that he would like to have the debate concluded tonight, then I am quite satisfied not to adjourn the debate.

The Hon. the Speaker: I would like to know what the opinion of the honourable Leader of the Government is.

Hon. Mr. Connolly (Ottawa West): I take it from what the honourable senator has just said that he would just as soon have the motion put tonight.

The Hon. the Speaker: It is moved by the honourable Senator Connolly (Ottawa West), seconded by the honourable Senator Beaubien (Provencher), that this bill be now read the third time.

In amendment, it is moved by the honourable Senator McCutcheon, seconded by the honourable Senator Flynn:

> That the bill be not now read the third time, but that it be amended as follows:
>
> 1. Immediately after section 53 insert the following as section 54:
>
> "54. Where it is made to appear to the Minister that in the case of any federal work, undertaking or business referred to in paragraphs (a), (b), (c), (d) and (e) of subsection (1) of section 3 or of any class of employees therein that the application of Part IV would disturb any employment custom peculiar to such federal work, undertaking or business or any operation therein, the Minister may by order suspend the operation of Part IV in respect of that federal

work, undertaking or business or of any class of employees therein."

2. Renumber present section 54 as section 55.

Is it your pleasure, honourable senators, to adopt the motion in amendment? Those in favour of the motion in amendment will please say "Content".

Some Hon. Senators: Content.

The Hon. the Speaker: Those against the motion in amendment will please say "Non-content".

Some Hon. Senators: Non-content.

The Hon. the Speaker: In my opinion the Non-contents have it.

And more than two senators having stood.

The Hon. the Speaker: Call in the senators.

Motion in amendment of Hon. Mr. McCutcheon negatived on the following division:

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Honourable Senators

Aseltine	McCutcheon
Belisle	Méthot
Blois	O'Leary (Antigonish-Guysborough)
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Fournier (Madawaska-Restigouche)	Welch
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Honourable Senators

Basha	Boucher
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Fergusson	Fournier (De Lanaudiere)
Gelinas	Gershaw
Gouin	Hayden
Hugessen	Inman
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McLean	Pouliot
Power	Reid
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The Hon. the Speaker: I declare the amendment lost.

On division.

THIRD READING

The Hon. the Speaker: Honourable senators, it is moved by the honourable Senator Connolly, P.C., seconded by the honourable Senator Beaubien (Provencher) that this bill be now read the third time.

Is it your pleasure, honourable senators, to adopt the motion?

Hon. Senators: On division.

Motion agreed to, and bill read third time, and passed, on division.

Hon. Mr. Connolly (Ottawa West): Before we adjourn I should like to say that I hope everybody will have a good St. Patrick's Day.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, March 17, 1965

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

Prayers.

ST. PATRICK'S DAY

TRIBUTES TO ST. PATRICK AND THE IRISH PEOPLE

Hon. Joseph A. Sullivan: Honourable senators, I beg the indulgence of the house, as I bring to your attention that this is a most momentous day. This is the 17th of March, St. Patrick's Day.

On a previous occasion I prefaced my brief comments by stating that this was the greatest day in the history of civilization. Having made that remark, and giving the contents of such a statement the most serious of consideration and research, I can only repeat that this *is* the greatest day in the history of civilization.

There is an old saying that "boloney is flattery so thick it cannot be true, and blarney is flattery so thin, we like it." I propose to give you a little blarney this afternoon; or, in other words, "The oil can is mightier than the sword."

There is a story told that Pat, when he went to confession, mentioned to the priest that he had recently killed a couple of Englishmen. "Never mind politics," the priest said, "tell me about your sins."

From one of the great ballads and lyrics of seventeenth century Ireland, there is a beautiful song. Unfortunately, unlike my deceased friend and colleague, the late Senator Felix Quinn, I am unable to sing it. However, it goes like this—and I will give you three or four verses:

Oh weep for the day we were forced from our cot,
From our praties and milk and our stir-about pot,
When Judy kept every thing piping and hot,
So snug with the cat in the corner.

The pigs and the dogs and childre, agrah!
Lay down on the floor, so dacent in straw,
While the cocks and the hens they were perch'd up ava,
Just over the cat in the corner.

Our window so clane by an unlucky stroke,
Had three of the purtiest panes in it broke:
We fastened up two with the tail of a cloak,
And the smoke went through one in the corner.

Och! Paddy's the boy, with a stick in his fist,
With a spur in his head, and a bone in his wrist,
And a straw round his hat—
Senator Connolly (Halifax North)!
—you must call it gold twist,
Or he'll murdher you all in the corner.

The most precious, the grandest inheritance of any people is that people's history. All that forms the national character of a people, their tone of thought, their devotion, their love, their sympathies, their antipathies, their language—all this is found in their history, as the effect is found in its cause, as the autumn speaks of the spring. And the philosopher who wishes to analyze a people's character and to account for it—to account for the national desires, hopes, aspirations, for the strong sympathies or antipathies that sway a people—must go back to the deep recesses of their history; and there, in ages long gone by, will he find the seeds that produced the fruit that he attempts to account for. And he will find that the nation of today is but the child and offspring of the nation of bygone ages, for it is written truly that, "The child is father of the man."

When, therefore, we come to consider the desires of nations, we find that every people is most strongly desirous to preserve its history, even as every man is anxious to preserve the record of his life for as history is the record of a people's life, hence it is that, in the libraries of the most ancient nations, we find the earliest histories of primeval races of mankind written upon the durable vellum, the imperishable asbestos, or sometimes deeply carved in mystic and forgotten characters on the granite stone or pictured rock, showing the desire of the people to preserve their history, which is to preserve the memory of them, just as the old man dying said, "Lord, keep my memory green."

But, besides these more direct and documentary evidences, the history of every nation is enshrined in the national traditions, in the national music and song; much more, it is written in the public buildings that cover the face of the land. These, silent and in ruins, tell most eloquently their tale. Today "The stone may be crumbled, the wall decayed;" the clustering ivy may, perhaps, uphold the tottering ruin to which it clung in the days of its strength; but,

The sorrows, the joys of which once they were part
Still round them, like visions of yesterday, throng.

They are the voices of the past; they are the voices of ages long gone by. They rear their

venerable and beautiful gray heads high over the land they adorn; and they tell us the tale of the glory or of the shame, of the strength or of the weakness, of the prosperity or of the adversity of the nation to which they belong.

What does it tell? It tells us of a race that has never decayed; it tells us of a people that have never lost their faith nor their love; it tells us of a nation as strong in its energy for every highest and holiest purpose today, as it was in the ages that are past and gone forever.

That philosophy is the indelible history, tradition and heritage of a great race of people, whether they be Irish, Scottish, French, English or Welsh. Thus, honourable senators, if any civilization is to progress, man must go back to the past, to the storehouse of his tradition and bring out from that granary all the fine ideas that are hidden there and use them as the basis of constructive thinking for the future. This very philosophy applies at the present day, at the present moment, to you, to me and to all Canadians, whether they be of French, or of English, or of Irish, or of Scottish or any other ethnic group, it belongs to all, to each one of us, to this Canada that we so dearly love. So be it, we are all Canadians.

Science will never be able to reduce the value of a sunset to arithmetic; nor can it reduce friendship or statesmanship to a formula. Laughter and love, the challenge of accomplishment in living, and the depth of insight into beauty and truth—these will always surpass the scientific mastery of nature in this day and age.

So, on this St. Patrick's Day we Irish in this country send our salutations to our far-flung brethren—to Ireland, to the highlands of Scotland, to Wales and Cornwall, to Brittany and northern Spain, and to our Celtic cousins in the United States of America. Let me repeat a portion of the salutation to the Gaels, by D'Arcy McGee:

> Hail to our Celtic brethren, wherever they may be,
> In far woods of Oregon, or o'er the Atlantic sea—
> Whether they guard the banner of St. George in Indian vales,
> Or spread beneath the nightless north experimental sails,
> One in name and in fame
> Are the sea-divided Gaels.
>
> A greeting and a promise, unto them all we send—
> Their character our charter is, their glory is our end—
> Their friend shall be our friend, our foe whoe'er assails
> The past or future honours of the far dispersed Gaels.
>
> One in name, and in fame
> Are the sea-divided Gaels.
>
> Now there's a wish they'll wish today
> In Limerick, Cork, and Kerry,
> 'Tis what they'll say in Galway Bay,
> Kildare, and Londonderry,
> In Dublin and in Donegal
> 'Tis what they'll be repeatin'—
> So you'll not be surprised at all
> To find it in this greetin'!

HAPPY ST. PATRICK'S DAY

Hon. A. K. Hugessen: Honourable senators, I am sure that we are all delighted to hear the eloquent words that have come from our colleague, Senator Sullivan, in celebration of the annual feast day of the Irish race, St. Patrick's Day, which happens to fall today. I must confess, honourable senators, that this of all days is the one on which I should not be substituting for the honourable Leader of the house (Hon. Mr. Connolly, Ottawa West). The honourable Leader of the house, as everyone knows, is an Irishman himself, and is at the present moment engaged in, shall I say, brandishing his shillelagh in Halifax.

Hon. Mr. McCutcheon: That is quite a euphemism.

Hon. Mr. Hugessen: He would be much more able to speak in reply to Senator Sullivan than I, who, as it happens, have no drop of Irish blood in my body.

Hon. Mr. McCutcheon: You poor fellow.

Hon. Mr. Hugessen: This is an annual occasion in the Senate to which we have become accustomed over the years, when our colleagues of Irish blood draw this happy occasion to our notice, and we are very glad to have it happen every year.

There is, however, one matter which slightly puzzles me; it is that only the Irish race seizes upon such an occasion each year. We let St. George's Day go by and not a single one of us who are of English origin says a word. Saint-Jean Baptiste Day passes by, and we hear not a peep out of our French-speaking colleagues. Towards the end of the autumn St. Andrew's Day comes along, and not a Scotsman raises his voice. It is only the Irish on St. Patrick's Day who seize upon the occasion to tell us of their race. I wonder what the reason for that can be.

Hon. Harold Connolly: Honourable senators, I rise on a point of order. Is the honourable senator suggesting that it is only the Irish who have a right and a reason to pontificate on a day of this kind?

Hon. Mr. Hugessen: Oh, no. All I am saying is that the Irish are the only people who do it, and I am trying to determine in my

own mind what the reason for it can be. The only reason that I can ascribe to it is that the Irish race really must have a deep-seated inferiority complex.

Hon. Mr. McCutcheon: Shame, shame!

Hon. Mr. Hugessen: They try to work that off every year by this exhibition that we see. An inferiority complex is a painful thing, and I think we should all do our best to try to help our Irish colleagues out of this feeling of inferiority. I think I can say for all the rest of us that we can tell them without hesitation that we do not believe for a moment that any of them are worse than we are.

With those few words, honourable senators, I think we can all join in congratulating Senator Sullivan on his eloquent words and in celebrating the history and feats of the Irish race.

Hon. M. Wallace McCutcheon: Honourable senators, I did not intend to speak, but I am forced to my feet by the last few words of Senator Hugessen, who said he wanted to let his Irish associates know that he did not feel that they were any worse than he was.

An Hon. Senator: He did not put it that way.

Hon. Mr. McCutcheon: That is the way I heard him.

I am Irish. My grandparents came from the south of Ireland, and my grandmother used to tell me that there was good and bad in all the world, and bad and worse in Ireland—and I am proud of it.

Hon. Josie D. Quart: Honourable senators, after all those wonderful tributes to the feast of St. Patrick, my remarks may be superfluous. But what better time than St. Patrick's Day to toot the Irish horn and blow about the friendly relations which exist between Canadians of Irish extraction and the English, French, Scottish, Welsh and other ethnic groups of Canada? We like everybody —and that is not the "thin blarney" Senator Sullivan mentioned, nor have I kissed the Blarney Stone—but we like everybody, and I hope they like us.

As I am from Quebec, I should like to tell you that St. Patrick's Day in all parts of "La Belle Province" is celebrated with a gaiety and fervor unmatched in any other part of Canada. One old Irishman from the "old sod" observed recently that the feast of St. Patrick is observed in Quebec and Montreal better than in Ireland itself. The heart-warming highlight is the sight of our French Canadian friends wearing shamrocks and green ribbons in honour of the day. Indeed, rare it is that a French family cannot lay claim to an ancestor from the Emerald Isle. The Irish-French "bonne entente" stretches away back to the early days of Christianity, when monks from Ireland went to France to spread the gospel and establish monasteries there.

So much for the past: now for the present. This year another tangible proof of French-Irish Canadian friendship is the St. Lawrence College in Ste. Foy, Quebec, the erection of which was sponsored by our new cardinal, His Eminence Cardinal Maurice Roy.

With only 26 pupils enrolled as a start, St. Lawrence College opened its first class in 1958 at the Grand séminaire, Université Laval; but now, with its beautiful new building, it has over 300 pupils.

Catholic, Protestant and Jewish faiths are represented in its student body. The dream of St. Lawrence College became a reality through the generosity of the French, English, Scottish, Jewish and other ethnic groups, and will be a lasting monument to the friendly relations existing in Quebec towards the small so-called Irish community. That proves the statement I made at the beginning of my remarks, that everybody loves the Irish. So, as the song goes, "It's a great day for the Irish"—and looking across at Senator Connolly (Halifax North) one would think we were right in Killarney.

DEPARTMENT OF INSURANCE

BILL TO AMEND CERTAIN ACTS—AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Paul H. Bouffard, Acting Chairman of the Standing Committee on Banking and Commerce presented the following report on Bill C-123 to amend certain acts administered in the Department of Insurance.

> Your committee recommends that authority be granted for the printing of 800 copies in English and 300 copies in French of its proceedings on the said bill.

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

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

Report adopted.

COMMONWEALTH PARLIAMENTARY ASSOCIATION

CONFERENCE AT KINGSTON, JAMAICA—DEBATE ADJOURNED

Hon. Arthur W. Roebuck rose pursuant to notice:

> That he will call the attention of the Senate to the 1964 General Conference of the Commonwealth Parliamentary

Association held at Kingston, Jamaica, 16th to 22nd November, 1964, and in particular to the discussions and proceedings of the Conference and the participation therein of the delegation from Canada.

He said: Honourable senators, I am fortunate that the duty I am performing at the moment falls on St. Patrick's day. Everyone is in a rather gay and festive mood and kindness is shining from every face.

The duty to report is one that we owe to the people of Jamaica and to our own organization, the Commonwealth Parliamentary Association.

My first thought in speaking to what is called an inquiry in the Order Paper, is to express my warm appreciation for the generous hospitality extended to the Canadian and all other delegations by the Government and people of Jamaica.

Jamaica, as many honourable senators who have been there are well aware, is a lovely land, an ideal tourist resort. Its beauties and points of interest were displayed to us with great pains and no little skill, and with considerable expense, I can assure you.

The current chairman of the Commonwealth Parliamentary Association was Mr. Donald Sangster, who is also the Deputy Prime Minister and the Minister of Finance of Jamaica.

His organization of the lavish entertainment of the delegates and arrangement of the details of the conference were simply magnificent. The generosity with which the government of Jamaica and the businessmen and the people of the island joined in all-out hospitality will never be forgotten by all who were the fortunate recipients.

Jamaica is an ideal vacationland for those who wish to leave for a time the invigorating chill of the Canadian winter for the summer warmth and brilliant sunshine of the Caribbean.

Canada is fortunate in this, that Jamaica is so easily reached. We have a direct flight from Toronto to Jamaica, in those marvellous new jet planes that seat 135 passengers, cost $6 million each to produce, travel at 500 miles per hour, and make the flight of some 2,000 miles from Canada to Jamaica in about five hours.

Jamaica is, indeed, a holiday land, and it entertains one and a quarter million tourists annually, who spend an estimated average of $40 million there each year. Tourism in Jamaica is a major industry.

In speaking of tourists, it is of importance to Canadian visitors to know of the Canadian High Commissioner, Mr. McInnes, who, with his brilliant wife and efficient staff, simply delights in assisting travellers from their native land of Canada. I knew Mr. McInnes many years ago when he was a reporter on the Toronto *Globe*. I found him to be most helpful and entertaining, and kind to myself and all the delegates from Canada.

For five days prior to the conference, the delegates were driven around the island to see the picturesque sights. We travelled in buses that shook the very life out of us, but we had a lovely time. There were two cavalcades of three or four buses each, and each group was preceded by police outrunners on motorcycles, with other motorcycles and a police car following. They cleared the roads ahead of us so that we had no traffic problems.

With each bus was an experienced liaison officer, and a guide who kept up a continuous oration over a public address system. He told us that the area of Jamaica was 4,400 square miles. In the great Clay Belt of our northern Ontario there are eight million acres of land. Compare that with about two million acres, and you will see that Jamaica is not large. The island is only 148 miles in length, and 24 miles wide at its narrowest point.

Through the centre of Jamaica, runs a range of mountains that divides the island into two sections. Several peaks are over 6,000 feet in height, and these mountains give character to the whole island, and, of course, account for twisting roads, hairpin bends, ups and downs and runabouts that make your head swim. In spite of all the difficulties of terrain, however, the Jamaican people boast of 6,000 miles of hard-surfaced roads in that little island.

The main crops in Jamaica are coconuts, bananas and sugar cane, with a growing industrialization of the cities and towns, and in the mining of bauxite.

The population of Jamaica is approximately 1,600,000, about equal to that of the City of Toronto. In that connection, one notes with some regret that over 10 per cent of the labour is unemployed although, by our standards, wages in Jamaica are extremely low. Of course, one must bear in mind that neither warm clothes nor heated homes are required in that climate. Nevertheless, the unemployment is distressing, with the unemployed gathering in the towns and cities, and in the sugar cane districts, where primitive agricultural conditions still persist. The sugar cane is reaped with the machete, a long knife, and is harvested as with the sickle, very much as in biblical times. Owners are not allowed to purchase or use labour-saving machinery in the harvesting of the sugar cane, because it is feared that automation might increase the already disastrous unemployment, and thus add to the abject poverty.

In the sugar cane country, the housing is as primitive as the agricultural methods. We passed large numbers of one-roomed shacks, which were positively shocking for human habitation. What interested me was not so much the size or the character of these dwellings, as the fact that no matter how lowly the habitation, the children emerged well dressed and clean, and the girls in little one-piece cotton dresses. I observed that there were no sores on the arms and legs of the children, and that their eyes showed no signs of trachoma. Sick children are hospitalized promptly and effectively, just as in Israel, in marked contrast to Asian countries.

The government is aware of the housing problem, and they are building quite a large number of small low-rental houses, but progress is slower than in Canada.

The housing and working conditions of the people showed a decided improvement as we travelled along the north shore, where the famous beaches are found, and where money spent by tourists stimulates the economy. Conditions are still further improved as one reaches the bauxite country.

We in Canada are directly interested in the bauxite industry in Jamaica. In the year 1942 a landowner named D'Costa sent a sample of earth to England for analysis, because he found it did not provide a satisfactory yield of corn. To his pleasant surprise the return showed 45 to 50 per cent bauxite content. At once the Government of Jamaica employed the Aluminum Laboratories of Canada to make an investigation and report. As a result of that discovery and what Canadians did in investigating and reporting, today there are three great companies mining bauxite in Jamaica, with a total investment of many millions of dollars.

Hon. Mr. Hugessen: One is the Aluminum Company of Canada.

Hon. Mr. Roebuck: Yes; I shall be speaking of that in a moment. These three companies pay to the Government of Jamaica £9 million in taxes and royalties per annum.

I should explain that bauxite is mined in open pits. Due to the volcanic condition of the island, the limestone base forms many small cups, into which nature has collected the aluminum-carrying soil. Then over centuries of seepage, that soil is concentrated into a high bauxite content. When the bauxite is mined from these depressions or cups, the government requires that the topsoil be laid aside and preserved and stored, and when the bauxite has been removed the topsoil is replaced. Thus, in its original state—or a good deal better, because it is fertilized when it is returned—the land is sold in two-acre farms to the local farmers.

Two-acre farms, as honourable senators will realize, are too small for mechanization. I have no doubt that in time these small farms will disappear, in favour of farms of larger areas. But at present that policy of the mining companies is creating an agricultural population well above the breadline and with a reliability that is present only where there is peasant proprietorship.

Other than the small farms that I have mentioned, Jamaica is a land of great estates, where the landless population is subject to the iron law of wages; that is, just enough to support life and maintain reproduction.

Those who have read Gibbon's *Decline and Fall of the Roman Empire* will remember the phrase, "Great estates ruined Rome." The yeomen disappeared in ancient Rome, and the fields were cultivated by gangs of slaves; but in Rome the great estates were largely exempt from taxation, while in Jamaica the bauxite companies pay, as I said, a gross of £9 million per year to the government of Jamaica. And in addition to that, they must meet the competition for intelligent workers of growing and vigorous industries in the towns. Industrial development is, therefore, the hope of the poverty stricken in Jamaica. It is the hope for an improved standard of living, together, I think, with the taxation of land values which is advocated by the opposition in the legislature.

We visited several new manufacturing plants, including a very modern cigarette factory and a newly-established Worcester porcelain plant where I learned the policy was a 40½-hour week and an eight-hour day. There was a basic wage of 19 cents per hour, a terribly low wage from the Canadian standpoint, but many piece workers—and those on the basic rate soon become piece workers —were making $14 per week which is still a low wage compared to Canadian standards. But bear in mind that underclothing and fur coats are unnecessary in Jamaica, and I did not hear any stories about executives giving mink coats to their secretaries. Also, the houses need neither insulation nor heating.

Then we visited the great bauxite plants. The Aluminum Company of Canada is a subsidiary of Kitimat of British Columbia. Alcan, as it is called for short, has invested in Jamaica in the order of $135 million, and its annual expenditure there is in the order of $21 million. It employs 2,000 Jamaicans and an additional 450 persons in agriculture. Under the managing director, Mr. J. H. Harwood, it is the only one of the three bauxite companies that processes its bauxite into aluminum. One-half of its 770,000-ton capacity it ships through the Panama Canal to the parent company in British Columbia where, as you know, with abundant electrical power,

it is converted into aluminum metal for commercial purposes.

The Reynolds Jamaica Mines Limited is the largest of the three bauxite producers. It too ships a portion of its 200-million ton production to Kitimat. Reynolds, in common with the other bauxite companies, claims reserve of bauxite sufficient to maintain production at its present rate for the next 100 years. With the return of the topsoil, Reynolds claims that it is putting more into the ground than it is taking out. It has a huge acreage under cultivation with modern machinery, a herd of 15,000 cattle, and employs 715 persons at wages considerably above the going rate in Jamaica.

I was interested in the company's medical clinic, where they serve the employees and their families with modern scientific standards and equipment. I read with some interest, I can assure you, the schedule of their fees. They will cut off a leg for $2 and fill a tooth for 70 cents. I do wish the dentists of Canada would take note.

The Kaiser Bauxite Company is the largest landowner in Jamaica, having acquired no less than 47,000 acres of Jamaica's land. In the course of its operations it found it necessary to displace many of the local inhabitants, but where the topsoil is replaced the people are re-established on these small farms to which I have referred at almost nominal prices.

In addition, the Kaiser Bauxite Company purchased estate lands in very considerable acreages, subdivided it into these little farms and sold them at almost nominal prices to actual dirt farmers. The result is greatly improved social conditions. The houses, though small, are not mean and miserable, as they are in some other parts of the island, and nearly all of them have vegetable gardens, as is not the case in the sugar plantation areas. The company has a great herd of cattle, and is planting trees for future timber by the hundreds of thousands.

The company contributed generously to the newly-established technical school where several hundred students are acquiring practical secondary education. I was told by a young teacher from Canada, teaching there under our foreign aid plan, that many students in their school were greatly handicapped by a lack of a primary education. Some have to be taught even to read and write.

Education is probably the major problem in Jamaica. Not more than 70 per cent of the children attend school, and the excuse is the shortage of schools and of teachers. That is the excuse given for the lack of any compulsory attendance law.

The Kaiser company has an investment in Jamaica of some $45 million U.S., pays over $4 million in income tax and over $1 million in royalties.

That is, I think, a short but rather comprehensive review of the industry of Jamaica. We Canadians are very much interested in the condition of the Jamaican people. Jamaica was a British colony, as we once were, and has recently acquired its independence. Jamaicans are very proud of their flag, their national anthem and the national spirit of their people.

Hon. Mr. Aseltine: Did you go down the Rio Grande on the bamboo rafts?

Hon. Mr. Roebuck: No, because when we arrived at that point of the island it was pouring rain.

With regard to the conference itself, it is practically impossible to give a comprehensive report of what took place. There were 170 delegates representing over 70 countries, all within the British Commonwealth of Nations. The conference was opened by the Governor and the Prime Minister, with military splendour and a most impressive ceremony. The whole world was there with the exception only of South Africa, South America and countries behind the Iron Curtain. There were large delegations from the United Kingdom, Australia, New Zealand, India, Pakistan, and Ceylon. The new Africa states were represented and were very aggressive. The United States sent three senators, who spoke to us as associate members. Canada sent seven Members of Parliament. The honourable Senator Allister Grosart and I also attended, I as special guest of the Government of Jamaica, and he as one of the delegates. Seven of us in all represented the federal Government, and all the provinces were also represented.

Fortunately, Canada was represented on this occasion by a very strong delegation, high in debating ability. I say "fortunately" because when people are giving money away, either privately or as a nation, it is never enough. On several occasions I was asked why rich Canada did not help its less fortunate neighbours. Several barbed arrows whizzed by at the conference, and finally a Jamaican cabinet minister made a direct attack upon Canada and what he termed our "lack of generosity." As all honourable senators know, Canada contributes very generously to peacekeeping operations, trade and aid, and much money is spent, but I am sorry to say that this is done without much publicity. It is not well publicized even in our own country, much less abroad.

Hon. Mr. Choquette: Did you ascertain how much of our total contribution goes there?

Hon. Mr. Roebuck: Yes, but I shall leave that to my friend the Honourable Senator

Grosart to deal with because he knows that story well and has made good use of his knowledge.

It is difficult to deal effectively with the problem of foreign aid. A very thorough study is necessary even to have a general idea of its extent, or to discuss it in detail. Fortunately, however, my honourable colleague to whom I have just referred had made a close study of this particular subject, and he seized the platform at the right moment and delivered so masterly an address, and so effective was his answer to the criticisms, that the chairman, a man from New Zealand, forgot about the 10-minute time limit, and Senator Grosart spoke for half an hour and, as far as I am aware, he was the only one allowed to do so during the entire conference.

It was one of the most outstanding contributions in the whole convention. There was only one other speech that compared with it, and that was delivered by my old friend Lord Morrison from England, the news of whose death in the last few weeks saddened all those who knew him. There were many excellent addresses by other Canadians, and I can assure you, honourable senators, that they knew the Canadians were there.

The importance of these Commonwealth Parliamentary Association conferences can hardly be overrated. Our experience in Jamaica, as indeed at other times and places, should teach us to select our strongest and most thoughtful debaters and parliamentarians to represent Canada on all future occasions of this kind.

Now, honourable senators, if you will permit me, I shall close by extending greetings to our little sister Jamaica—they like to be called Canada's little sister—and with good wishes for the future progress and well-being of that little island.

Further, with your permission, honourable senators, may I put on *Hansard* the names, first, of our own federal delegates, and then of those representing the provinces who were present on that occasion.

> List of Canadian (Federal) Branch Representatives: Mr. Jean T. Richard, M.P., Leader of the Delegation and Canadian Branch Representative on the General Council; Senator A. W. Roebuck, Special Guest of Conference Chairman, Hon. Donald Sangster; Senator Allister Grosart; Mr. James E. Walker, M.P.; Mr. Alfred D. Hales, M.P.; Mr. Herbert (Bert) W. Herridge, M.P.; Mr. Alexander Bell Patterson, M.P.; Mr. Robert Beaulé, M.P., and Mr. T. R. Montgomery, Secretary.
>
> List of Canadian Provincial Delegates: Alberta: Hon. H. E. Strom, M.L.A., Minister of Agriculture, and representative of Provincial Delegates on General Councils; British Columbia: Mr. W. M. Skillings, M.L.A.; Manitoba: Hon. Gurney Evans, M.L.A., Minister of Industry and Commerce; New Brunswick: Mr. Claude Savoie, M.L.A.; Newfoundland: Hon. G. W. Clarke, M.H.A., Speaker of the House of Assembly; Nova Scotia: Hon. S. T. Pyke, M.L.A., Minister of Highways and Minister of Public Works; Ontario: Hon. D. H. Morrow, M.P.P., Speaker of the Legislative Assembly; Prince Edward Island: Mr. A. W. Matheson, Q.C., M.L.A., Leader of the Opposition; Quebec: Mr. F. Boulais, M.P.P.; Saskatchewan: Hon. J. E. Snedker, M.L.A., Speaker-designate of the Legislative Assembly, and Mr. C. B. Koester, Clerk of the Legislative Assembly, and Secretary to the Canadian Provincial Delegations.

Hon. J. Campbell Haig: Honourable senators, we have listened with considerable interest to Senator Roebuck's dissertation on the Jamaican Conference. I think it worthwhile at this time to advise the house of what is going to happen in the next three or four years in connection with the Commonwealth Parliamentary Association.

In 1963, at Kuala Lumpur in Malaysia, it was announced where the next four conferences were to be held, by agreement of the General Council. At that time it was decided that the 1964 conference would be held in Jamaica, and that the Jamaica branch of the Commonwealth Parliamentary Association would be the host on that occasion. In 1965 the host country would be New Zealand, and in 1966 Northern Ireland. In 1967 the conference was to be held in Canada.

However, since that time, certain complications have developed, and it was indicated to the General Council, which sits in London, that a readjustment of these dates would be necessary. So with the consent of the Northern Ireland and Ottawa branches of the Commonwealth Parliamentary Association, the 1965 conference will be held in New Zealand, and the 1966 conference will be held in Canada. Therefore, we will not have the association conference in Canada in our centennial year.

This was decided upon a week or so ago when Mr. Vanderfelt, the secretary-general of the association, was here in Ottawa, and Mr. Richard, one of the members of Parliament for Ottawa, is now in London, England, talking with the officials of the General Council and discussing the agenda for the 1966 meeting. Mr. Montgomery, the former Clerk Assistant of the House of Commons, is going over to arrange certain details of the program of the conference when it is held in Canada. A committee of the Ottawa branch has been set up to make plans for the special sessions

and other sessions of which we have heard so much today, because time is short and it takes from six to nine months to get such a conference set up. There are many, many details to be arranged, not only the business conferences, but also the social events and where the visitors will go.

Having listened to this excellent report on the Jamaica conference, and knowing how we wish to hear from Senator Grosart, I considered that at this time I should intimate that Canada was to be the host country for 1966.

Hon. Mr. Smith (Queens-Shelburne): I wonder if I could ask a question with regard to what my friend has just said. Do I understand Northern Ireland will be the host for 1967 instead of Canada?

Hon. Mr. Haig: I did not indicate that, and I would prefer not to answer that question where it will appear in *Hansard*. As I indicated earlier, certain complications developed, and that is why Canada has taken over the duties as host country for 1966.

Hon. Allister Grosart: Honourable senators, in a moment, with the previous concurrence of the Leader of the Government, I intend to ask you to accept a motion to adjourn the debate. Before doing so, however, I wish to make two or three brief comments.

First of all, I congratulate Senator Roebuck on his excellent speech on the subject of the motion. He has displayed once again to us all his keen powers of observation, and his abiding life-long interest in the social problems of all peoples.

I must say too that his references to myself were extravagant and certainly over-generous. The fact of the matter is, honourable senators, that the outstanding figure at this conference was Senator Roebuck—and I am not saying that merely to reciprocate his kind words about myself.

Hon. Senators: Hear, hear.

Hon. Mr. Grosart: He was there in a very special role as the guest of the Government of Jamaica and of the conference, in honour of the great work he has done over the years to develop the Commonwealth Parliamentary Association into the great and effective body for world peace it is today. He was chairman of the first meeting of the Commonwealth Parliamentary Association in Ottawa when it was reconstituted on its present basis.

Everywhere we went about the island and the conference halls we heard references not only to his work in the initial stages of the association, but of his continuing and effective guidance of its affairs over the years.

Apart from that, his contribution to this particular conference was a very great one. He was the chairman of several of the meetings, and on one occasion that I well remember he achieved what very few people I know could have achieved. He brought to a satisfactory conclusion a very acrimonious dispute between India and Pakistan. Everywhere there were comments and high praise for his very skilful handling of one of the two very delicate situations that arose during the conference.

As Senator Roebuck's notice is before the Senate on this particular day, it also gives me an opportunity to correct an error of omission that I made a year ago today in this chamber. At that time I referred to the Irish blood in the veins of some of my distinguished colleagues, but somehow or other I forgot to mention Senator Roebuck in that connection. Privately, and very properly, he was quick to correct me. I can only say I was well aware of the distinction of the English blood that flows in his veins—blood which is renowned in the social, intellectual and political history of Great Britain—but I am glad on this occasion and this day to acknowledge that Senator Roebuck comes by his charm, his silver tongue and his secret of eternal youth, as honestly as any man can come by those qualities, that is, by allowing us to attribute them to the Irish blood in his veins.

Honourable senators, my second comment will be brief. Today is St. Patrick's Day, and I believe I have the honour of being the only member of the Parliament of Canada who has the good fortune of being born in Ireland. I am a Canadian by choice, and an Irishman by birth. I feel it is my duty to convey to you, as I did to some of our colleagues at a luncheon an hour or so ago, the compliments of all good Irishmen on this day, and their condolences that so few had the good fortune of being born in the Emerald Isle, and congratulations that you have all made the marvellous success of life that you have in spite of that unfortunate accident of birth.

Perhaps I can add a bit of Irish consolation to any of my colleagues who may be disturbed and dismayed by the conflicts and frictions that seem to be about us today in Canada. This is the true story of an American who was dining in a Cork hotel during the great troubles in Ireland after 1922 and 1923. While he was dining he heard shots and bombs bursting around him, and he said to the waiter: "This is a terrible war you are having here." The waiter replied: "Yes, sir, as you say, it is a terrible war, but it is better than no war at all."

I wish you all the compliments of the day, and I move the adjournment of the debate.

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

DIVORCE

RESOLUTIONS ADOPTED

The Senate proceeded to consideration of Resolutions numbered 706 to 809, inclusive, which were presented yesterday.

Hon. Mr. Roebuck, Chairman of the Standing Committee on Divorce, moved the adoption of the following resolutions:

Resolution 706, for the relief of Angela Claire Hartridge Matz.

Resolution 707, for the relief of Jean-Guy O'Brien.

Resolution 708, for the relief of Harold Clarke Sweet.

Resolution 709, for the relief of Maurice Paquette.

Resolution 710, for the relief of Florence Christina McWilliams Hughes.

Resolution 711, for the relief of Agnes Dunski Kuehne.

Resolution 712, for the relief of Gaetan Lefebvre.

Resolution 713, for the relief of Nancy Joan Thomas Le Tual.

Resolution 714, for the relief of Evelyn Deziel Griffith.

Resolution 715, for the relief of Rolanda Kursner Wyllie.

Resolution 716, for the relief of Marie Jeanne Marcelle des Rivieres Houde.

Resolution 717, for the relief of Dorothy Barbara Marchant McLagan.

Resolution 718, for the relief of Edith Mary Seymour-Higgins Thom.

Resolution 719, for the relief of Joseph Alphonse Lagace.

Resolution 720, for the relief of Lloyd Elliot Imhoff.

Resolution 721, for the relief of Noreen Linda Alguire Shirley.

Resolution 722, for the relief of Dorothy Ann Dixon MacArthur.

Resolution 723, for the relief of Ruth Aurelia Kleinerman Miller.

Resolution 724, for the relief of Margaret Ann Parker MacDonald.

Resolution 725, for the relief of Clarissa Grun Damant.

Resolution 726, for the relief of Mary Elizabeth Lindsey Sakellariou.

Resolution 727, for the relief of George Edward McNamee.

Resolution 728, for the relief of Abraham Leo Bronstein.

Resolution 729, for the relief of June Rosemary Brook Doty.

Resolution 730, for the relief of James Patrick Cannon.

Resolution 731, for the relief of Pauline Elkin Fruitman.

Resolution 732, for the relief of Rolland Belanger, otherwise known as Rolland Bergeron.

Resolution 733, for the relief of Micheline Drouin Martineau.

Resolution 734, for the relief of Audrey May Landers Groom.

Resolution 735, for the relief of Ingrid Erna Adele Boehm Bork.

Resolution 736, for the relief of Dorothy Elizabeth Chan Frigault.

Resolution 737, for the relief of Evaristo Cruz Iglesias.

Resolution 738, for the relief of Edith Mary Ann Thyer White.

Resolution 739, for the relief of Robert Pronce.

Resolution 740, for the relief of Nicholas Kotar.

Resolution 741, for the relief of Francoise Cholette Perusse.

Resolution 742, for the relief of Muriel Edna Stevens Pinsoneault.

Resolution 743, for the relief of Secundina (Secondina) Michetti Warren.

Resolution 744, for the relief of Clifford Robert Winter.

Resolution 745, for the relief of Brenda Ann Lawrence Zetchus.

Resolution 746, for the relief of Merrily Rose Weisbord Kachanoff.

Resolution 747, for the relief of Gerard Viau.

Resolution 748, for the relief of Gerard Oscar Lanthier.

Resolution 749, for the relief of Lucia Tweedie Kowaluk.

Resolution 750, for the relief of Joseph David Roma Beriault.

Resolution 751, for the relief of Diana Fellen Harris.

Resolution 752, for the relief of Guy Massicotte.

Resolution 753, for the relief of Roma Tetreault.

Resolution 754, for the relief of Micheline Guernon Leveillee.

Resolution 755, for the relief of Joseph Roger Lucas.

Resolution 756, for the relief of Francine Geoffrion Bilodeau.

Resolution 757, for the relief of Marie Cecile Reina Fleurette Constantin Bissonnette.

Resolution 758, for the relief of Marcelle Yvonne Rigaud Schembre.

Resolution 759, for the relief of Armande Harel Paquette.

Resolution 760, for the relief of Joseph Germain Jacques Francois Barcelo.

Resolution 761, for the relief of Gladys Beatrice Wooland Bernard.

Resolution 762, for the relief of Ingrid Lucy Kliem Raymond.

Resolution 763, for the relief of Ann Viola Woodward Anderson.

Resolution 764, for the relief of Teresa Di Nardo Beliveau.

Resolution 765, for the relief of Dorothy Silverstein Segal.

Resolution 766, for the relief of Marion Marguerite Duncan Hesler.

Resolution 767, for the relief of Joseph Mabo.

Resolution 768, for the relief of Marga Pfrommer Blattner.

Resolution 769, for the relief of Christiane Herregods Le Marie.

Resolution 770, for the relief of Donald William Morrow.

Resolution 771, for the relief of Mortimer Joseph Garelick.

Resolution 772, for the relief of Ruth Cohen Richer.

Resolution 773, for the relief of Karol Frank Bisok.

Resolution 774, for the relief of Johanna Geertruida Maria Emons Blom.

Resolution 775, for the relief of Charlotte Picard Ratcliffe.

Resolution 776, for the relief of Charles Wall.

Resolution 777, for the relief of Oakland John George Rennie.

Resolution 778, for the relief of Maria Teresa Bonaccorsi Prioreschi.

Resolution 779, for the relief of Gertrude Elizabeth Manning Saunderson.

Resolution 780, for the relief of Mirjam Sole Batasonsky.

Resolution 781, for the relief of Gilles McNicoll.

Resolution 782, for the relief of Sidney Cutler.

Resolution 783, for the relief of George Johann Kreuzer.

Resolution 784, for the relief of Susan Furth Muller.

Resolution 785, for the relief of Colette Verreault Vaillancourt.

Resolution 786, for the relief of Dorothy (Dorothee) Begin Desjardins.

Resolution 787, for the relief of Marcel Braitstein.

Resolution 788, for the relief of Doris Fern Long Chapman, otherwise known as Doris Fern Long Kenny.

Resolution 789, for the relief of Marie Ruth Ernestine DesRosiers Frye.

Resolution 790, for the relief of Sabina Zakrzewska Oboruns.

Resolution 791, for the relief of Oscar Ernest Mauskopf.

Resolution 792, for the relief of Veronica Dunski Gorman.

Resolution 793, for the relief of Louis Georges Grenier.

Resolution 794, for the relief of Gladys Mary Watmore Corey.

Resolution 795, for the relief of Virginia Isabel Baker Douglas.

Resolution 796, for the relief of Alice Drover Gray.

Resolution 797, for the relief of Roland Joseph Fernand Paquette.

Resolution 798, for the relief of Beverly Ann Widgington O'Connor.

Resolution 799, for the relief of Juliana Zichy Penney.

Resolution 800, for the relief of Marie Germaine (Ruth) Nicole Morency Yarosky.

Resolution 801, for the relief of Bernard Charles Thillaye.

Resolution 802, for the relief of Douglas Norman Seaban.

Resolution 803, for the relief of Michael Zajdel.

Resolution 804, for the relief of Bernice Ann Meikle Walters.

Resolution 805, for the relief of Gwendoline Vining Blott Paxton.

Resolution 806, for the relief of Madeline Edith L'Ecuyer Burdon.

Resolution 807, for the relief of Robert David Elder.

Resolution 808, for the relief of Gisela Elizabeth Eichmann Bragard.

Resolution 809, for the relief for Kathleen Linda Maslin Dutton.

Resolutions adopted, on division.

INCOME TAX CONVENTION ACT

BILL TO IMPLEMENT A CONVENTION BETWEEN CANADA AND JAPAN AND TO AMEND AGREEMENTS WITH CERTAIN OTHER COUNTRIES—SECOND READING

The Senate resumed from Wednesday, March 10, the adjourned debate on the motion of Hon. Mr. Hayden for second reading of Bill C-146, to implement a convention

between Canada and Japan for the avoidance of double taxation with respect to income tax and to amend the existing agreement and conventions between Canada and Denmark, Finland and the Netherlands, with respect to income tax.

Hon. A. J. Brooks: Honourable senators, I am sure you all realize in what a difficult position I am, in having to speak on this day and at this time on such a commonplace subject as that of income tax, which is really what this bill is concerned with. Before doing so I hope I may be pardoned if I make a few remarks on the subjects that have been discussed this afternoon.

The honourable acting Leader of the Government (Hon. Mr. Hugessen) mentioned the fact that he had not a drop of Irish blood in his veins and, of course, everyone commiserated with him. I am proud to say that I have many drops of Irish blood in my veins. My mother's people were Irish, and my grandfather was Patrick Kelly from Cork—nobody could be more Irish than that. Because of these facts I would like to add my own comments on this great day. I can assure you than anyone who has an Irish mother has great reason for being proud and for loving the old sod, Ireland.

This afternoon I listened to my good friend, Senator Sullivan, who is always so very eloquent and easy to listen to, no matter on what subject he is speaking, but and particularly when his subject is St. Patrick's Day and Ireland. I was telling him not so long ago that a friend of mine once asked me, "What is Senator Sullivan's nationality?" I replied, "What do you suppose is the nationality of a man with a name like 'Sullivan', with the map of Ireland written all over his face, and with the wit and eloquence he displays in public debate? What else can he be but an Irishman?"

It also occurred to me that if we had not so abruptly ended the debate on the Labour Code (Standards) Bill last evening, it would have been a good idea to have moved another amendment to the effect that St. Patrick's Day be one of the great national holidays of Canada, and that anybody who had to work on such a glorious day would be paid three or four times the regular wage. I did not have that opportunity, but I am very proud indeed to make these few remarks as half an Irishman.

This afternoon I have listened also to Senator Roebuck and Senator Grosart giving their reports on their trip to the West Indies. I do not think either one of them need apologize. I heard, not from them but from other sources, of the splendid work that was done by our delegation. It was, I was told, the best delegation present, and that its outstanding members were Senator Roebuck and Senator Grosart. I can believe this very well, and I am sure that Canada has every reason for being proud of its delegation.

Honourable senators, I am going to take but a few minutes this afternoon to discuss what is an important bill, although it did not receive very much attention in the other place. As a matter of fact, I think it was given three readings in the short space of five or ten minutes. It is an important bill. I listened closely to the sponsor of the bill (Hon. Mr. Hayden) the other day. As usual, we all enjoyed his remarks. I am sure that, by the time he had concluded, we had a thorough knowledge of the contents of the bill.

As the title of the bill indicates, its purpose is "to implement a convention between Canada and Japan for the avoidance of double taxation with respect to income tax and to amend the existing agreement and conventions between Canada and Denmark, Finland and the Netherlands, with respect to income tax." We learn that the purpose of the bill is to implement one new income tax convention, that is, with Japan, and to amend the existing income tax conventions with Denmark, Finland and the Netherlands.

In substance, this bill is similar to more than a dozen bills dealing with tax agreements between Canada and other countries, which have been approved by Parliament since 1942. We are all familiar with those bills.

There are some changes in form, to which attention has been drawn by the sponsor of the bill, so I will say nothing in that regard.

Honourable senators will recall that, when this debate was adjourned on Wednesday last, a discussion had arisen between two of our distinguished senators, two very distinguished legal men, one the former Attorney General of Ontario, Senator Roebuck, the other an outstanding constitutional lawyer from Montreal, the acting Leader of the Senate today (Hon. Mr. Hugessen). That discussion related to whether this bill should become part of the tax law of Canada, as have previous bills of a similar nature. I will not undertake to carry on the arguments advanced by those senators. We can see strong arguments on both sides. The reasons they advanced have been advanced on many occasions when similar bills were before the Senate.

However, we accept the opinion of the sponsor of the bill that, if there is any inconsistency between this bill and the provisions of any other law of Canada, the provisions of this particular bill shall govern. I believe that principle has been well understood for many years. It is a principle which has been

accepted and followed generally in practice ever since 1942. The sponsor of the bill, as usual, gave a clear and full explanation of its general principles, as well as of particular sections such as reservations regarding the definition of "resident" and of "permanent estate".

As in the case of similar bills passed previously, we cannot make changes; we must either pass the bill in toto or refuse to pass it. This was emphasized by the sponsor.

The terms of the bill have already been agreed on before the bill came to us and those terms were signed by the governments concerned. No doubt they were carefully studied at that time.

I would like here to make one criticism, which has been made on several occasions. Many bills come to us without explanatory remarks. In this bill there are blank pages on the right, from beginning to end. There should be explanations to assist honourable senators, and particularly laymen, to understand the bill. Some departments pay particular attention to explaining bills, but other departments seem to give this no attention at all.

There are two parts to this bill. Part I concerns the new convention between Canada and Japan regarding taxation. The convention, which is set out in Schedule 1, follows the general pattern of income tax conventions which Canada had entered into with 12 other countries, making due allowance for changes to suit varying circumstances and conditions.

The main purpose of the convention is to prevent double taxation, or to reduce taxation so as to enhance business and cultural relations between the two countries. I would like to emphasize that its purpose is to enhance business and cultural relations. This is not stated in the bill but, in explaining it in the other place the minister emphasized that point.

The convention contains articles similar to the 1963 draft double taxation convention on income and capital recommended by the Organization for Economic Co-operation and Development, of which both Canada and Japan are members.

The provisions of outstanding interest are those which restrict the rate of withholding tax on dividends, interest or royalties paid by a resident of one country to a resident of the other, to a maximum of 15 per cent. This is a reduction from the 20 per cent rate normally imposed by Japan and, as stated by the sponsor, it is a concession. In return, Canada has bound itself, for the term of the convention, to the rate of 15 per cent imposed by our Income Tax Act.

Honourable senators, without going into details, I should like to comment on the idea of "reducing taxation so as to enhance business and promote cultural relations" between the two countries. That this is being done I have not the slightest doubt. That more should be done has been obvious for some time. Japan, after her tremendous setback following the Second World War, is now well on the road to recovery. To her great credit, let it be said she has become again one of the great trading nations of the world, and certainly one to be reckoned with.

I should like to call your attention to our trading relations with Japan in recent years, to show the enormous improvement there has been and to give some idea of the amount of trade we have with that country now, and which can be increased in the future.

In 1956 our exports to Japan amounted to $127 million; our imports from Japan were $60 million. We exported to Japan over twice as much as we imported from Japan; and we had a favourable balance of $67 million. In 1961, our exports to Japan were $232,-420,000 and our imports were $116 million, again showing a ratio of two to one, and giving us a favourable balance that year of $115,813,000. The figures were somewhat similar in other years, and I shall not worry honourable senators by giving the list. It is sufficient to say that the ratio of two to one continued.

The largest exports from Canada to Japan of course were wheat, flax seed, lumber, soft woods, scrap iron, raw materials, non-manufactured goods. The chief imports were apparel and accessories, electrical apparatus, radio receivers, transistor radios and other items.

To show how energetic these people are, I bought this little shamrock, with a little pipe on it, which you see in my coat lapel. The shamrock is certainly Irish, but written on the little pipe is, "Made in Japan." Thousands and thousands of flags are coming to us from Japan at the present time. I commend these people for their energy. They are prepared to manufacture anything they can possibly sell to other nations. In fact, it is necessary for them to do so.

In this connection, I do not think it would be out of place to mention the fact that Japan, like Great Britain, has a large deficit trade balance with Canada. In fact, Great Britain's deficit for 1964 was $632 million. Together, Japan and Great Britain have a deficit of nearly $800 million. Compared with the United States, for instance, we find that in 1964 the U.S. surplus of nearly $900,000,000 exceeded the combined deficits of Japan and Great Britain. In other words, Japan and Great Britain are, so to speak, paying the deficit that we have with the United States. Those figures refer to merchandise transactions. If we include non-merchandise

transactions, Canada had a deficit with the United States of $1,659,000,000 in 1964.

Honourable senators, I do not know how it appears to you, but it seems to me that it is not fair that Japan and Great Britain—and I could also mention other countries—should have such tremendous deficits in trade with Canada, and that the United States should have such a large surplus.

I am not, of course, opposed to trade with the United States. I am strongly in favour of it. She is our great neighbour, and it is only natural that our trade with her should be greater than with other countries. However, I feel that we could buy many things from other countries to wipe out their large deficits, and I do not see any reason why we should, as it were, put all our eggs in one basket, as we seem to be doing as far as the United States is concerned. I do not believe that that is good for trade or for the general economy of this country.

It is good to hear that Japan has had a splendid increase in her trade since World War II. Her trade with Canada is increasing from day to day. I noticed in the newspaper the other day that on the west coast, for instance, Japan is buying vast areas of timber, that she is going into the pulp and paper business, and also that she is investing heavily in other business enterprises in this country.

I am sure that honourable senators from Nova Scotia—and particularly Senator Macdonald from Cape Breton—will be pleased to know that Japanese automobiles are soon to be built in Nova Scotia. That will mean a great deal to the economy of that part of Canada. I understand also that the initial employment will be in the neighbourhood of 500 men, which may be increased to one or two thousand.

Honourable senators, my main purpose in speaking to this bill was to point out the fact that our trade with Japan is increasing, but that I feel it should be increased to a larger extent.

I do not know how much revenue there might be from Canadian investments in Japan, but I would imagine it would be small. Perhaps the honourable sponsor of the bill (Hon. Mr. Hayden) would know. However, I do not think we have extensive investments in Japan. On the other hand, that country is increasing her investments in Canada, and I can see the need of a bill of this kind.

Hon. Mr. Reid: What stand would we take if Japan should want to export labour to this country?

Hon. Mr. Brooks: She is not sending labour here.

Hon. Mr. Reid: But she might. She did so to British Columbia before the war.

Hon. Mr. Brooks: I understand that in the factory in Nova Scotia all Canadian labour will be employed, and also that 50 per cent of the material used in manufacturing the cars, parts and so on, are to be produced in Canada. That is what I understand from the report I read.

Hon. Mr. Isnor: We are very happy about it.

Hon. Mr. Brooks: I have nothing further to say on that.

Part II of the bill, which has been explained, deals with the three supplementary conventions. The main change in all these conventions is the replacement of the provision that restricts the right of withholding tax on dividends paid to nonresidents by wholly-owned subsidiaries to a maximum of 5 per cent, or 2½ per cent in the case of the Canada-Netherlands Convention, by a provision that restricts the rate to a maximum of 15 per cent. This change was requested by Canada, as I understand it, and carries out the proposal first made in the so-called "baby budget" of December 20, 1960, and reiterated in the budgets of 1963 and 1964. In the case of the Canada-Netherlands Convention, there are two exceptions to this general rule.

The act provides that all of these supplementary conventions will come into force on the date of ratification and will take effect from the first day of January 1965.

In this bill a new procedure was adopted by giving approval to four conventions in one bill. Previously, there was a single bill, as was mentioned by the sponsor of the bill a few days ago.

Another change is that the act comes into force by royal assent. That is a new procedure, giving force of law for the periods called for by their terms. The proclamation will be published in the Canada *Gazette* giving notice of the day the convention comes into force.

Honourable senators, I have not undertaken to analyze or discuss this bill in detail. It is, in fact, a part of our tax legislation, and I am sure that the taxing officers of the Department of National Revenue and the businesses affected, or their legal representatives, will have no difficulty in understanding it. That was the opinion expressed by the sponsor the other day, and I fully concur in it.

I am pleased that Japan is now one of the countries with which it has become necessary

to have such legislation. It was to emphasize this that I made these few brief remarks.

Motion agreed to and bill read second time.

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

Hon. Mr. Hayden moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, March 18, 1965

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

Prayers.

ROYAL ASSENT

NOTICE

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

GOVERNMENT HOUSE
Ottawa

18th March 1965

Sir,

I have the honour to inform you that the Hon. Robert Taschereau, P.C., Chief Justice of Canada, acting as Deputy to His Excellency the Governor General, will proceed to the Senate Chamber today, the 18th March, at 5.45 p.m., for the purpose of giving Royal Assent to certain Bills.

I have the honour to be,
Sir,
Your obedient servant,
A. G. Cherrier
Assistant Secretary
to the Governor General.

The Honourable
The Speaker of the Senate,
Ottawa.

DOCUMENTS TABLED

Hon. John J. Connolly tabled:

Report of the Department of Public Works for the fiscal year ended March 31, 1964, pursuant to section 34 of the Public Works Act, chapter 228, R.S.C., 1952. (English and French texts).

Report of the Department of External Affairs for the year ended December 31, 1964, pursuant to section 6 of the Department of External Affairs Act, chapter 68, R.S.C., 1952. (English and French texts).

Exchange of correspondence between the Prime Minister of Canada and the Premiers of the Provinces, with respect to contracting-out arrangements for conditional grant and shared-cost program, during the period August 15 to September 9, 1964. (English and French texts).

Report of the Department of Trade and Commerce, intituled: "Private and Public Investment in Canada—Outlook 1965—and Regional Estimates." (English and French texts).

DEPARTMENT OF INSURANCE

BILL TO AMEND CERTAIN ACTS—REPORT OF COMMITTEE ADOPTED

Hon. Paul H. Bouffard, Acting Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill C-123, to amend certain acts administered in the Department of Insurance, and had directed that the bill be reported without amendment.

Report adopted.

THIRD READING

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

Hon. Daniel A. Lang: Honourable senators, with leave of the Senate, I move that the bill be read the third time now.

Motion agreed to and bill read third time and passed.

CANADIAN NATIONAL RAILWAYS FINANCING AND GUARANTEE BILL, 1964

FURTHER REPORT OF COMMITTEE ADOPTED

Hon. A. K. Hugessen, Chairman of the Standing Committee on Transport and Communications, reported that the committee had further considered Bill C-137, to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways System for the period from the 1st day of January, 1964 to the 30th day of June, 1965, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company, and had directed that the bill be reported without amendment.

Report adopted.

THIRD READING

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

Hon. Eric Cook: Honourable senators, with leave of the Senate, I move that the bill be read the third time now.

Motion agreed to and bill read third time and passed.

ADJOURNMENT

Hon. John J. Connolly: Honourable senators, I move, with leave of the Senate, that

when the Senate adjourns today it do stand adjourned until Tuesday next, March 23, 1965, at 8 o'clock in the evening.

Motion agreed to.

INCOME TAX CONVENTION ACT

BILL TO IMPLEMENT A CONVENTION BETWEEN CANADA AND JAPAN AND TO AMEND AGREEMENTS WITH CERTAIN OTHER COUNTRIES—THIRD READING

Hon. Salter A. Hayden moved the third reading of Bill C-146, to implement a convention between Canada and Japan for the avoidance of double taxation with respect to income tax and to amend the existing agreement and conventions between Canada and Denmark, Finland and the Netherlands, with respect to income tax.

Motion agreed to and bill read third time and passed.

COMMONWEALTH PARLIAMENTARY ASSOCIATION

CONFERENCE AT KINGSTON, JAMAICA—DEBATE CONCLUDED

The Senate resumed from yesterday the adjourned debate on the notice of the honourable Senator Roebuck that he will call the attention of the Senate to the 1964 General Conference of the Commonwealth Parliamentary Association held at Kingston, Jamaica, 16th to 22nd November, 1964, and in particular to the discussions and proceedings of the conference and the participation therein of the delegation from Canada.

Hon. Allister Grosart: Honourable senators, I appreciate this opportunity offered by Senator Roebuck's notice to bring you a report on the discharge of my responsibilities as one of the delegates of this chamber to the last annual meeting of the Commonwealth Parliamentary Association, held in Jamaica.

Senator Roebuck has told you the Canadian delegation was composed of seven representatives of the federal Parliament and one representative each from the provincial legislatures. This is because the Commonwealth Parliamentary Association is not an association of nations as such, but an association of the parliaments of the Commonwealth.

I would agree with the honourable senator that it appeared to be a strong delegation. So we were told, on many occasions. There are several reasons for that. The first is that we were thoroughly briefed. I know from experience that this has not been the custom on every occasion on which we have sent delegates abroad. On this occasion, we had an excellent briefing. We met with officials of the External Aid Office, of the Department of Trade and Commerce, and of the Department of Citizenship and Immigration. We were warned of the problems which might be brought before us and we were given the answers.

Secondly, saving myself, I would say that the calibre of the Canadian representatives was more than adequate for the responsibilities with which they were charged.

Hon. Mr. Connolly (Ottawa West): Eliminate the "saving".

Hon. Mr. Brooks: Saving grace.

Hon. Mr. Grosart: It is a saving grace for which I have not always been noted.

Hon. Mr. Connolly (Ottawa West): I am sure you had the grace—never mind the saving.

Hon. Mr. Grosart: In the third place, we worked as a team. Despite the fact that the provincial representatives were quartered in another hotel, we met together and we planned our participation in the program, with the full co-operation of the leader of the delegation, Mr. Jean Richard, M.P., and with Mr. James Walker, M.P., the chief Liberal Whip in the other place.

Hon. Mr. Roebuck: And Mr. Montgomery.

Hon. Mr. Grosart: Yes, thank you, Senator Roebuck. I had intended to mention that. Mr. Montgomery, then Clerk Assistant in the other place was, and still is, the Secretary of the Canadian delegations to the Commonwealth Parliamentary Association. He is an old hand and a real professional. Without him we certainly would have been less effective than we were. I am told this was the first time a delegation of that size from Canada ran up this record, that every single one of the delegates spoke on a subject which had been assigned to him by the leader of the delegation, and from material brought from Canada and supplied as liberally as we wanted.

An indication of the kind of team work might be obtained from the fact that, when one or two other delegations showed their internal partisanship rather blatantly, the late Lord Morrison came across to where we were sitting and said, "The trouble with you Canadian chaps is that none of us can tell what party you belong to." Perhaps it is some kind of phenomenon when experienced politicians from beyond our borders are unable to tell a Canadian Conservative from a Canadian Créditiste.

Hon. Mr. Brooks: You were beyond our borders.

Hon. Mr. Connolly (Ottawa West): Would you like to say a little more about that?

Hon. Mr. Grosart: The honourable Leader of the Opposition (Hon. Mr. Brooks) says that was because we were beyond our own borders. That is quite right. We all felt that our standard of behaviour away from home should be much better than it would otherwise be.

One special feature of our activities was a pre-conference tour, lasting for about a week, to that very interesting ring of islands on the east of the Caribbean, actually between the Caribbean Sea itself and the Atlantic. These visits were arranged, I am told, for the purpose of acquainting some of us with the problems of that group of islands which, in the not-too-distant future may become the third independent sovereign Commonwealth nation in the Caribbean. I say "which may," because at the present moment the group, known sometimes as the "Little Seven" or the "Little Eight," are trying to get together. They have had a number of conferences. Their problems are great for many reasons.

Naturally, the United Kingdom, in keeping with its broad policy of promoting freedom and independence among nations, is doing everything it can to assist. Without going into details, I happen to know that Canadian officials there and here are giving all the help they can.

I wholeheartedly agree with Senator Roebuck's enthusiasm for the arrangements that were made for this conference. I would say they were superb. Our hosts in Jamaica outdid themselves. I think we were all impressed with the calibre of the bright young men who were assigned to us, and with the fact that these new nations, not only the Caribbean, but elsewhere, are able to draw upon a cadre of young men who have passed through the universities of this continent and also the English universities, who have trained themselves in administrative schools, who have experience of practical government, and who have the enthusiasm that is so noticeable among those who are starting to build a new nation.

As to the welcome we received there, I can only say this, honourable senators, that no man or woman anywhere in the world can have a better open sesame to the hearts of the people of the British Caribbean islands—and I say "British" in the best sense of that word—than a Canadian passport. A great deal of the credit for this goes to the Canadian businessmen who, over the years, have gone to that area. Everywhere you go you find Canadian commercial institutions, Canadian banks. From the contacts I had—and they were many—I would say that our Canadian businessmen have also been first-class diplomats and first-class ambassadors of good will for Canada.

It speaks well, too, for our own officials. Often they are given scant credit for what they are doing for Canada. I refer particularly to the officials of the Department of External Affairs, the External Aid Office, the Department of Trade and Commerce—not excepting our immigration officials there and here, for I believe they are dealing wisely and well with problems that are not always appreciated by those who are uninformed about the real facts.

We were asked questions about our immigration policy, and some of them were critical questions. However, we were supplied with answers which to me were adequate, even if not always completely satisfactory to those who asked the questions.

The most interesting sidelight I can give you on that problem is that one of the major problems the islands have among themselves, including the two independent nations, is the determination of the immigration policy of each vis-à-vis their own colleagues near at hand in islands that they know and people with whom they have long associations.

May I now divide the remainder of my remarks roughly into comments on the Commonwealth itself, the association, the new nation which appears to be emerging and, finally, on trade and aid which was the major item on the agenda of the week of actual conference sessions.

The basis of the Commonwealth Parliamentary Association is, of course, the Commonwealth itself, and I know of no better description of the Commonwealth than that which was given by the Prime Minister of Canada, the Right Honourable Lester B. Pearson, when he was reporting to Parliament on the last Commonwealth Prime Ministers' Conference. He described it as "a link between races, cultures and continents, as an agency to promote co-operation and understanding between men and nations." And from my short but certainly pleasant experience at the Commonwealth Parliamentary Association Conference I can bear witness that the Commonwealth is achieving those high objectives in a very remarkable way.

Our Commonwealth now consists of 22 nations. It is amazing how it grows. I was not sure whether the figure was right, so I called some senior officials in the Department of External Affairs, and everyone of them had to look it up. I am not being at all critical in saying that because only within the last month Gambia came in. It is indeed hard to keep count, not only of those joining, but also because situations have developed wherein Zanzibar joined Tanganyika and, over the course of years, we have lost other members—the Irish Free State, Burma, South Africa.

But today, as I say, there are 22 independent nations in the Commonwealth and, just as important, some 30 colonies, dependencies and territories under trusteeship.

The contrast between the old Imperialism, so often criticized, of the old British Empire, and some of the kinds of colonialism from which the criticism is coming is no better indicated, to my mind, than in the population figures of our developing Commonwealth. It consists today of somewhere between 700 million and 750 million people, about one-quarter of the population of the globe, of whom only five million are not citizens of sovereign, independent nations. Of those five million, three million are in Hong Kong, in a very special situation. So it should surely be clear to anyone who cares to read that the greatest experiment in all history in the freedom of nations is almost at the point of 100 per cent achievement.

When the Pitcairn Islands, with their population of 90, will become independent, I would not care to guess. But I spent one of the most interesting days of our tour with the representative of the Parliament of Western Samoa. Western Samoa is a sovereign, independent nation in the Commonwealth. Its area is just over 1,000 square miles; it has a population of slightly more than 100,000. The delegate with whom I spent this day in the bus learning what I could about the Western Pacific wore, I am glad to say, what I would call a kilt—he had another name for it, which I shall not attempt to pronounce. It was a saffron kilt, almost identical in colour to that of old Ireland—so we had something in common.

Of course we all know that a number of members of the Commonwealth are almost ready to break away from the Motherland and go on their own, and one of these will probably be a new Caribbean nation of the Little Seven or Little Eight. I say "Little Seven or Little Eight" because one of the islands may or may not join a new federation, if there is such a federation. It may join Trinidad and Tobago. Indeed, it is possible that all eight might join with Trinidad and Tobago. I hasten to say, in case my remarks carry beyond this place, that I am neither advocating that nor criticizing it. It happens to be a fairly important political issue down there at the moment.

At the present time the Commonwealth has no secretariat. This is one of its most remarkable features, that it has carried on its very high degree of inter-communication and co-operation without a secretariat. However, the feeling now is that there should be one. This was approved in principle at the last Commonwealth Prime Ministers' Conference and referred to the Commonwealth Parliamentary Association Conference which we attended, and it was there approved. I would imagine, therefore, the Commonwealth will have its own secretariat before too long, and I think I might be permitted to hope that its locale will be Canada. There are some good reasons why we are eminently suited for that role.

I need hardly say here that the Commonwealth is an association which makes no distinctions regarding race, colour or creed. Its 22 independent nations circle the globe: There is the United Kingdom in Europe; there are four in Asia; one in the Pacific; five in East Africa, four in West Africa; two in the Mediterranean; two in the Caribbean; two in Australasia; and ourselves in North America.

I come now to the Commonwealth Parliamentary Association, which was the sponsor of this conference. The association is over 50 years old. It was formed when representatives of the Commonwealth countries met at the coronation of King George V in 1911, and the idea that had its genesis there finally developed into an association. Canada was host to the Commonwealth Parliamentary Association in 1928 and 1952, on which occasion, as I mentioned yesterday, Senator Roebuck was the chairman of the conference. And, as Senator Haig told us yesterday, the 1966 conference will be held in Canada.

I think it is no exaggeration to state that the annual meetings of the Commonwealth Parliamentary Association are becoming increasingly important. They are regarded by the Commonwealth Prime Ministers, as we have been told officially, as a significant forum for the airing of views and the discussion of problems common to the Commonwealth countries; and it seems to me it is becoming increasingly a forum for the assessment and, often, the solution of those most difficult problems arising out of differences of many kinds between the developed nations and those which are still developing.

I said I would make a few remarks on the new nation whose islands we had the privilege of visiting. Honourable senators will be aware that a few years ago the British Government, as part of its National independence policy which I have spoken of already, brought together all the British Caribbean islands into one great self-governing federation. Unfortunately, it did not last long. By a referendum in Jamaica the majority of the people decided they would like to break away. Jamaica did so, and became an independent nation. Shortly afterwards Trinidad and Tobago broke away, and left the Little Eight islands or island groups once again on their own. They reverted to colonial status and came once again directly

under the Colonial Office, after a very brief taste of freedom; and I need hardly say that they are impatient to return to that same status of complete independence.

The population of the eight island groups is about 600,000. They are faced with three choices, one of which would be to remain dependencies of Great Britain; the second would be to join with Trinidad and Tobago—and there are difficulties there on both sides; and the third would be to form a new nation.

One heard quite frequently criticisms that Canada might be doing more to help. I shall speak of our aid program in a few moments, but there are very grave difficulties in the way of Canada doing anything overt at this time in the political sphere. One, of course, is that these island groups are dependencies of Great Britain, and one does not need to have a great deal of imagination to realize that there might be as much criticism of our interfering in that situation at the moment as there would be if the United Kingdom Government decided to finance a federation of Eskimo tribes in our Arctic. However, I do know that our officials are watching the situation very carefully, and they have made Canada's interest clear. We are already engaged in quite a substantial program of direct aid.

Finally, I come to the broad question of our trade and aid policy. I shall not speak of the trade policy in great detail because it has been discussed at length here, and most honourable senators know more about it than I do. However, so far as the undeveloped nations of the Caribbean area are concerned, we are in much the same position as we are with all underdeveloped nations where we buy more than we sell. This is appreciated. We hear constantly about requests for aid.

There is no doubt that any of the undeveloped nations of the Caribbean would vastly prefer to raise themselves to the standards of living they wish to achieve through trade rather than through the receipt of aid. For example, Canada's contribution of trade with Jamaica is very greatly appreciated. Jamaica is the largest island and the largest individual nation in the group, with a population approaching two million. Their three major trading partners are the United Kingdom, the United States and Canada. On their international trade with the other two partners, broadly speaking, they break even. Canada buys from Jamaica seven to eight million pounds worth more than they take from us, and we are, in effect, the staple of their international trade position. It is appreciated, of course, that we are on the side of the developing nations in our national policy of doing everything we can to lower international trade barriers.

The developing nations made a very strong case at the United Nations Geneva Conference for a system of preferences, and this was again discussed at the conference we attended. There seemed to be some misunderstanding as to why Canada would not immediately support a system of preferential treatment for the exports of the underdeveloped nations, especially those of the Commonwealth. The official answer from Canada was and is that we are looking at this with caution, but we see some difficulties. It was explained to me by officials of the department that the problem is: At a time when we are throwing all our weight into the breaking down of trade barriers, most of which are the result of some kind of preferential deals in the past, do we now support a new system of preferential trade barriers which sooner or later will lead to the same problems as now exists? In this regard Canada has not said no—we have merely said maybe.

On the import side, Canada has an excellent record. This was very well expressed by the Minister of Trade and Commerce, Mr. Mitchell Sharp, not long ago when he said:

> Our import regime, in so far as it applies to the major tropical exports of the less-developed countries, is among the most liberal in the world. Our tariffs on such items are either negligible or have been removed altogether. Ours is a free market for tropical products with no quantitative limitations on imports and our internal tax structure does not inhibit consumption of these important earners of foreign exchange for the less-developed world.

I come now to our aid program. It is one of the most encouraging signs in the world today that the developed countries have accepted, to the extent that they have, so much responsibility for raising the standards of living in the undeveloped countries. It is said by some that we are not making much progress towards the achievement of a better world; but one should remember that this is the first time in history that something of this nature has ever been attempted on anything like this scale. Canada is more than carrying its weight in the aid programs of developed countries. By the end of this year our total expenditure in aid, that is bilateral aid, direct aid, will be about $700 million. For the current year the figure will be $190 million or $200 million, which is an increase of 50 per cent over last year. For the Caribbean area it will be $10 million this year compared to an average of $2 million over the last five years.

Our aid program breaks down generally into bilateral and multilateral arrangements. The latter, of course, include our general

contributions to the United Nations and its agencies and to some of the international fiscal bodies which we support, and which in turn give grants, loans and financial aid of various kinds to other countries. The figures I have quoted do not include those. It is difficult to assess just how much the total would amount to—perhaps $50 million in multilateral aid, not including our direct contribution to the United Nations organization itself.

The broad policy of our aid programs has been well stated, again by the honourable Mitchell Sharp in these words:

> The less developed countries are demanding a better life for their peoples; and opportunity to develop and sustain a level of well-being more commensurate with that enjoyed in the developed countries. These countries together account for the largest part of humanity. They have been unable to provide many of the needs of their inhabitants—needs which we would consider basic. These countries require our assistance if they are to develop and provide increasing opportunities for their peoples and to assume their rightful place in the international community. Increasing the standards of living of these countries is one of the greatest challenges confronting us in the 1960's. The urgency of the task is that they cannot accomplish it by themselves.
>
> It is internationally recognized that the economic development of the less developed countries is hampered by the slow rate of growth of their exports, fluctuations in the prices of their primary products and the trade barriers confronting the products of export interest to them. There has been a continuing decline in their share of world trade and they have experienced persistent balance of payments difficulties. On either humanitarian, political, or economic grounds there are sound reasons for seeking to correct these unfavourable developments.

If I may briefly describe our aid program I would say it is selective, responsive, diversified, shared and tied.

Hon. Mr. Connolly (Ottawa West): And what?

Hon. Mr. Grosart: Tied. I will explain that in a moment. It is a very bad word, but nobody seems to have been able to come up with a better one.

In saying that our aid program is selective, I mean it is aimed primarily at the underdeveloped countries of the Commonwealth itself. This is where Canadian policy has seen its major responsibility. As a result, of course, in the early days of the Colombo Plan, India and Pakistan had a very large share. The plan has been gradually expanded. When the West Indies became a sovereign nation the Colombo Plan was extended to them, and this was the first extension. The reason for the delay, as I mentioned earlier, is that previously the West Indies were dependencies of the United Kingdom. The plan was then extended to the former French African colonies which are now nations, and the reason for that is that ours is a bilingual culture, and we have the background and the people and, we hope, the experience to be of especial assistance to them.

Secondly, our aid program is responsive. This is a very important feature. By "responsive" I mean that we respond to particular calls or particular needs. We do not go around the world surveying countries saying, "We know what you need. We will give it to you." Our External Aid program officials say, in effect, "We have so much money to spend this year in such an area. Let us know your requirements." We do not say, "Ask and ye shall receive," but we do say, "Ask, and we will do everything we can," because at the moment I need hardly say that the responses are much greater than the resources available.

Thirdly, it is diversified. It will be of special interest to honourable senators to know that we are not putting all our eggs into one basket. I have here a breakdown of the allocation of bilateral grant aid funds from 1950 to March 31, 1964. It is of interest because it indicates the type of projects into which our aid is going. This table reflects the following breakdown:

Type of Assistance	Per cent of Total
Construction	
Power Plant, Transmission Lines	27.46
Industrial and Research Plants	5.11
Roads, Bridges, Harbours	1.12
Equipment	
Locomotives	6.48
Aircraft, Ships	1.61
Agriculture, Forestry	.27
Fisheries, Ports	1.63
Telecommunications	.25
Surveys	
Ground, Aerial	2.44
Institutions	
Schools, Workshops	1.02
Housing	.41
Hospitals, Laboratories	.28
Pending Projects	1.56
Commodities	
Wheat, Flour	17.26
Metals, Asbestos	20.10
Fertilizers, Pesticides	3.70
Pulp, Paper, Railway Ties	3.61
Miscellaneous	.02
Technical Assistance	5.67
Total	100.00

Honourable senators will note that it is a well diversified program. At the present moment about 750 Canadian firms are participating, and 50 engineering firms. In the material-commodity areas all contracts are let on tender.

Fourthly, there is the principle that it is a shared program. In general, when we grant aid in materials and commodities they are delivered at the Canadian seaboard. Transportation is up to the recipient country, and when the materials arrive there all local costs in respect of labour and local materials are borne by the recipient country.

Finally, these are tied programs. We heard some criticism of this at Kingston. Several suggested that this aid should be given with no strings attached; and this, of course, sounds very attractive when you first look at it. It always carries the assumption that the strings attached are political; that the donor country is attempting somehow to interfere in the internal affairs of the recipient country, because the program is tied. This is not so, so far as Canada and most of our friends are concerned.

By "tied" I mean that we say that we will decide what firms in Canada will provide the materials. We decide what engineers and other professionals undertake the projects. We do not just give these countries the money and say: Go anywhere you like in the world and spend it. We say that our aid grants are to be spent, as far as our portion of them is concerned, in Canada and with Canadian firms.

Naturally, this raises some criticism, but our position is defended, and defended well, on certain grounds. First of all, we point out something that every honourable senator will immediately understand, namely, this characteristic of our program makes it possible to obtain from the public purse far more than could be obtained for this purpose under other circumstances.

Secondly, and just as important, this type of qualification requires the recipient country to fit this into its own national plan. We do not say: We give you the money; do what you like with it. We do say: Let us see your plan. Let us make sure this is a real contribution to the development of your economy. We must make sure that the money is not being spent on luxuries or non-essentials. We think that in providing the money, as we do, for a specific purpose to help you expand we should be able to consult with you on the nature of the projects in which you ask us to assist.

Also, our officers point out that it assists the foreign exchange position of these countries. The feeling is that because of the problem of foreign exchange in a country which has a balance of payments problem—and we all do—these funds should be spent in any country only on the real necessities of international life, and by tying our programs we feel we are helping each of these nations to conserve its own exchange resources.

Some have said: "This course means you force us to come to Canada on your terms." This is not so, because there are many donor countries, and it is Canadian policy, I understand, to encourage these nations to shop around. We say to them: If you can get a better deal in another country, then by all means do so. If you can buy any of these commodities or any of these services for less money elsewhere then we are quite happy. We hope you will only come to us when we can give you a better product at a better price and with better service.

This, by and large, is the picture of our grant-in-aid program. It has, of course, other aspects. There are direct loans of money—hard loans and soft loans. It may interest honourable senators, if they are not already aware of it, that the soft loan program this year will amount to about $50 million. This is the kind of loan that I am sure we would all like to get for our own purposes. They are of 50 years' duration with no interest, with 10 years of grace, and a service charge of a quarter of one per cent. As I have said, we will extend about $50 million of those loans this year.

In the Caribbean itself the results of our aid program are to be seen in port facilities—particularly wharves—schools, deep water wells, and also in the presence of Canadian teachers and technical experts. It is to be seen in the ships plying the waters between these countries, and there are many other visible manifestations.

As usual, Canada is not blowing its own horn, as I think it should. I remember approaching one school which we had built. I saw a big sign, and I thought, well, here we are, Canada is at last saying that we provided the money. But when I went close to it, it had the familiar crest of the United States and a declaration that the road into the school had been paved by United States aid fund. Nowhere was there mention of Canada's contribution. Perhaps we are wise; perhaps we are better to do it quietly; but it has not been my training in life, in business, to urge people to hide their light under a bushel.

With that, honourable senators, I conclude my report. Obviously there are many other things I could have said and there may be omissions. If honourable senators have any questions, I shall endeavour to answer them.

Hon. Walter M. Aseltine: Honourable senators, my chief reason for rising at this time

is to say how proud we are of our two colleagues who attended this Commonwealth Parliamentary Association meeting in Jamaica in 1964. We are deeply grateful to them for the wonderful manner in which they carried out their duties. I was particularly pleased to note that all of the members of our delegation from Canada made speeches at the conference.

I remember being a delegate to one such meeting of the Commonwealth Parliamentary Association in India in 1957. I prepared three of what I thought were quite wonderful speeches. But when we got to India, we spent a week in Pakistan, then a week in Ceylon, and then returned to India for the final meetings. Somewhere along the line I was unfortunate enough to be bitten by a female mosquito who had fed on a malaria patient, which resulted in those speeches of mine never having been delivered.

Hon. Mr. Connolly (Ottawa West): The female of the species is the more deadly.

Hon. Mr. Aseltine: Instead of delivering speeches, I spent three weeks in hospital in Madras. From there they sent cables home to my dear relatives, wondering whether they should cremate me or embalm me. However, I fooled them, and I am still going strong.

Hon. Senators: Hear, hear.

Hon Mr. Aseltine: As I said, we are very proud of our delegates, and we are sure that they put Canada to the fore at every opportunity.

I was particularly interested in the speech made by Senator Roebuck, for several reasons. One reason is that in February 1964 my wife and I spent a two-week holiday in Jamaica. We saw many of the things which Senator Roebuck so clearly described. We were at the bauxite mines; we saw them carrying the bauxite on the overhead cables to the sea for shipment to Kitimat. We did not like to drive on the left hand side of the road instead of on the right, so we hired a car with driver. He took us everywhere in Jamaica, and showed us all of the interesting spots. We even went down the Rio Grande on the bamboo rafts. We found that an interesting experience, although the water is not quite as swift as some of the rapids in Canada which we shoot with the canoe. Generally, it was a very fine trip.

On one of our side trips we passed by the place where Christopher Columbus landed when he discovered Jamaica. We were told that none of the descendants of the aborigines found by Columbus in the 1490's were living at the present time. They had completely disappeared. We were told also that the present population is made up almost entirely of descendants of people who came to Jamaica in the early days, or were brought there to run the sugar plantations. Also, I was delighted to find that there were no mosquitoes in Jamaica, and no malaria.

Honourable senators, another reason why I rise today is to mention that after we spent a week or so on the north shore of Jamaica—where we visited all of the beaches, and even did some deep-sea fishing—we went over to Kingston, the capital. On arriving there, we found that the Jamaica parliament was in session. This reference is probably my main reason for speaking today.

I telephoned Mr. McInnes, the Canadian High Commissioner in Jamaica. He was kind enough to arrange for us to meet the Speaker of the Legislative Assembly. Parliament was to sit that afternoon, and when we went to visit the Speaker, the Honourable Mr. Golding, he arranged for my wife and I to have seats on the ffoor of the assembly during the afternoon sitting. We remained during the whole sitting and found it most interesting.

Before I say anything further about what took place in the parliament, I should say that on August 6, 1962, Jamaica attained independence. The membership of the House of Representatives is 45, but the constitution provides that this number may be increased to 60. Before Jamaica attained independence there was a Legislative Council, and this was then renamed the Senate. The membership of the Senate of Jamaica is 21, 13 of whom are recommended by the Prime Minister and appointed by the Governor General; the other eight are recommended by the Leader of the Opposition and appointed by the Governor General. In addition, they have a written constitution, they have a Governor General, they have a Prime Minister and they have a Leader in the House of Representatives, almost exactly as we have in Canada.

The Governor General is Sir Clifford Campbell, G.C.M.G. The Prime Minister is the Right Honourable Sir Alexander Bustamante, P.C.

Yesterday, Senator Roebuck told us that the Deputy Prime Minister and house leader was the Honourable Donald Sangster. When my wife and I took our seats on the floor of the chamber beside the Speaker, Mr. Sangster was conducting the business of the day. We were much interested in the way he handled matters. You would have thought you were in the House of Commons here, except that there was not quite as much repartee as takes place in that chamber.

The bill under discussion, which took most of the afternoon, might be of interest to honourable senators. It provided for the photographing and fingerprinting of all the voters in Jamaica. The debate lasted for several

hours, and the bill was finally passed and sent to the Senate.

The committee on estimates also reported. Apparently in Jamaica they do not deal with estimates as we do in Canada. When the estimates are tabled a committee composed of members of all the parties is appointed, and the estimates are turned over to them. The committee examines the estimates carefully until the last day or two of the session; then it brings in its report, and the house adopts the report. That is about all there is to it. In that way they save a great deal of time. I am not sure that we could follow that method of dealing with estimates in Canada because our budget is many times larger than theirs. However, it seems to me that we could vary our Canadian system so that something of the way they do things in Jamaica might be followed in Canada.

Hon. Mr. Choquette: How are the salaries of the senators there?

Hon. Mr. Aseltine: I did not ask about that.

Hon. Mr. Choquette: I thought they got no salary.

Hon. Mr. Aseltine: I found out what the salaries were of the members of the House of Representatives and of the senators, but I do not believe I have the information with me today.

Hon. Mr. Lambert: Do they have a new way of handling supplementary estimates?

Hon. Mr. Aseltine: I will deal with that. This happened to be the last day the House of Representatives sat, and they were ready to prorogue. The honourable Mr. Sangster, after this bill with regard to photographing and fingerprinting was passed and sent to the Senate for consideration, rose and announced the fact that the business of the session was completed as far as the House of Representatives was concerned, that they had sent quite a number of bills to the Senate for consideration, and that he was going to move to the effect that the House of Representatives would adjourn until such time as the Senate had been able to consider the bills which had been referred to it, and then the members would be called into session again by the Speaker of the house. There were no supplementary estimates.

Next day the Senate met, considered five of the bills, and adjourned for a week.

I could not help thinking how much we would like to have bills referred to us in that way, and be given more time to consider them just before prorogation. It is true that in all the sessions I have been here, it always happens that several important bills reach us an hour or two before prorogation, and we are expected to deal with them and pass them and have them assented to before prorogation takes place.

In Jamaica, the Senate was given plenty of time to deal with the bills. Mr. Sangster announced that when the Senate reported and the bills were assented to, they would prorogue and immediately call a new session. So there was no pressure put on the senators to deal with these measures in a hurry.

May I say something further with regard to the parliamentary setup? Two of the senators are members of the cabinet, one without portfolio, and one with a portfolio. They also have parliamentary secretaries, as we have. One senator, Mrs. Grant, is the parliamentary secretary to the Minister of Education.

The language employed is English. I heard no other language spoken while we were in Jamaica. Generally speaking, the people have English names. For example, I have before me the names of the persons in the Senate, namely: Jackson, Henry, Taylor, McPherson, McNeill.

Hon. Mr. Connolly (Ottawa West): We have one in this Senate.

Hon. Mr. Aseltine: Thompson, Grant, Fletcher, Cooke, Burke, Blake, Allen. You would almost think you were in the Canadian Senate, by these common English names such as we are accustomed to in Canada.

The money one uses down there is pounds, shillings and pence, or American dollars, whichever you prefer.

Jamaica has a constitution, just as we have. Their way of doing business is similar, and I think they are doing exceptionally well.

We met many people from all walks of life. The man who drove us around bore the name of Rose. Another interesting and prominent man was a lawyer by the name of Jones. We found the people to be well educated and most hospitable. I am sure our delegates who were in Jamaica found things as interesting as we did.

Again, honourable senators, I want to say how pleased we were with the manner in which our delegates conducted themselves, and also for the way they put forward the best interests of Canada.

I think Senator Grosart deserves a vote of thanks for his full explanation of all these money matters.

Honourable senators, that concludes my remarks at the present time.

Hon. Josie D. Quart: Honourable senators, when the name of Mr. McNeill was mentioned, it rang a bell. Evidently the Canadian delegation in Jamaica had a wonderful sales effect for Canada. I met Mr. McNeill, from Jamaica, who was so impressed that he

wanted to see more of Canada, and of course I told him to come to the very best place of all—Quebec. He wanted to see our snow, the skiing, and particularly the ski jumping; so he visited the ski country in Quebec. It was a terribly cold day. I am sure he did no skiing; in fact, I understand he was afraid to go out.

Afterwards, a reception was given for him in the hotel, and I am sure that neither he nor anybody else present suffered from the cold then, because it was indeed a very warm reception. I think he regarded me as "Exhibit A," being a senator. He told me that the Canadian delegation at Jamaica was the most popular delegation there. And he added, "you know, you had an old gentleman there, Senator Roebuck—he was perfectly wonderful. He was boasting about his age, but I don't believe he is that old." I said, "Don't believe it. He likes to boast!" He remarked, "He was a pretty wonderful man; he followed everybody," to which I replied, "Don't be surprised at that; he is on the divorce committee and it must keep him young." He said, "The most outstanding contribution to our conference was made by your two colleagues."

Honourable senators, thank you for allowing me the time, but I really felt I should tell you this. Mr. McNeill, I may say, was accompanied by a very nice young lady, Gloria, and she seemed to remember these gentlemen. However, I shall not relate any other tales.

Hon. John J. Connolly: Honourable senators, I do not propose to detain the house for more than a few minutes, but may I say how indebted we are to all the honourable senators who have been good enough to participate in this discussion. May I hasten to add that we are also indebted to Senator Belisle for his contribution a few days ago on the work of the United Nations, which he attended last fall.

I believe this practice of reporting our experiences at conferences to the Senate fulfils a very useful parliamentary purpose; the debate we have had over the past two days demonstrates that very clearly. We owe a vote of thanks to Senators Roebuck, Haig, Grosart, Aseltine and Quart—the honourable lady having let us in on a secret she learned.

It is highly important for parliamentarians who attend these Commonwealth meetings to come back and relate their impressions and what they feel the opportunities may be in these associations for effective work after the meetings. I would like to emphasize that in making these reports it is not a matter of giving the Senate a travelogue; rather, I am sure that every honourable senator who has been a member of one of these delegations to a foreign country has come back feeling there are problems which Canadians can help solve, and if a forum is not provided in which to explain these problems, the delegate from Parliament feels very frustrated. I feel there is a great deal to be done in the Commonwealth Parliamentary Association.

I am glad that Senator Haig has brought to our attention the fact that the conference will be held here in 1966. For a long time I thought it would be held here in our centennial year, but I understand why that is not to be. I hope that honourable senators, through the Parliamentary Association in Canada, will do whatever they feel should be done to prepare for a good conference.

Certainly I was not anywhere near the heart of Parliament at the time, but I can remember the Parliamentary Association Conference held in Ottawa in 1928. I was a student at the time and was tremendously interested in political economy, and the things that were said and done at that time by the delegates from all over the Commonwealth certainly stimulated in me a great interest in this field. I am sure the same can be done for a new generation of young Canadians and perhaps for the present generation of parliamentarians. I believe that honourable senators can make a great contribution to the preparatory work for that conference.

I have been to Jamaica a number of times on business. I have never gone there specifically for a holiday, but I would like to. Perhaps Senator Roebuck mentioned this in his speech, but one of the most delightful experiences I can remember was listening to their calypso music. I remember hearing it long before it became popular this far away. To me it is a delightful experience.

Hon. Mr. Aseltine: They have Calypso cigars too.

Hon. Mr. Roebuck: And don't forget the rum!

Hon. Mr. Connolly (Ottawa West): There is great music in the way these people speak also; their voices have a musical quality.

Hon. Mr. Grosart: We did not visit the nightclubs!

Hon. Mr. Connolly (Ottawa West): I am rather suspicious of these reports when they only deal with the serious side. Senator Quart has indicated there was perhaps more to the story than appears on the surface!

I remember spending a most interesting evening there once. It was during our summer, and it was certainly not cool there. Sir Hugh Foot, as he then was, was Governor, and his discussions about conditions in Jamaica were most interesting. He was more than a Governor merely performing formal duties; he was out among the people working actively. Earlier this winter I was reading his recently published book, the title of which

escapes me for the moment. In it he recounts his experiences in Jamaica. It would make interesting reading for Senators Grosart, Roebuck, Quart and, indeed, Senator Aseltine.

We are particularly indebted to Senator Grosart on another point, that is, his having raised the question generally of Canada providing aid to developing countries. This is a new phase, a new interest, on the part of the public of Canada in this very important problem. I remember very shortly after the war when the question of sending locomotives to India was first raised, one of the earliest examples of aid, I believe. A great many people asked, what was the good of Canada doing that kind of thing; India was so far away. Honourable senators, today the question of famine in South-East Asia is a problem of everyday life but, believe me, it is also a political problem in Canada—I do not mean in the sense of partisan politics. It is a problem for the public of Canada to think that perhaps within their hands they have the means of alleviating a situation, true, on the other side of the world, but one that vitally affects them as human beings.

At some future time it might be appropriate to explore more fully the problems of the underdeveloped countries. It could be raised, as was the conference in Jamaica, by means of notice of motion of inquiry in the Senate. Then it could be referred to one of our standing committees to obtain advice, assistance and information from the officials. This is the kind of function that this chamber can perform exceptionally well, and in doing this it informs public opinion, which is really what the public needs. It is part of the general democratic process of education for the public, and it would be a useful step for the Senate to take.

I said I would not speak more than a few minutes. Again, I do want to thank all honourable senators who have taken part in this very interesting and useful discussion. I hope we shall have more of them.

Honourable senators, I would suggest that the Senate do now take recess to reassemble at the call of the bell at approximately 5.35.

The Senate adjourned during pleasure.

At 5.45 p.m. the sitting was resumed.

The Senate adjourned during pleasure.

ROYAL ASSENT

The Honourable Robert Taschereau, P.C., Chief Justice of Canada, Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned and being come with their Speaker, the Honourable the Deputy of His Excellency the Governor General was pleased to give royal assent to the following bills:

An Act respecting the Revised Statutes of Canada.

An Act to amend the Canada Shipping Act.

An Act to amend the Privileges and Immunities (United Nations) Act.

An Act respecting the Geneva Conventions, 1949.

An Act respecting The Bell Telephone Company of Canada.

An Act to amend the Corporations and Labour Unions Returns Act.

An Act to incorporate Mountain Pacific Pipeline Ltd.

An Act respecting Canadian-Montana Pipe Line Company.

An Act to incorporate The Royal College of Dentists of Canada.

An Act to incorporate Canadian Institute of Actuaries.

An Act to incorporate Settlers Savings and Mortgage Corporation.

An Act respecting The Burrard Inlet Tunnel and Bridge Company.

An Act respecting The Economical Mutual Insurance Company.

An Act to amend the Merchant Seamen Compensation Act.

An Act to amend the Penitentiary Act.

An Act to amend the Coal Production Assistance Act.

An Act respecting hours of work, minimum wages, annual vacations and holidays with pay in federal works, undertakings and businesses.

An Act to implement a Convention between Canada and Japan for the avoidance of double taxation with respect to income tax and to amend the existing Agreement and Conventions between Canada and Denmark, Finland and the Netherlands, with respect to income tax.

An Act to amend certain Acts administered in the Department of Insurance.

An Act to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways System for the period from the 1st day of January, 1964 to the 30th day of June, 1965, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railways Company.

The House of Commons withdrew.

The Honourable the Deputy of His Excellency the Governor General was pleased to retire.

The sitting of the Senate was resumed.

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

THE SENATE

Tuesday, March 23, 1965

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

Prayers.

DOCUMENTS TABLED

Hon. John J. Connolly tabled:

Statement of work performed and expenditures made as of December 31, 1964, together with estimated expenditures for 1965, respecting the construction by the Canadian National Railway Company of certain railway terminal facilities at and in the vicinity of the City of Toronto, pursuant to section 10 of the Canadian National Toronto Terminals Act, chapter 26, Statutes of Canada, 1960. (English and French texts).

Statement of work performed and expenditures made as of December 31, 1964, together with estimated expenditures for 1965, under authority of chapter 7, Statutes of Canada, 1960-61, respecting the construction by the Canadian National Railway Company of a railway line from mile 72.6 Kiask Falls Subdivision, to Mattagami Lake Mines, Township of Galinee, in the Province of Quebec, pursuant to section 8 of the said act. (English and French texts).

Report of work performed and expenditures made as of December 31, 1964, together with estimated expenditures for 1965, under authority of chapter 56, Statutes of Canada, 1960-61, respecting the construction by the Canadian National Railway Company of a line of railway from a point near Grimshaw, in the Province of Alberta, in a northerly direction to Great Slave Lake in the Northwest Territories, pursuant to section 9 of the said act. (English and French texts).

Report of work performed and expenditures made as of December 31, 1964, together with estimated expenditures for 1965, under authority of chapter 13, Statutes of Canada, 1957-58, as amended, respecting the construction of a line of railway by the Canadian National Railway Company from Optic Lake to Chisel Lake, and from Chisel Lake to Stall Lake, and the purchase by the Canadian National Railway Company from the International Nickel Company of Canada, Limited, of a line of railway from Sipiwesk to a point on Burntwood River near Mystery Lake, all in the Province of Manitoba, pursuant to section 11 of the said act. (English and French texts).

Report of work performed and expenditures made as of December 31, 1964, together with estimated expenditures for 1965, under authority of chapter 11, Statutes of Canada, 1962-63, respecting the construction by the Canadian National Railway Company of a line of railway from a point from Nepisiguit Junction in a southerly and westerly direction to a point approximately in the middle of the western half of the Parish of Bathurst in the Province of New Brunswick to the property of Brunswick Mining and Smelting Corporation Limited, pursuant to section 8 of the said act. (English and French texts).

Report of Expenditures and Administration in connection with the Unemployment Assistance Act for the fiscal year ended March 31, 1964, pursuant to section 9 of the said Act, chapter 26, Statutes of Canada, 1956. (English and French texts).

Supplementary Estimates (D) for the fiscal year ending March 31, 1965. (English and French texts).

Estimates for the fiscal year ending March 31, 1966. (English and French texts).

BUSINESS OF THE SENATE

Hon. John J. Connolly: Honourable senators, I wonder if I may anticipate the Order Paper and point out that there is no legislation upon it for the Senate to deal with this evening. In view of this circumstance, over which we have no control, I should like to place before the Senate a number of considerations.

First, I should say that I propose later this evening, with leave, to move that when the Senate adjourns tonight it do stand adjourned until Tuesday next, March 30, at 8 p.m. Honourable senators will understand, of course, that this will be subject to the rule with respect to recall; if legislation is available before that date all honourable senators, I am sure, will respond to the direction issued by His Honour the Speaker. In order to avoid a repetition of the situation that developed last Easter I think it desirable to take this step. In doing so it will be appreciated that we are not having an adjournment, but are ensuring in a practical way the attendance of the Senate at the earliest practicable date.

I should also point out that there is before the Standing Committee on Banking and Commerce a private member's public bill to amend the Criminal Code with respect to *habeas corpus*. I understand the committee would be able to deal with that bill, perhaps

to a conclusion, this evening. Senator Lang is the sponsor of the bill.

If honourable senators agree, I would suggest when we conclude the business before the Senate this evening, we take recess and immediately meet in the Banking and Commerce Committee for a short period to deal with the bill which is before that committee. Perhaps it might suit the convenience of the Senate to reassemble at the call of the bell to receive the report of the committee and to proceed with that measure.

I hope that this will be convenient and will meet with the general concurrence of all honourable senators.

Hon. Lionel Choquette: Honourable senators, this proposal is agreed to. I would hate to be put in the position that I was put in last year, when I represented my leader on this side and when we had to meet every day for a period of seven or eight days, not knowing what would be before us from day to day. As a result, some honourable senators were considered absent for a period of eight to 12 days.

I think the proposal on the part of the Leader of the Government is a wise one and I fully concur in his suggestion.

Hon. Mr. Reid: May I ask the honourable Leader where the advantage lies in meeting tonight on this bill, if we are going to adjourn until next Tuesday?

Hon. Mr. Connolly (Ottawa West): As honourable senators know, this bill originated in the House of Commons. It is not a long bill; I think it is an alleviating bill; and I understand that it is to be amended. With a view to getting it back to the House of Commons, and also to allow the Senate to deal with it at this time when there is an opportunity to do so, I would ask that this proposal be agreed to.

ADJOURNMENT

Hon. Mr. Connolly (Ottawa West): Honourable senators, I would move, with leave, that when the Senate adjourns this evening it do stand adjourned until Tuesday next, March 30, at 8 o'clock in the evening.

Motion agreed to.

PUBLIC BILLS

SUSPENSION OF RULES

Hon. John J. Connolly moved:

> That, for the balance of the present Session, Rules 23, 24 and 63 be suspended in so far as they relate to Public Bills.

He said: Honourable senators, this is a motion that is customarily presented to this house towards the conclusion of a session. Its passage means that we suspend the rule requiring two days' notice for second reading and one day's notice for third reading of public bills. I am sure that honourable senators are familiar with this practice. I think it speeds up the work to be done by the Senate in the way that we like to see it done towards the end of the session.

Hon. Mr. Pouliot: To what bill does this motion refer?

Hon. Mr. Connolly (Ottawa West): Whatever public bills come before the Senate before the end of the session would fall within the ambit of the motion.

Hon. Mr. Pouliot: What bills are expected to come before the end of the session?

Hon. Mr. Connolly (Ottawa West): First of all, the Canada Pension Plan measure is expected, as is the bill with respect to fiscal arrangements between the federal Government and the provincial governments. There may be other measures as well.

Motion agreed to.

MARRIAGE AND DIVORCE BILL

REFERENCE TO SUPREME COURT OF CANADA—QUESTION OF PRIVILEGE

Hon. Jean-François Pouliot: Honourable senators, I rise on a question of privilege. There is only one bill on the Order Paper, Bill S-16, and it is for consideration on April 12, because the bill should be referred in the meantime to the Supreme Court of Canada by the Minister of Justice. It has been there for eight months, and nothing has been done.

The Minister of Justice has expressed the view that he does not share the opinion of this bill. Well, opinions are free, but because the Minister of Justice believes differently, that does not mean that he has not a duty to refer that bill to the Supreme Court of Canada in accordance with the law. His opinion does not count, and his opinion does not carry the weight of a judgment of a justice of the peace, because in virtue of the law, justices of the peace have the right to decide certain matters and their judgments carry weight.

There is no excuse for the Minister of Justice holding in his desk drawer or his filing cabinet, or anywhere else, a motion which has been passed by the Senate to refer a certain bill to the Supreme Court of Canada.

We do not need at all the opinion of the Minister of Justice, which may be supreme within his department but does not bind anyone outside the department. The Minister of Justice for Canada should know the difference between the opinion of one man and the judgment of a court.

There is only one who can hold or keep in suspense the working of the law, and it is no one else than the Governor General when he delays the sanction of a bill. Besides that, I do not know of any man in public life who can prevent a bill from becoming law or following the process of law.

Moreover, honourable senators, this is not a matter that could be decided within the office of the Minister of Justice. It is not there that it should be decided. It should be decided in the Supreme Court of Canada, and for a very good reason: if we have social security in this country, we have no legal security for married women concerning the disposal of their immovable property, at least in the Province of Quebec. This is why I beg the attention of the Government again to this matter, and it will not be for the last time. When the Senate reconvenes I intend to raise it again on a question of privilege, because there is no satisfactory reason for the Minister of Justice holding it and preventing the Supreme Court of Canada giving a decision on the matter.

That is all I want to say tonight, but I will have some more to say at the next possible opportunity. It is a scandal.

Hon. Mr. Choquette: Honourable senators, is this not the bill that this chamber decided to refer to the Supreme Court of Canada some time ago?

Hon. Mr. Pouliot: The motion was to refer the bill to the Supreme Court of Canada. That motion has been conveyed to whom it may concern by the Leader of the Government in this chamber, and I am surprised that nothing has yet been done. That is my point: there is no reason not to refer the bill to the Supreme Court of Canada for a decision.

BUSINESS OF THE SENATE

Hon. John J. Connolly: Honourable senators, the Standing Committee on Banking and Commerce will meet forthwith in room 256-S. I hope that all members of the committee will be kind enough to give their attendance there. I cannot say how long the meeting will last, but I understand it will not likely be lengthy. It is proposed that the Senate resume its sitting immediately after the committee concludes its deliberations.

Therefore, I suggest that the Senate do now adjourn, to reassemble at the call of the bell, after the sitting of the committee.

The Senate adjourned during pleasure.

At 10.15 p.m. the sitting was resumed.

CRIMINAL CODE (HABEAS CORPUS)

BILL TO AMEND—REPORT OF COMMITTEE ADOPTED

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill C-35, to amend the Criminal Code (*Habeas Corpus*), and had directed that the bill be reported with the following amendment:

> Strike out clause 1 and substitute therefor the following:
>
> "1. Subsection (2) of section 691 of the Criminal Code is repealed and the following subsections substituted therefor:
>
> '(2) Except as hereinafter in this section provided, the provisions of Part XVIII apply, *mutatis mutandis,* to appeals under this section.
>
> (3) Where an application for a writ of *habeas corpus ad subjiciendum* is refused by a judge of a court having jurisdiction therein, no application may again be made on the same grounds whether to the same or to another court or judge, unless fresh evidence is adduced, but an appeal from such refusal shall lie to the Court of Appeal, and where on such appeal the application is refused a further appeal shall lie to the Supreme Court of Canada.
>
> (4) Where a writ of *habeas corpus ad subjiciendum* is granted by any judge no appeal therefrom shall lie at the instance of any party including the Attorney General of the province concerned or the Attorney General of Canada.
>
> (5) Where a judgment is issued on the return of a writ of *habeas corpus ad subjiciendum,* an appeal therefrom lies to the Court of Appeal, and from a judgment of the Court of Appeal to the Supreme Court of Canada, with the leave of that court, at the instance of the applicant or the Attorney General of the province concerned or the Attorney General of Canada, but not at the instance of any other party.
>
> (6) An appeal in *habeas corpus* matters shall be heard by the court to which the appeal is directed at an early date, whether in or out of the prescribed sessions of the court.' "

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

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

Honourable senators, the amendment proposed to this bill is designed to state clearly

the rights of the Crown, whether it is the Attorney General of the province or the Attorney General of Canada, and the person who is under detention where proceedings by way of *habeas corpus* are sought for his release from such detention. For that reason these particular subsections proposed in the amendment made by the committee spell out very carefully the various steps that are available. For instance, where a person under detention applies for a writ of *habeas corpus,* which means a writ which would direct the delivery of his body before a judge, who will then inquire into the merits of his detention, the practice for a considerable time was that you made the rounds of the judges, and if you failed in your application the first time, you did not stop trying until the last judge had said no.

Some doubts were cast upon the correctness of that earlier procedure of shopping around, by a judgment of Chief Justice McRuer some years ago. The procedure now proposed is that if an application is made for a writ of *habeas corpus* on behalf of a person who is in detention, and the judge in the first instance refuses the order—in other words, refuses to issue the writ—two things may be done on behalf of the person in detention. An appeal may be made on his behalf to the court of appeal of the province in which he is being detained, and if that appeal fails a further appeal may be taken to the Supreme Court of Canada.

Alternatively, if there is fresh evidence on which an application may be made, then there is provision in this amendment for the making of another application but not, of course, on the same grounds. In those circumstances the application can be made to a judge again for the issue of a writ of *habeas corpus.* At that stage of the proceedings, where the question is whether a writ of *habeas corpus* will or will not issue, the only person enjoying the right of appeal is the person who is under detention. It is a right of appeal to the person under detention.

Where the writ is granted, and there is then a hearing on the merits and the judge makes a decision in favour of or against the prisoner, there is then a right of appeal granted to the prisoner and also to the Crown. I use the word "Crown" but the language used in the amendment is "the Attorney General of the province concerned or the Attorney General of Canada." There is a right of appeal first to the court of appeal of the province, and a further right of appeal to either of the parties to the Supreme Court of Canada from the decision of the court of appeal, but only with leave of the Supreme Court of Canada.

We have also provided that an appeal in a matter of *habeas corpus* must be proceeded with promptly. The language of the amendment is "at an early date, whether in or out of the prescribed sessions of the court." The courts may be in a period of long vacation, which covers July and August, or a period of short vacation which might be during the Christmas season, and appeals of this character must be proceeded with promptly.

I think it is important that these procedures should be spelled out, because the right to *habeas corpus* is a very important right. The committee felt that the steps that are available, and the rights that are enjoyed respectively by a person under detention and by the Crown, should be defined very clearly and beyond all doubt.

Honourable senators, before I resume my seat I want to commend very sincerely and wholeheartedly the effort, industry and application Senator Roebuck gave to the provisions of this bill, and to thank him for the valuable contribution he made to the language in which you now find this amendment expressed.

Hon. James Gladstone: Honourable senators, may I take this opportunity of asking that the provisions of this legislation apply equally to the Indians, who were the original occupants of this country. I would point out that we are not even called an ethnic group. But we are a stable people, we are here, and I do not know how you can get rid of us.

In speaking to this legislation I would like it to be known that the Indian people want to be a part of Canada in every way. We have treaties, and I would like to emphasize the fact that our treaties were made between statesmen of the Indian tribes and statesmen of those who governed Canada at that time. There were no lawyers present.

Therefore, I am asking the great legal minds of Canada, both within this chamber and without, to consider the rights of Indians in interpreting fundamental questions. I am trying to represent the Indians of this land, and I know the way the wind is whirling around the world the Indians want to be a part of Canada. I have found this out in my travels. So, inasmuch as we are the chamber of second thought, let us at least give the Indian an opportunity to take his rightful place in all legal matters. He does not want something for nothing; he sincerely wants to be a part of Canada.

Hon. Arthur W. Roebuck: Honourable senators, may I take this occasion to thank the chairman of the committee for his kind remarks regarding myself. However, common modesty makes me rise to say that the sponsor of this bill was Senator Lang, who has cooperated with me in the analysis and production of the document now before us.

Furthermore, I should like to call attention of the house to the fact that Senator J. M. Macdonald was the first to raise some question as to the act as it came before us.

Finally, we in this chamber should give credit where credit is due. The measure which came before the House of Commons was a Private Members' bill, on a matter of great public importance, introduced by Mr. John Matheson. I think that the purpose of his bill was exactly the same as that in the bill before us as it now stands, but with some amendments in the matter of procedure. I wish to give to Mr. Matheson the credit that is his due, and much credit is due to him.

I should also mention our own Law Counsel, who has co-operated with me in every possible way within his power.

Common modesty impelled me to make this statement that I am not the only person, by any means, who spent time and effort in connection with this fundamental and most important matter.

The Hon. the Speaker: Honourable senators, it is moved by honourable Senator Hayden, seconded by honourable Senator Hugessen, that this report be now adopted. Is it your pleasure to adopt the motion?

Hon. Mr. Pouliot: On division—against the amendment.

The Hon. the Speaker: The report is adopted, on division.

THIRD READING

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

Hon. Mr. Lang: Honourable senators, I move that this bill, as amended, be now read the third time.

The Hon. the Speaker: Honourable senators, is it your pleasure to adopt the motion?

Motion agreed to and bill read a third time.

The Hon. the Speaker: Honourable senators, a bill C-35, intituled an Act to amend the Criminal Code (*Habeas Corpus*), has been read a third time, and is now ready to pass. Is it your pleasure, honourable senators, to pass this bill?

Hon. Mr. Gladstone: On division.

The Hon. the Speaker: The motion is carried, on division.

The Senate adjourned until Tuesday, March 30, at 8 p.m.

THE SENATE

Tuesday, March 30, 1965

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

Prayers.

RESTAURANT OF PARLIAMENT

REPORT OF AUDITOR GENERAL

The Hon. the Speaker tabled:

Report of the Auditor General of Canada to the Joint Chairmen and Members of the Joint Parliamentary Committee on the Parliamentary Restaurant on the examination of the accounts and financial transactions for the year ended October 31, 1964.

PRIVATE BILL

ASSOCIATION OF UNIVERSITIES AND COLLEGES OF CANADA—COMMONS AMENDMENT CONCURRED IN

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons returning Bill S-36, to incorporate Association of Universities and Colleges of Canada, and acquainting the Senate that they have passed this bill with the following amendment, to which they desire the concurrence of the Senate:

Page 1, Line 17. Delete the word "des" at the end of line 17.

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

Hon. Donald Cameron: Honourable senators, I move, with leave, that this amendment be considered now.

This is a minor amendment to section 1 in the bill as passed by the Senate. Section 1 reads:

> The members of the Conference named in the Schedule to this Act, together with such other corporations, organizations or bodies as may become members of the corporation as hereinafter provided, are incorporated under the name of Association of Universities and Colleges of Canada, and, in French, Association des Universités et des Collèges du Canada, hereinafter called "the Association".

In this amendment the second "des", at the end of line 17, is taken out.

Amendment concurred in.

COMPANIES ACT

BILL TO AMEND—COMMONS AMENDMENTS—DEBATE ADJOURNED

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons returning Bill S-22, to amend the Companies Act and acquainting the Senate that they have passed this bill with certain amendments to which they desire the concurrence of the Senate.

For text of amendments see appendix, p. 1481.

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

Hon. John J. Connolly: Honourable senators, instead of moving concurrence in these amendments which were made in the other place and having them read, as is customarily done, it might be better if I stated their purport.

In the first place, section 12a of the act gave a definition of mutual fund shares and of the relations between the mutual fund companies and their shareholders. This definition has been reworded, and I believe it has been clarified. It points out very clearly that not only do these mutual fund shares involve a participating interest in a fund but, as well, that they are a shareholding.

The clarification is the result of representations which were made to the officials of the department by some of the mutual fund companies, and perhaps more particularly by the association to which they belong.

May I say in respect of that amendment, as well as of the other amendments which have been made, that I talked with the Chairman of the Senate Banking and Commerce Committee, and he considers the amendments to be helpful and of the kind that the Senate would desire to see made.

The next amendment simply corrects a typographical error. In one section a reference to section 12, subsection (1) is amended to read section 12, subsection (1a). This is a great deal more precise than the original draft.

The third amendment deals with the situation when preferred shares are redeemed out of capital, under section 49, subsection (3). It is now made crystal clear that the decrease in the capital which results from the redemption of these shares is an automatic decrease, and no supplementary letters patent are required in order to confirm it.

The next two amendments also deal with the redemption of preferred shares, but redemptions that take place not out of capital but out of profits or out of money provided by a new issue. It is made clear in the rewording that such redemptions do not involve a reduction of capital.

The next amendment provides for a clarification of the balance sheet in cases where shares are redeemed out of capital, as opposed to the case where the redemption is made out of profits or out of new money.

Perhaps I should refer specifically to each amendment. I hope I have not misled anyone as I have gone along.

The seventh amendment deals with section 120(3)(j), where originally it was provided in connection with the report that the total remuneration received as a director, officer or employee of a holding company should include salaries, bonuses, fees, contributions to pension funds, and other emoluments. The Senate committee deleted the words, "contributions to pension funds" in every other case, but for some reason the wording was overlooked in this instance. It is deleted now as a result of that other action.

The next two amendments are of a class that deal with disclosure in respect of public and private companies. It was originally provided in section 121F that in the case of a public company there should be provision for disclosure on the direction of the Secretary of State as a result of a recommendation made by a judge of the Superior Court of the province. Likewise, in section 125A there were provisions with reference to disclosure in respect of private companies. The net effect of the changes made in the other place are to remove these provisions in respect of disclosure specifically, and to provide that there would be no disclosure hereafter except under circumstances that prevail up to the present time.

The tenth amendment provides for the renumbering of clauses as a result of the deletion of certain of these sections. And, finally, it is provided anew that the act shall come into force on the 1st day of July 1965. It is thought this is adequate time to allow the public as well as the department to adjust to the new legislation.

Honourable senators, there may be members of the Senate who would prefer to see these amendments in print, and if that is so, I have no objection whatever to delaying the putting of the motion until the next sitting of the Senate. On the other hand, if it is desired to dispose of this matter now I would be quite content to have that done.

Hon. David J. Walker: Honourable senators, as to the latter suggestion of the Leader of the Government—

The Hon. the Speaker: Before honourable Senator Walker speaks, I suggest to honourable Senator Connolly that he move concurrence now or consideration at the next sitting, otherwise there is nothing before the Senate.

Hon. Mr. Connolly (Ottawa West): So that the record will be in order, let me move concurrence now and, if it is desired, I would be happy to have the debate adjourned.

The Hon. the Speaker: It is moved by the honourable Senator Connolly (Ottawa West), seconded by the honourable Senator Vaillancourt, that these amendments be now concurred in. Is it your pleasure, honourable senators, to adopt the motion?

Hon. Mr. Walker: Honourable senators, with great respect, I would like to have an opportunity of reading the amendments in print. They sound reasonable, but there are two or three on which my thinking is not quite clear. I should like to have an opportunity of clarifying them.

Hon. Mr. Connolly (Ottawa West): Perhaps the honourable gentleman would adjourn the debate, and we can deal with these matters at a later stage.

Hon. Mr. Walker: I would so move.

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

CANADA PENSION PLAN BILL

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-136, to establish a comprehensive program of old age pensions and supplementary benefits in Canada payable to and in respect of contributors.

Bill read first time.

SECOND READING—DEBATE ADJOURNED

Hon. John J. Connolly moved the second reading of the bill.

He said: Honourable senators, I cannot claim that I am responsible for this bill having arrived here in time for our sitting this evening, but I can express the gratification of all of us when I say that we are glad to see it here at last.

The Canada Pension Plan deals with an important aspect of social security in Canada. It is a version of a program which all political parties support in principle. Its objectives are sought also by the vast majority of our people, and this has been demonstrated by samplings of public opinion on the point over a long period of time.

The provisions of this bill are not new to the Senate. Its subject matter has been the object of public discussion and debate both in and out of Parliament for a very long time, and has been constantly in the news.

Earlier this session the Senate approved an application to the Parliament of the United Kingdom to amend the British North America

Act. The amendment, since passed, enables Parliament to provide for survivor benefits, which the plan now contains. In 1951, the British North America Act had been amended by inserting section 94A, a provision giving Parliament authority to enact legislation in relation to old age pensions. As honourable senators know, a joint Committee of the Senate and the House of Commons, composed of 12 senators and 24 members from the other place, examined the legislation in detail. On this point I shall have more to say later.

The legislation before us contains proposals found in similar legislation in many other countries of the Western world. It represents an attempt to reach objectives which have been sought by individuals through their savings, through insurance, through private investment and through public and private retirement savings plans.

No one would claim that this legislation is intended to be a complete answer to the major problem of the maintenance of income after retirement and through the period described as old age. Rather, it purports to provide a minimum upon which individuals can build privately, if they are able and willing to do so. It provides a basis which can be supplemented.

The difficulties attendant upon aging, the position and perhaps the plight of senior citizens, make up a very complex problem which has been the object of study by a Special Committee of the Senate on Aging for the past several sessions. Senator Croll has shown commendable initiative in this field, and he has been encouraged and assisted by the many members of the Senate who are on that committee. They have provided a national forum for the discussion of this issue, and in doing so have performed a service for Parliament and for Canada. They have focused attention upon an aspect of national life which requires attention and action. Public opinion should be aware of this service that the Senate committee is performing. I am sure the public appreciates it.

In the printed proceedings of that committee dated December 10, 1964, a comprehensive survey of the field of social welfare respecting the senior citizen is provided. The witness on that date was Doctor Joseph Willard, Deputy Minister of Welfare. He submitted a brief and made a statement upon which he was questioned at length. He provided the graphs, charts and all of the material that is on record, and that has helped to clarify the general problem area.

As we approach consideration of this bill we must recognize it to be a far-reaching measure in an area where there is both federal and provincial jurisdiction. It is to be expected that in so complex a field there should be both proposals and counter-proposals. Most of them are worthy of careful consideration. There are welfare problems in this field, and adequately to care for them is a monumental task. The material submitted to the Senate's Special Committee on Aging by Dr. Willard contains helpful comment in this respect.

Parliament has given evidence of its awareness of the situation in many ways and over a long period of time. Upon the federal statute books are to be found such enactments as the Old Age Pension Act, which was introduced in 1927. This was the precursor of the Old Age Security Act. There are also the Old Age Assistance Act and the Blind Persons Act. All of these are helpful in the same field. So, too, is the Unemployment Insurance Act and the Unemployment Assistance Act. Many of these programs are conducted in co-operation with the provinces, and the provinces in their turn have their special legislation.

There are as well economic problems. The amounts of money involved, both from contributions and for the payment of benefits under this plan, are very great. The accumulation of these funds and their investment is a major factor in the national economy.

There are complicated administrative aspects. The funds assembled are to be held in trust. They are to be paid out to pensioners under a formula provided in the bill. The pensioner must know what he or she is to get, and it is important that each pensioner receive his or her full entitlement.

As I said earlier, opportunities to provide income security in later years through co-operation have been sought by Canadians for generations. The rapid strides we have made in the industrialization of our country have hastened the pace of the demand for income security in later years. Industrialization and urbanization have provided opportunities for this. In colonial and later times a scheme of the type proposed in this bill would not have been possible. As the economy developed in sophistication it is true that new social problems emerged, but it is also true that the means to attack those problems have developed.

Towards the end of the late war, through the Income Tax Act, recognition was given to this concept. Parliament provided that deductions from taxable income could be made of contributions to qualified pension plans, and both employers and employees were allowed to take advantage of this measure. The theory was that as these trust funds thus accumulated were disbursed to pensioners, and in accordance with the rules of the pension plan, those amounts were taxable in the hands of the retired recipient. Usually the rate of taxation on such income

is lower than would have been the case if the deductions had not been allowed. Subsequent recognition of the needs of the self-employed has been made by the sections of the Income Tax Act known as the retirement savings provisions. This too has been beneficial.

But the gap between those who could take advantage of these opportunities and those who could not was very great. It is estimated that two million Canadians are members of private pension plans, and this number is said to be some 30 per cent of the working force. In addition, some 76,260 Canadians in 1963 took advantage of the retirement savings provisions of the Income Tax law.

Based on 1964 figures, the provisions of the legislation we are now considering would affect an estimated 6,373,000 Canadians. This total represents 92 per cent of the labour force, and includes, of course, the Province of Quebec.

It is true that there are areas of our population which this plan does not benefit. That is true of almost every piece of social legislation. It was true of Family Allowances. But, as time goes on, even these inequities will disappear. What must be remembered is that this is a new far-reaching opportunity for many more Canadians to participate in a national pension plan. Regardless of what might be said of its shortcomings, it is a giant step in the desired direction.

Hon. Mr. Roebuck: Hear, hear.

Hon. Mr. Connolly (Ottawa West): Honourable senators, I should say in the first place that the Canada Pension Plan is integrated with the Old Age Security legislation. Old Age Security, in an amount of $40 per month for Canadians 70 years of age and over, and without a means test, was enacted in 1952. Since that time various amendments have raised the monthly rate by stages until it is now $75 per month. The last increase of $10 was made by Parliament in October 1963. Under the Canada Pension Plan it is provided that the payment of $75 per month will be available at age 65. This will be accomplished progressively over a five-year period. The present bill also provides that while the Old Age Security payment of $75 will not be decreased, it may escalate with the cost of living.

As all honourable senators know, Old Age Security payments are financed on a pay-as-you-go basis from revenues derived from 3 per cent of sales taxes, 3 per cent of corporation income taxes and, subject to a limit of $120 per year, 4 per cent of personal income taxes. In the present fiscal year the Old Age Security fund will disburse some $885.5 million, and there is no foreseeable increase in the 3-3-4 formula to which I have referred. By 1970, 1,622,000 people will be receiving $75 per month in the age group of 65 years and over. This compares with the figure of one million people getting Old Age Security in 1965.

Honourable senators, the basic provision of the Canada Pension Plan is the payment of a pension related to earnings in addition to the Old Age Security payment of $75 a month. Generally speaking, this pension will be one-quarter of the adjusted average earnings on which the pensioner has made contributions. Thus, a man who has earned $240 per month for the prescribed period will get a pension of $60 a month. If the adjusted average earnings were $5,000 a year or more, the pension payment will be slightly in excess of $104 a month. When a person retires after the 10-year maturation period of the plan, the pension will be 25 per cent of his average earnings in the period of contribution. The pension will be proportionately less for shorter periods of membership.

The first question which arises is, who is to be covered. I should say, in the first place, that provincial government employees are excepted; members of the armed forces are also excepted; but there are studies now being made, particularly as to members of the armed forces and people in that related category of federal employment. Certain classes of migratory workers in agriculture, fishing and forestry under certain conditions are also excepted.

In general, however, the rule is that all employees earning over $50 per month, or $600 per year, are included. All self-employed who earn $800 a year, or over, are included. The upper limit of income upon which contributions are made is $5,000. Contributions will be paid into the fund from ages 18 to 70. There are provisions which permit a person to retire at 65 without further contributions, and these I shall discuss later. The bill contains a formula to revalue earnings made in earlier years. When changes have taken place in the general level of present earnings, benefits also will be adjusted in line with the rise and fall in the cost of living.

The level of contributions is the question which logically arises at this point. Employees will be required to contribute 1.8 per cent of their earned income between $600 and $5,000 in a year. The maximum which an employee can contribute per annum is therefore $79.20. This rate of contribution is matched by employers. For the self-employed the rate is 3.6 per cent of earnings from self-employment between $800 and $5,000 a year. Contributions, of course, do not form part of tax-

able income in the year in which they are made.

Hon. Mr. McCutcheon: Subject to the normal tax limits.

Hon. Mr. Connolly (Ottawa West): Yes.

May I say something now about pension payments. Pensions may be taken upon retirement at age 65. If this option is chosen by a pensioner, minor earnings of up to $75 per month will not reduce the pension. Also, investment income will not reduce the pension.

From age 70 the right to a pension is an absolute right, regardless of what the pensioner's earnings might be; and contributions also end at age 70.

A full pension will be earned by making contributions for 85 per cent of the time from the start of the plan. For young people from age 18 through to age 65 this rule would apply. The 15 per cent of time is allowed to save people from being penalized in their pensions if they have been sick or unemployed.

Under this rule, a woman who works, say, for 30 per cent of the time, would get one-third of the full pension. This would apply if she contributed during a period of employment in her early life. If upon marriage she discontinued work until her children had grown, she could then return to the labour force and begin to contribute once more.

A man who works and who contributes between the ages of 65 and 70 will get the benefit of his earnings during those years. The unfavourable effect upon his pension which thus resulted from a lower level of earnings in earlier years, or from periods of unemployment, would thus be improved.

The full effect of the rights to a retirement pension will be established when the plan has been in operation for 10 years. This will be in January 1976.

After one year, a man or woman who has contributed in 1966, and whose age is 68, may receive a pension of one-tenth of the full level. After two years the pension will be available to retired people at age 67 and will be two-tenths of the full level. By 1970, after four years of contribution, the pension will be available from age 65 and the benefit level will be four-tenths of the full pension. Pensions, of course, are fully portable in Canada. The bill contains certain provisions in case of disability, and in case of the death of contributors. There are provisions for widows and for orphans, but these special aspects will be discussed by other members of this chamber.

As the funds collected accumulate, they will be allocated for investment in provincial securities in proportion to the contributions made from each province. This will be an important source of money for provinces to meet their evergrowing financial requirements.

The integration of this public plan with private plans is a matter to be worked out by the administrators of private plans. There is a special provision for the integration of this plan with the Public Service Superannuation Plan.

Honourable senators know that pensions are in a field of jurisdiction which is shared by the federal and provincial authorities. The bill provides that it will not be operative in a province in which a comparable plan is established under provincial law. This can be done in the beginning, and Quebec proposes to do it. It can be done later, and if a province should establish a comparable plan under its own provincial legislation, the bill arranges for the transfer to the province of the assets and liabilities relating to that province's contributors.

The bill provides for co-ordinating its administration with that of any provincial plan. These arrangements have already been established in detail with Quebec.

Honourable senators, however inadequately I may do so, I should like to pay a special tribute to the work of the members of the special Joint Committee of the Senate and the House of Commons which studied this legislation. The work done by these parliamentarians will be discussed later in the debate by one of the members of the committee.

On behalf of the Government, I thank them all for their assistance. Most of the sittings were held during the recess of Parliament. They carried on, I am sure, at great inconvenience to themselves during much of January and February. In doing this, they deprived themselves of a holiday from their parliamentary duties which the recess afforded. For all of this, the rest of us are deeply in their debt.

More especially, I should like to report the very high praise I have heard from many quarters for the work of the senators on that committee. They were constant in their attendance. They were both informed and assiduous. They enhanced the status of the committee and, incidentally, of the Senate. Many of them have developed an expert knowledge of the legislation—much more expert, I may say, than my own.

I am sure that as a result of the debate in this chamber we shall be much more informed about the status of this proposed legislation than we are now. I am sure also that the debate will be of a high order, comprehensive, and beneficial. I commend it

to the favourable consideration of this honourable chamber.

Hon. Mr. Choquette: May I ask the Leader of the Government if it is his intention to send this bill to committee?

Hon. Mr. Connolly (Ottawa West): I am of course in the hands of the Senate. I think perhaps this is a matter which depends a great deal on the way in which honourable senators propose to deal with the legislation. Moreover, we are very conscious of the fact that a joint committee sat to discuss this bill and heard a great deal of evidence over a considerable period of time. However, if honourable senators feel that better explanations can be given in committee than by speeches in this house, I see no reason in the world why the bill should not go to a committee as other bills of this kind do.

I know from events that have happened in the other place, some will say this is unnecessary and there is delay involved. My personal opinion is that one of the standing committees of the Senate will provide a better opportunity for explanation of the terms of the bill and in general do a better job than if the bill did not go to committee. If, therefore, the disposition is that the bill should be referred, say, to the Banking and Commerce Committee, I certainly think it would be a good course to follow.

I simply add one word of caution. It would not be my intention that we should repeat the work that was done by the joint committee which heard the evidence of many witnesses from the public. However, for the purpose of getting explanations, I think it would probably be helpful to all honourable senators if the bill were referred to a committee.

Hon. M. Wallace McCutcheon: Honourable senators, first let me say with reference to the work of the committee, that if there is any member of the Joint Committee of the Senate and House of Commons who has developed the expert knowledge of this bill to which the leader referred, it is the charming, devoted and efficient co-chairman of the committee, Senator Muriel Fergusson. I was a member of the committee, and I do not claim to have developed that expert knowledge.

This is as complicated a piece of legislation as has ever come before this house. There were sections to the amendments of the Income Tax Act which, after the most exhaustive explanations, I said I was unable to understand. I think there are sections of this bill which are even less capable of being understood by the ordinary mind. I was therefore delighted to hear the leader of the Senate (Hon. Mr. Connolly, Ottawa West) say that if it was the disposition of the house the bill would go to the Banking and Commerce Committee. I would think that would be for the purpose of enabling the committee to hear the minister and her officials, so that all honourable senators would have an opportunity to benefit from those explanations. I would agree with the leader of the Senate that it should not be necessary for us to call witnesses from the general public.

Having said that, I want to make my own position clear from the outset. My reputation, from the work that I have done in the field of welfare, I think will speak for itself. This is a welfare measure. One of the important questions I want to discuss is as to whether that measure actually accomplishes what it purports to accomplish, whether it does it in the best way, and whether, having regard to the other claims upon the purse of this country, it is too niggardly, or perchance too generous.

The bill was before a special Joint Committee of the Senate and the House of Commons. That it is a complicated bill is evidenced by the fact that there are 11 volumes of evidence, dealing with the 11 daily reports, sometimes one session, sometimes two and three, totalling 638 pages, dealing merely with the explanations of the minister and her officials. So that this is not a simple piece of legislation with which we are dealing tonight.

The leader referred to the prior legislation in this field. He referred to the Old Age Pension Act of 1927, the Old Age Assistance Act of 1952, and the joint committee of the Senate and the House of Commons which sat in 1950 prior to the enactment of that first Old Age Security legislation.

In considering this bill and in relating it to the fact that there was a special joint committee of Senate and the House of Commons, I do not think we should be led astray or put ourselves in the position of saying: Well, there was a special committee of the Senate and House of Commons in 1950, and in 1952 its recommendations were implemented with practically no change, and therefore we have been through the same procedure today and can go safely ahead and enact this legislation.

The terms of reference of the committee in 1952 were as follows:

> That the Senate do unite with the House of Commons in the appointment of a Joint Committee of both Houses of Parliament to examine and study the operation and effects of existing legislation of the Parliament of Canada and of the several provincial legislatures with respect to old age security; similar legislation in other countries; possible alternative measures of old age security for

> Canada, with or without a means test for beneficiaries, including plans based on contributory insurance principles; the probable cost thereof and possible methods of providing therefor; the constitutional and financial adjustments, if any, required for the effective operations of such plans and other related matters.

Of course that committee sat for some months. What that committee did was to look at the entire field.

The terms of reference of the committee of which Senator Fergusson was co-chairman were much narrower. The order from this house was:

> That the following senators be appointed to act on behalf of the Senate on the Joint Committee of the Senate and House of Commons appointed to consider Bill C-136, intituled: "An Act to establish a comprehensive program of old age pensions and supplementary benefits in Canada payable to and in respect of contributors";...

That is a very much narrower term of reference. There was one piece of legislation placed before us. We were asked to examine and report on it, and the amendments that were accepted were of a minor nature. The majority of the amendments that came out of the committee were purely drafting amendments. The major one was not made until the bill reached the floor of the other place. The attention of the committee was directed to a very narrow matter. As we were reminded from time to time, it was directed to this bill. We did not have the broad terms of reference that the committee of 1950 had.

Honourable senators, in a moment or two I am going to refer to some of the evidence that was given before the 1950 committee. In the meantime, I think we should also look at the history of this particular piece of legislation. I consider this the fifth edition.

The first version was introduced in the other place on June 21, 1963, and was being discussed in committee on July 18, 1963. Of course, it has a different rate of contribution from the rate that is included in this bill. It provided that out of the Canada pension funds would be paid the additional $10 a month to persons who were drawing Old Age Security; subsequently the Government decided to pay it independently of this bill, and passed a measure in October, 1963, increasing by 1 per cent the rate of personal income tax up to a limit of $3,000 to cover that.

It contained a number of other differences. Most importantly—and I read from the statement that Miss LaMarsh circulated at that time:

> The Canada Pension Plan will not build up a huge investment fund in the hands of the federal Government. Instead it will be financed on a pay-as-you-go basis. The money received in contributions will in most years approximately match the money paid out to pensioners. While the program will operate with a contingency reserve...

Everyone would agree with that.

> ...in order to avoid short run fluctuations in contribution rates, this reserve will normally be small by comparison with the size of the annual payments.

The minister goes on:

> While full funding may be provided under private pension plans, it is not the practice in government old age insurance programs. Indeed, full funding on the scale of a nation wide plan would be a quite excessive form of saving enforced by the state.

However, as I say, that version of the plan died, and a new version appeared in March 1964. Then there was a third version announced, and then we had the fourth version and the White Paper of August 1964.

Now we find a completely new set of circumstances. We find that we are to have a lower rate of pension, a higher rate of contribution and a very substantial degree of funding.

> The revenues of the plan, over and above those needed for current operations, will be available for the use of the provinces; they will be divided in proportion to the amounts paid into the plan by contributors in each province. Provincial governments will thus have the right to use of the funds, provided they undertake to pay interest to the pension fund at a rate not less than the rate for long-term federal borrowing. Any funds which a province does not wish to take up would be invested in federal government securities, but the principal assets of the fund will be obligations of provincial governments. It is estimated that the reserves in the federal fund will be more than $4 billion by the end of the first ten years.

Miss LaMarsh at that time probably had not seen her own actuarial report—I will come to that in a moment—because the reserves are very much greater than that at the end of the first ten years.

Now I will refer to the fifth version, and this version does not differ in its funding aspects from the third and fourth versions. I will come to that in due course.

There appeared before the Joint Committee of the Senate and House of Commons on Old Age Security in 1950 certain gentlemen who now sit on the treasury benches in the other place.

Honourable senators will appreciate that this scheme is to be financed by what is, in effect, a payroll tax—a tax on employees and a payroll tax on employers. It is interesting—when this joint committee in 1950 had a free hand to look at all the methods of financing, to look at all the possibilities—to hear, for example, what Mr. Mitchell Sharp, then of the economic policy division of the Department of Finance and now the Minister of Trade and Commerce, had to say:

> The fundamental characteristics of a pay-as-you-go system—

And this is, of course, what was adopted.

> —is that those who are working pay the cost of providing pensions for those who have retired. The financing of a pay-as-you-go system is a matter of distributing the current cost of pensions over the population in what is considered to be a proper way. In other words, it is essentially a revenue problem, even though the scheme may be contributory in the sense that it is paid for in whole or in part by a special levy or contribution.

It is only because the Government decided to finance the original Old Age Security by a special levy or contribution that it was necessary to obtain an amendment to the British North America Act, to which the Leader of the Government referred. Had it been prepared to finance in—what shall I say?—the orthodox way, without earmarking the funds, it would not have needed an amendment to the British North America Act. It needed no amendment to the British North America Act to provide the Blind Persons Allowances to which the Leader of the Government referred, but because it decided to finance it in this so-called extra-budgetary fashion it did need that amendment, and it got it.

Mr. Sharp went on—and remember this is the type of plan we are looking at:

> I think it is pretty clear that a tax on wages and salaries would have a very direct effect on cost of production. I would think if there were a payroll tax, paid by the employer, the tendency would be for it to be passed on in prices immediately. There would be certain deterring factors and this is one of the difficulties of payroll taxes; if they do not apply on imports, you put the local producer at some handicap compared with his competitors abroad.

He goes on:

> However, I would think in general a payroll tax would tend to be passed on to the consumer and in that way it would have a direct effect on prices. It would not, of course, apply to everything purchased, it would apply only to goods and services that were taxed. It would not apply to rents except in so far as they reflect the higher cost of construction in houses...
>
> Since the payroll tax is placed on all exports, it enters into the cost of producing goods for export. The sales tax is rebated. Now, a sales tax may have some effect on increasing the cost of living internally, thus affecting the wage rate, but it does not have the same direct effect a payroll tax has.

Then there was another witness who appeared before that committee, Professor Maurice Lamontagne, then on the staff of Laval University and now Secretary of State. I read from a very poor photostat. He said:

> In the long run the consumers' goods industries will find it just as difficult as do capital goods industries to pass the tax on to the buyer of their products. When consumers' goods industries allow the tax on payrolls to be paid by consumers, while the capital goods industries are unable to add the tax to the price of their products, the margin of profit in the consumers' goods industries becomes greater than that in basic industries.

Then he proceeds to refer to the possibility of the switching of capital investment from one group of industries to another. Here are his conclusions—because he feels that these taxes are going to be passed on in one form or another, and I have underlined these:

> In short, the whole burden of the tax supposed to be paid by the employer will fall on the employee. It is useless to assert that such results are in flagrant contradiction to the program of public works intended to avoid unemployment.
>
> The second way in which the tax is brought to bear on labour is by the substitution of labour-saving devices for manpower... In either case the demand for labour falls, and the above mentioned conditions arise: labour must accept lower wages or unemployment will follow.
>
> One cannot foresee the future in this matter. Inventions are unpredictable, and their ultimate effects impossible to define. But industry always has in reserve new processes (and the war had undoubtedly

stimulated these) which can be used when new conditions, such as a marked increase in wages, warrant their adoption.

The conclusion seems inescapable. The tax on payrolls will fall back on the workers in the form of unemployment or a reduction in wages. At the same time, employees must also pay the direct tax on their wages which is ticketed as their share of the cost of social security; and they must contribute to the government's share which is drawn from general taxation.

The committee at that stage was considering three collections, one from the employer, one from the employee, and a payment out of the general revenue.

We therefore conclude that the workers will bear nearly the whole cost of social security.

It is interesting to note that all those who have studied the incidence of such taxes reach the same conclusions.

And then he quotes a number of learned gentlemen. Then he concludes:

I would say a payroll tax tends to reduce both consumption and employment which are precisely the two variables of the economic system we want to maximize. Consequently the tax would be a decided advantage to those employers who use less labour in proportion to their capital.

I have here an article from the Canadian Tax Journal, November-December 1964, by the then Professor W. C. Hood, Professor of Political Economy at the University of Toronto, and now adviser to the Governors of the Bank of Canada. He refers to several facets of the Canada Pension Plan. I should say in fairness that he was only referring to the second edition, I think—it may have been the third—but it was an edition that had the funding features to which I am referring now. It was not the first edition. This paper was delivered in June 1964:

Moreover I would expect that persons will seek to pass on their share of the costs of government pensions to their employers, customers or clients and that employers, in their turn, will take what steps they may to pass on through price increases, direct and indirect increases in their burden of pension costs. On the other hand, of course, the pension program will add weight to the existing pressures to economize on the use of labour by adopting labour-saving techniques including automation of processes. For us to institute a more liberal old age security program than the American program with its consequent increase in tax burden at the time when our major competitor, the United States, is completing a series of major cuts in personal and corporate tax rates will surely prejudice our competitive position.

It is rather interesting to notice that fundamentally the views of Mr. Sharp and Mr. Lamontagne, as expressed 15 years ago, coincide with the views expressed by Professor Hood in the last few months.

The Leader of the Government (Hon. Mr. Connolly, Ottawa West) referred to the large fund that was going to be accumulated, and I think we should have that on the record. I refer to what Miss LaMarsh said in the White Paper, but of course we can obtain somewhat more accurate figures than those if we refer to the actuarial report prepared by the government actuary dated November 6, 1964. He has several estimates as to the accumulation of the fund. The first estimate is based on a 3 per cent annual rate of increase in earnings, because under the bill the so-called pensionable earnings will increase from time to time in accordance with a pension index which is really a 10-year moving average, I believe, of wages. Assuming a 3 per cent annual rate of increase, the fund of the Canada Pension Plan, not including the plan to be administered by the Province of Quebec at the end of 1975, which is only 10 years from now, at 5 per cent interest will amount to over $4.9 billion. I have added 30 per cent to take account of the Province of Quebec, so that we can see the order of magnitude of this for the whole of Canada and reach a figure of $6.401 billion. If you take a 4 per cent annual increase in wages, the figure to fund the Canada Pension Plan, again excluding the Quebec plan, would be still greater, almost $5 billion, and for the two plans it comes to over $6½ billion.

Now those are very large amounts of money to be put in the hands of government without the sanction of the market place attached to them. There is no sanction of the market place to be applied to these funds for many years, as the figures presented to the committee show, and to which I shall return later.

But there are other people who are concerned about this because of the reversal of principle. They are concerned about the stout defence by the Minister of National Health and Welfare of a pay-as-you-go plan on June 18, 1963, and the equally stout defence by the three ministers—the Minister of National Health and Welfare, the Minister of National Revenue and the Minister of Finance—not of a fully funded but of a partially funded plan which builds up in 10 years to the magnitude I have mentioned.

I have here an extract from what Premier Roblin had to say at the meeting of Ministers of Finance on December 1, 1964.

> . . . this plan started as a pay-as-you-go system with lower rates of contribution —and this was strongly defended by federal ministers on grounds of economic policy. This aspect of the plan has been changed to more nearly approximate a funded plan and this has now been equally strongly defended on economic terms by the federal administration. There seems to be some unresolved questions to be ventilated in this connection.

I agree with Premier Roblin completely. That is one of the reasons why I think this bill should go to committee, so that we can see if these unresolved questions can be ventilated, and to find out how economic policy changed so quickly during a comparatively short period of months.

There are other people who have referred to the dangers of funding. One of the witnesses before the committee was Mr. Robert J. Myers, Chief Actuary, Social Security Administration of the United States. He is a man who probably knows more about social security and the funding and financing of plans than anyone else in North America. Referring to the American plan, at page 899 of the evidence he said this:

> . . . in the past decade, O.A.S.D.I. has operated on more or less of a pay-as-you-go basis, with income closely approximating outgo. Under present law, however, a substantial fund would be built up starting next year and particularly after 1967, when the scheduled increases in the contribution rates would occur. Under this basis, about 15 per cent of the cost of the program would be met by interest earnings, with the remainder, of course, coming from contributions of workers and employers. As you know, no direct government contribution to the system is provided.
>
> At the moment, it appears quite likely, however, that the financing basis contemplated in present law will be modified. There has recently been considerable concern on the part of many economic planners that the contemplated growth of the O.A.S.D.I. trust funds resulting from the scheduled contribution rate increases, which will produce significant excesses of contribution income over benefit outgo, is economically undesirable at this time because of withdrawing consumer-purchasing power. For example, during consideration of legislation last year the secretary of health, education and welfare stated to the Senate finance committee that, under a proposed revised tax schedule "the contribution rates would increase more slowly and gradually than under present law, so that excessive accumulations of funds in the next several years, with possible depressing effects on the economy, would be avoided".

They have an advisory council on social security and, of course, there is an advisory council contemplated under this bill. Mr. Myers continued:

> This council recommended that the presently scheduled contribution rates should be adjusted "to avoid the rapid increase in trust fund assets that will otherwise begin with the rate increases scheduled for 1966 and 1968". . . .Instead, the fund should be sufficient in size so that it can "meet temporary excesses of outgo over income due to relatively high benefit costs or low social security tax revenue in a particular period." The council believed that an adequate fund would be in the neighbourhood of one year's benefit payments; this would mean that, over the long range, interest earnings would supply only about 4 to 5 per cent of benefit costs.

Well, of course, that is what the Minister of National Health and Welfare believed in June 1963.

Another great danger—and there are many —to a funded system is that the public tends to look at the fund, and to believe that that fund is something that is there. It is a large fund, and the pressures are applied for more and more benefits without increases in premiums. There are a good many examples of that, which honourable senators can bring to their own minds. There is the pressure on the provinces to spend. The sanction of the market place does not take effect for many years. It is between 1985 and 1990 that at present contribution rates the fund will start to decrease.

I am sorry, honourable senators, but I am unable to put my hand on the exact figure, but my recollection is that it is between 15 and 20 years, 15 years at least, before the payments out from the fund plus the administrative charges equal the input into the fund, so that during that period all that a province borrowing these huge sums of money needs to do to pay the interest is to put in another I.O.U. and use the national accounts basis. It is going to be no drain on their cash funds.

The drain, of course, will come later. This will catch up with them, and the taxpayer eventually may find that instead of a semi-funded plan he has a "two pay" plan—a plan

where you pay as you go in, and another one where you pay as you go out.

I am not going to discuss at length the possibility of distortion of capital markets, and the effect on private savings funds that this may have, but that there will be a diversion from the private sector to the public sector goes without question. The Economic Council has suggested that that diversion might be slightly more than 5 per cent of total gross private saving, or somewhat more than one per cent of the gross national product. It has stated that even if this entire sum were diverted the effect on the rate of total saving would be limited—the phrase "the effect on the rate of total saving would be limited" is a quote. I know that it will be limited, but whether a reduction in the total rate of saving of one per cent of the gross national product is something that can be ignored, I am not certain.

With that, I turn again to Professor Hood, who said:

> The withdrawal of funds from the private sector to the government sector will impair the growth of large aggregations of capital in the private sector. I am not oblivious to the fact that important contributions to productivity may spring from a collection of many small investments. I also believe however, that there are important projects which require large-scale financing and which have to tap large aggregations of capital funds. I am concerned that the reduction in the growth of saving in the private sector by adversely affecting the accumulation of large blocks of capital may impair the ability of the private sector to undertake large scale capital projects essential to productivity growth.
>
> I am not propounding the doctrinaire view that what is done by the private sector advances economic growth while anything that is done in the public sector retards it. What I am trying to stress is that the investment by the provincial governments of the very large amounts of capital to be amassed under the Canada Pension Plan must contribute to productivity growth or retired persons along with the rest of the residents of this country will not enjoy as high real standards of living as the magnitude of their savings programs would warrant. I do not think provincial governments are yet geared to make the capital investment decisions they are soon going to be faced with under the Canada Pension Plan and under other policies serving to enlarge the role of government in capital formation.

I do not think any of us are under any real illusion as to why we have a semi-funded plan today, and as to why the economic facts of life have changed to make an acceptable plan out of what was scorned in June of 1963. The fact is that the Province of Quebec—and I admire the Province of Quebec in this and other respects—quite frankly said, "We are going to have a funded pension plan because our pension plan is going to serve two purposes." As I recall it, they did not say which purpose had priority. I think they put them on the same basis. One was a welfare purpose, and the other was the accumulation of a capital fund at the disposal of the Government. Anybody who has read the publications of the actuarial studies prepared by the Province of Quebec will find what I have just said clearly stated in the first or second page.

I say that those are perfectly proper objectives for the Province of Quebec. That is a decision of the Province of Quebec, and it would not be for me to criticize it, even though I did not agree with it. But I do say that that is no reason for imposing the same scheme on the rest of Canada.

The reason this attempt to do so is being made is, I suggest, because of a complete misunderstanding of the meanings of certain words. One reason given is that we want portability. It is said that we must have a completely portable pension plan from St. John's to Victoria. Honourable senators, "portability" and "equality" or "comparability" mean entirely different things. One does not need comparability to have portability. If the only pension plan that were to be introduced in Canada were the Quebec Pension Plan, then it would have complete portability. Portability means that when I leave the milieu with respect to which I obtain my pension—whether it is when I leave the employment of a particular employer, when I go to live outside in another country, or when I leave, in this case, the Province of Quebec—I do not thereby lose any rights that I have up to that point. That is true; but that is all that portability means. It does not mean that I necessarily move into another milieu where I am entitled to the same type of pension.

There are many private pension plans which are substantially portable; and there is draft legislation in the hands of a number of provinces now to make them more portable. When I leave the XYZ company, when I resign, I do not lose any benefits for which I paid, or any benefits towards which my employer has contributed. Therefore, at the higher age I can go to my new employer and he knows that I have something left back here, so he does not have to make any special provisions.

I move in for a short period and I get some more benefits from him. That is the situation under the Canada Pension Plan in this respect. If I come over from Detroit and work for five years in Windsor, or for two or three years, and if I have pensionable earnings and pay on them, as I must under this bill if I am employed in Canada, and if I later return to the United States, the result is that if I think about it when I am 65 I can draw a pension. That is portability, so that the excuse that it is necessary—

Hon. Mr. Connolly (Ottawa West): That is a vested interest. I think the point the honourable senator is proceeding to make is that the person who moves acquires a vested interest in what he has acquired up to the time of the move, and another vested interest in what he may acquire as a result of the move to the other place.

Hon. Mr. McCutcheon: He may acquire any other vested interest in the new place, but he has acquired a vested interest in the place which he has left. This statement that portability is at the basis of this plan, cannot be established and is invalid, as is evidenced by another fact.

As the Leader of the Government pointed out, the bill provides for provinces contracting out of the legislation, provided they establish a substantially comparable plan with substantially comparable benefits and conditions. Provision is made for contracting out immediately, which is what the Province of Quebec is going to do. There is provision made for a subsequent contracting out, if a province chooses to do so on two years' notice. Provisions are made for the province assuming the responsibilities with respect to contributions which have been made to that date, and for the province receiving the funds which have resulted from those contributions, so that it can take care of that obligation. But, and I think honourable senators should note this, having contracted out, then the province is free to change a plan in any way it wishes. That is the opinion of the Department of Justice, and that is the opinion which Mr. Thorson gave to the committee. Anyone can read the evidence.

That does not mean that portability is to be destroyed. I would think that no province would ever establish a plan of this nature which would say, in effect: If you leave the province, you are through. That is not what Quebec says; it is not what this bill says about persons from other countries coming here and working for a period, and leaving.

When I leave XYZ employer, I carry with me the benefits I had vested there, and when I go to ABC employer I may make a different contribution and the level of benefits may be different, but portability continues. The point I am trying to make is that the arrangement for semi-funding or partial funding—I do not know what the percentage of funding is in this plan—was unnecessary for the purposes for which it has been described as being necessary. Furthermore, that is recognized in the bill because the bill makes no provision for contracting in, once a province has contracted out. There is no provision for the Province of Quebec, once the time has passed, for contracting in. There is no reason to believe that these rates, these contributions and these benefits, will continue forever to be uniform.

It would be probably unfair to say that the price we pay for that uniformity to date will be in 1966 about $140 million, by reason of tax abatements made by the federal Government to the provincial governments. I referred to that previously, and I just mention it now in passing and will say no more.

There is one beauty of this semi-funded plan, and that is that for a period of time it conceals the true cost of the plan from the taxpayer. It is true that honourable senators know that the time will come, and it will come in about 20 years, when something will have to be done about the contributions under this plan, and historically they only go up. I do not think the people of Canada know that. But they do know this: they know that when the categorical old age security benefit was increased by $10 a month in October 1963, they thereupon started to pay up to $30 a year more in taxes. It is one of the best sanctions I know, when you are asking for something more, if at the same time you have to pay something more and you can correlate the two. That is not what will happen here. What will happen is that many years from now the contributors will suddenly have to pay more. Of course it will be the younger contributors, as the whole scheme of this plan is that my grandchildren will pay for me and then, if they go on long enough, their grandchildren hopefully may pay for them. Nobody pays for himself.

I am looking at the actuarial report. The actuary prepared tables on a number of estimates. He has what he calls a high cost estimate, a low cost estimate and an intermediate cost estimate. Probably the fair thing is to take the intermediate cost estimate. If the increase in average earnings is only 3 per cent per annum, then in 1980 the 3.6 per cent will not quite cover the cost. In other words, shortly after that the fund will start to go down. If it is 4 per cent, you have to wait until some date between 1980 and 1985.

Hon. Mr. Connolly (Ottawa West): Would the honourable senator give me the first date, please?

Hon. Mr. McCutcheon: 1980. It is table 11 of the report of the chief actuary, given at page 503 of the proceedings of the Joint Committee. In 1980 you will start drawing from your equity in the fund in order to provide the benefits on the basis of these estimates. At the 4 per cent rate of increase in average earnings, it will be some time between 1980 and 1985. Of course, as you go along—remember we are talking about a 3.6 per cent payment on contributory earnings—in 35 years, on the 3 per cent basis, the actual cost will be nearly 5½ per cent. On the 4 per cent increase in earnings it will be 4.88 per cent, and so on.

A few moments ago, I said I could not put my hand on the figures to show when the fund would start to decrease. I now have those figures. Using a 3 per cent per annum average increase in earnings, the fund will start to decrease sometime between 1985 and 1990, that is, just over 20 years from now. There are many senators who are here tonight who will still be here then.

Hon. Mr. Connolly (Ottawa West): Hear, hear.

Hon. Mr. McCutcheon: On the 4 per cent earnings, it again starts to decrease during the same 5-year period, using the so-called intermediate cost figures. And, of course, if something is not done, in 35 years from now you will have a deficit of billions of dollars.

The danger of the fund is, first, that it builds up a fund which people do not understand and, secondly, it leads to a rude shock and a rude awakening.

Mr. Lamontagne had something to say about this 15 years ago, and I think what he said is borne out by some of the figures I have been discussing in the past few minutes. He said:

> Furthermore, the reserve fund accumulated by the government creates problems of its own. If the government tries to invest that money in private economy then it competes with private savings. Such a move would also be undesirable for other reasons that you can easily appreciate.

And of course that is not contemplated under this bill.

> On the other hand, what the government is most likely to do is to invest the fund in government securities and so use it to meet its current expenditures.
>
> The obligations of the government deposited in exchange do not represent actual assets but merely future commitments that will have to be met by future taxes.

That is important, and that is what I meant by a two-pay program—pay as you go in, and pay when the bonds have to be redeemed.

> Under those circumstances the fund is merely a fiction.

I am quoting Mr. Lamontagne, who knows much more about these things than I do.

> When the system of old age pensions starts to operate on a full scale, the government has to revert to the pay-as-you-go approach, anyway.

That is the same evidence as Mr. Myers gave, and I have great respect for both of those witnesses.

The fact is that between our payments under O.A.S. and our contributions under this fund, the bill in 1966 will be something of the order of $1½ billion. I am including the Quebec pension fund. However, that is something that is hidden from the individual taxpayer to a considerable extent at the present time.

Once you reach the pay-as-you-go situation, of course, it becomes very obvious. The United States has reached the stage now where its rate, which started out quite low, was raised on January 1, 1960 from 5 per cent to 6 per cent. This is the combined rate. By and large, the employer and the employee pay half. On January 1, 1962 it went from 6 per cent to 6½ per cent. In 1963 it went from 6¼ per cent to 7 per cent. In 1966 it is to go from 7¼ per cent to 8¼ per cent.

In 1967 or 1968 the rate was proposed to go to 9¼ per cent, but it has been estimated that that may build up the fund, as Mr. Myers' evidence showed, a little too rapidly, and that probably will be adjusted. However, those are the kinds of rates you reach on a pay-as-you-go plan, and eventually this plan will be a pay-as-you-go plan. My suggestion is that it should start out on that basis so that people will know from the outset exactly what is happening.

Now I want to touch on the comparison of our proposed old age security disability and survivor benefits with those paid in the United States.

In her statement of July 18, 1963, Miss LaMarsh made a comparison, including flat rate benefits, if the earning levels in Canada remain unchanged and the United States program is unchanged. At every level of earnings the United States benefits are less than the Canadian benefits at corresponding ages, except that at that time the proposal was—this of course was plan 1—that our covered earnings would stop at $4,000 a year,

whereas the United States earnings went up to $4,800 a year, and at that figure at age 65 our benefit was slightly less than the United States benefit; at age 70 it was substantially greater.

Mr. Myers was asked about the situation in the United States. He said:

> We have a provision which says that the minimum benefit for a retired person at age 65 is $40.

Of course, when we have this measure the minimum provision five years from now for a person aged 65 will be $75.

Then Mr. Myers was asked about the average payments that were made under O.A.S., and he said:

> The average payment now for a retired worker is about $75 for those on the roll—

That is, for those who have retired.

> —while for those currently coming on the roll it is about $80.
>
> This includes all types of cases from the person coming on with a minimum benefit of $40, because he had a very sporadic wage history, to the full time worker who has been in the system every year since it began at relatively good wages—a person who perhaps is getting $100 or $105 a month.

Under our system, of course, we call $5,000 a year "good wages." Instead of getting $100 or $105 a month we will be paying $75 plus $104, or $179 a month, and we will be paying $75 of that, without any retirement test, starting at age 65 in spite of the fact that the recipient may still be in the labour force. Under the United States system there is a retirement test which applies up to age 72. Our retirement test, where it is applicable, applies only up to age 70.

Now all I would like to suggest at this moment is that we may be placing ourselves under a very serious competitive handicap in establishing a level of welfare benefits that is substantially higher than that of the United States, with whom we are in constant competition in our domestic market, in their domestic market and in foreign markets.

I have sat in meetings with young people who, I think, sometimes take a saner view than some of the rest of us do about these things, and I have been asked how it is we can afford bigger pensions in Canada than they can in the United States. I try to reason with them and explain to them that we are a wealthy country, that our per capita G.N.P. is much greater, that our personal net disposable income is much greater and that, therefore, we are entitled to these things; but I have not been able to make any converts.

Honourable senators, there are a number of other matters I would like to deal with and, with your indulgence, I would adjourn the debate.

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

DOCUMENTS TABLED

Hon. John J. Connolly tabled:

Report of Polymer Corporation Limited, including its Accounts and Financial Statement certified by the Auditor General, for the year ended December 31, 1964, pursuant to sections 85(3) and 87(3) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French texts).

Report of the Central Mortgage and Housing Corporation, together with a Statement of its Accounts certified by the Auditors, for the year ended December 31, 1964, pursuant to section 33 of the Central Mortgage and Housing Corporation Act, chapter 46, and sections 85(3) and 87(3) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French texts).

Agreement between the Government of Canada and the Government of the United States of America concerning the establishment of an International Arbitral Tribunal to dispose of United States claims relating to Gut Dam. (English and French texts).

Report of the Department of Northern Affairs and National Resources for the fiscal year ended March 31, 1964, pursuant to section 11 of the Department of Northern Affairs and National Resources Act, chapter 4, Statutes of Canada, 1953-54. (English and French texts).

Copy of Ordinances, chapters 1 to 4 inclusive, made by the Commissioner in Council of the Northwest Territories, assented to February 17, 1965, pursuant to section 15 of the Northwest Territories Act, chapter 331, R.S.C., 1952, as amended 1953-54, together with a copy of Order in Council P.C. 1965-509, dated March 19, 1965, approving same. (English text).

Capital Budgets of Eldorado Mining and Refining Limited, Northern Transportation Company Limited, and Eldorado Aviation Company Limited, for the year ending December 31, 1965, pursuant to section 80(2) of the Financial Administration Act, chapter 116, R.S.C., 1952, together with a copy of Order in Council P.C. 1965-471, dated March 18, 1965, approving same. (English and French texts).

Report of the Tariff Board, relative to the Inquiry Ordered by the Minister of Finance respecting Radio, Television and Related Products—Reference No. 123, (English and French texts), together with a copy of the evidence presented at public hearings, (English text), pursuant to section 6 of the Tariff Board Act, chapter 261, R.S.C., 1952.

Report of the Custodian of Enemy Property for the year ended December 31, 1964, pursuant to section 3 of The Trading with the Enemy (Transitional Powers) Act, chapter 24, Statutes of Canada, 1947. (English and French texts).

Statutory Orders and Regulations published in the *Canada Gazette*, part II, of Wednesday, March 24, 1965, pursuant to section 7 of the Regulations Act, chapter 235, R.S.C., 1952. (English and French texts).

DIVORCE

REPORTS OF COMMITTEE ADOPTED

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 841 to 896, inclusive.

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

Hon. Mr. Roebuck: I move, with leave, that they be considered now.

Motion agreed to and reports adopted, on division.

RESOLUTIONS PRESENTED

Leave having been given to revert to Presentation of Petitions:

Hon. Mr. Roebuck, Chairman of the Standing Committee on Divorce, presented the following resolutions:

Resolution 810, for the relief of Joseph Lorenzo Lucien Matte.

Resolution 811, for the relief of Joel Rozenblat.

Resolution 812, for the relief of Roger Simonneau.

Resolution 813, for the relief of Myra Belle Feingold Ryerson.

Resolution 814, for the relief of Jean Gerin-Lajoie.

Resolution 815, for the relief of Denis Sproule Flack.

Resolution 816, for the relief of Jacqueline de Muinck Comijs, otherwise known as Jacqueline de Muinck Comys.

Resolution 817, for the relief of William Thomas Lucas Butcher.

Resolution 818, for the relief of Joseph Wenceslas Adrien Gagnon.

Resolution 819, for the relief of Jean Lionel Saumur.

Resolution 820, for the relief of Lucile Gouin Bureau.

Resolution 821, for the relief of Marie Jacqueline Madeleine Pominville Lepine.

Resolution 822, for the relief of Neonila (Nila) Latysh Perederyj.

Resolution 823, for the relief of Doris Leclair Picard.

Resolution 824, for the relief of Henri Paul Gaudreault.

Resolution 825, for the relief of Claire (Mary Clara Ida) Lacoste White.

Resolution 826, for the relief of Patricia Louise Rodriguez Pichnej.

Resolution 827, for the relief of Irene Janet Charlotte Haverland Parkinson.

Resolution 828, for the relief of Marie Marguerite Suzanne Desormeaux Barbeau.

Resolution 829, for the relief of Vilma Kirby Morris.

Resolution 830, for the relief of Margaret McGlinchy Ehrensperger.

Resolution 831, for the relief of Enevio Noce.

Resolution 832, for the relief of Agnes Zmroczek Stanczykowski.

Resolution 833, for the relief of Therese Marie Pauline Weber Watson.

Resolution 834, for the relief of Armand (Armando) Ronco.

Resolution 835, for the relief of Cecile Hammond Sara.

Resolution 836, for the relief of Ralph Bryan Thomson.

Resolution 837, for the relief of Dorothy Jean Abbott Ferrabee.

Resolution 838, for the relief of Clara Elizabeth Duncan Garrow.

Resolution 839, for the relief of Leslie Leonard Dunn.

Resolution 840, for the relief of Dorothy Grace Arnold Penczak.

Resolution 841, for the relief of Mariette Labelle Gauthier dit Marechal.

Resolution 842, for the relief of Peter Doukas.

Resolution 843, for the relief of John Maloney.

Resolution 844, for the relief of Esther Titleman Caplan.

Resolution 845, for the relief of Lucille Amiko Furuya Hartnell.

Resolution 846, for the relief of Ann Campbell Elder Grimsdale.

Resolution 847, for the relief of Matteo Della Malva.

Resolution 848, for the relief of Alan Armour.

Resolution 849, for the relief of Micheline Cecile Pepe McLeod.

Resolution 850, for the relief of Jocelyn Mary Diana Bampfylde Daniell McCay.

Resolution 851, for the relief of Jean H. Deslauriers.

Resolution 852, for the relief of Carole Grace Kathleen Campbell Vassilieff, otherwise known as Carole Grace Kathleen Campbell Vance.

Resolution 853, for the relief of Fannie Hartman Shulman.

Resolution 854, for the relief of Doris Marie Sanford Seymour.

Resolution 855, for the relief of Rose Mary Sudds Burnstun.

Resolution 856, for the relief of Olga Stefik Auger.

Resolution 857, for the relief of Gilbert Antaya.

Resolution 858, for the relief of Muriel Douglas McLaren Barr.

Resolution 859, for the relief of Robert Toupin.

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

Hon. Mr. Roebuck: Honourable senators, I move that these resolutions be considered on Thursday next.

Motion agreed to.

NATURAL RESOURCES COMMITTEE

CHANGE IN MEMBERSHIP

Hon. Arthur L. Beaubien, with leave of the Senate, moved:

That the name of the Honourable Senator Aird be added to the list of Senators serving on the Standing Committee on Natural Resources.

Motion agreed to.

TRANSPORT AND COMMUNICATIONS COMMITTEE

CHANGE IN MEMBERSHIP

Hon. Mr. Beaubien (Provencher), with leave of the Senate, moved:

That the name of the Honourable Senator Aird be added to the list of Senators serving on the Standing Committee on Transport and Communications.

Motion agreed to.

MISCELLANEOUS PRIVATE BILLS COMMITTEE

CHANGE IN MEMBERSHIP

Hon. Mr. Beaubien (Provencher), with leave of the Senate, moved:

That the name of the Honourable Senator Aird be added to the list of Senators serving on the Standing Committee on Miscellaneous Private Bills.

Motion agreed to.

The Senate adjourned until tomorrow at 3 p.m.

APPENDIX

(*See p. 1465.*)

COMPANIES ACT

COMMONS AMENDMENTS

AMENDMENTS made by the House of Commons to Senate Bill S-22 intituled: "An Act to amend the Companies Act."

1. Page 9, Lines 14 to 39. Delete and substitute the following therefor:

12A. (1) In this section the expression "mutual fund shares" means any class of shares having conditions attached thereto that include conditions requiring the company issuing the shares to accept, at the demand of the holder thereof and at prices determined and payable in accordance with the conditions, the surrender of the shares, or fractions or parts thereof, that are fully paid.

(2) Where the only undertaking of a company is the business of investing the funds of the company, its letters patent or supplementary letters patent may provide for the issuing of one or more classes of mutual fund shares, in which case the letters patent or supplementary letters patent shall set out the conditions governing

(a) the surrender of fully paid mutual fund shares or any fractions or parts thereof that are fully paid; and

(b) the determination of the price to be paid therefor and the manner and time of payment thereof.

(3) Any mutual fund shares or fractions or parts thereof surrendered to the company pursuant to the conditions attached to such shares shall be deemed to be no longer outstanding and shall not be reissued by the company.

(4) There may be included in the conditions attached to mutual fund shares

(a) a condition providing for a participating interest in any fund administered by the company; and

(b) a condition that, upon the surrender of any fully paid mutual fund shares, or any fractions or parts thereof that are fully paid, the price to be paid therefor may be paid out of capital.

(5) Where in any letters patent or supplementary letters patent the expression "redemption or purchase for cancellation", or an expression of like import, is used in relation to any shares of a company, the expression shall, in relation to mutual fund shares of the company, be deemed to be a reference to acceptance by the company of the surrender of those shares.

2. Page 16, Line 4. Delete and substitute the following therefor:

section, where pursuant to subsection (1a) of section 12;

3. Page 16, Line 11. Delete and substitute the following therefor:

of the company shall be thereby decreased; and subsections (1) and (2) of this section and sections 51 to 58 do not apply.

4. Page 17, Line 9. Delete and substitute the following therefor:

cancellation, otherwise than out of capital, if such purchase or redemption is made;

5. Page 17, Line 36. Immediately after Line 35 add the following subsection:

(5) Nothing in this section shall be construed to apply to a redemption or purchase for cancellation of shares that are redeemed or purchased for cancellation pursuant to subsection (3) of section 49.

6. Page 27, Line 44. Delete and substitute the following therefor:

redemption price thereof, and indicating separately any class of shares that is redeemable out of capital;

7. Page 29, Lines 37 and 38. Delete and substitute the following therefor:

bonuses, fees and other emoluments;

8. Page 34, Lines 26 to 33. Delete.

9. Page 39, Lines 1 to 16. Delete.

10. Pages 39 to 45. Renumber Clauses 42 to 52 as Clauses 41 to 51 inclusive.

11. Page 45. Immediately after the renumbered Clause 51, insert a new Clause 52, as follows:

52. This Act shall come into force on the 1st day of July, 1965.

Léon-J. Raymond,
Clerk of the House of Commons.

THE SENATE

Wednesday, March 31, 1965

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

Prayers.

ESTABLISHED PROGRAMS (INTERIM ARRANGEMENTS) BILL

FEDERAL-PROVINCIAL ARRANGEMENTS RE SHARED PROGRAMS—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-142, respecting the operation of certain established Federal-Provincial programs.

Bill read first time.

Hon. John J. Connolly moved that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

DOCUMENT TABLED

Hon. John J. Connolly tabled:

Revised Capital Budget of the National Capital Commission for the fiscal year ending March 31, 1965, pursuant to section 80(2) of the Financial Administration Act, chapter 116, R.S.C., 1952, as approved by Order in Council P.C. 1965-422, dated March 9, 1965. (English and French texts).

MARRIAGE AND DIVORCE BILL

REFERENCE TO SUPREME COURT OF CANADA—QUESTION OF PRIVILEGE

On the Orders of the Day:

Hon. Jean-François Pouliot: Honourable senators, despite the rumours about prorogation of this session and the opening of a new session during the weekend, there remains on the Orders of the Day, Bill S-16, intituled an Act to amend the Marriage and Divorce Act. The order is for April 12, and that would be in the next session. I have been very patient until now but, on a question of privilege, I wonder if that bill could be submitted to the Supreme Court of Canada before the end of this session—that is, before the end of this week; otherwise, I will have to start again next session in order to make the Minister of Justice move. I have never seen such an inert mass in my lifetime.

Now, I do not want to tell you that I am right; I do not know that I am right, but I presume I am because I am sincere; and I do not know if the other fellows are right. I am perplexed about the matter. However, I want the Court to decide which one is right, and then the question will be settled to the satisfaction of all.

I do not contend that I am infallible; I am not. If I said so, you would laugh at me; but as I do not say so you laugh with me, which makes a great difference.

It is nevertheless, a sad matter, and I hope that the Leader of the Government in this chamber (Hon. Mr. Connolly, Ottawa West) will again bring it to the attention of whom it may concern and awake whom it may concern, because it is high time. The sleep has been long enough, longer than Rip Van Winkle's. Eight months is a long sleep. I hope something will be done one way or another. Perhaps a small pin will do the job, if it is used effectively.

Hon. John J. Connolly: Honourable senators, as part of the "inert mass", perhaps I should rise and say a word or two.

Of course, we all agree that the honourable senator is a very modest man, but the fact is that this matter is not without its difficulties, as he has pointed out very clearly in the speeches he has made on the subject.

Frankly, I think more than a pinprick is necessary. I can assure him—as I have already done privately—that I have done my best in this matter. However, I must confess my best was not very good, at least in his opinion and perhaps even in my own. All I can say now is that I will continue to pursue the matter—indeed, only this morning I tried again to get a decision on the point. As I say, it is not without its difficulties, but I do not give up.

Hon. Mr. Pouliot: I thank the leader for his encouraging words.

COMPANIES ACT

BILL TO AMEND—COMMONS AMENDMENTS CONCURRED IN

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Connolly (Ottawa West) for concurrence in the amendments made by the House of Commons to Bill S-22, to amend the Companies Act.

Hon. David Walker: Honourable senators, last night I examined the amendments made by the House of Commons to the Senate Bill S-22, being intituled an act to amend the Companies Act. Having watched the Banking and Commerce Committee of this place work indefatigably on this bill over a period of months, I did not think it could be improved upon; but, having perused these amendments, I must say that there appears to be a professional over in the other place because the improvements are very real ones,

particularly those dealing with mutual fund shares.

Therefore, I simply wish to say that I am certainly in favour of the bill as amended.

Amendments concurred in.

CANADA PENSION PLAN BILL

SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Connolly (Ottawa West) for the second reading of Bill C-136, to establish a comprehensive program of old age pensions and supplementary benefits in Canada payable to and in respect of contributors.

Hon. M. Wallace McCutcheon: Honourable senators, for a few minutes this afternoon I want to deal with some particular provisions of the bill in contrast to the general principles with which I was dealing last evening. First I want to touch on the question of escalation.

The bill provides that the pension benefits shall be escalated both under this bill and under the Old Age Security Act by a maximum of 2 per cent in any one year, depending on the increase in the consumer's price index during that year. So, the pension benefits are tied to the consumer's price index. There is another index which is used with respect to the calculation of pensionable earnings after the end of 10 years. During the first 10 years the consumer's price index is used. The second index is called a pension index which, as I mentioned last evening, is an index based upon a 10-year moving average of wage rates.

Now, I think there are serious objections to the use of such indices in a measure of this nature. I would like to quote from a statement issued by the Joint Committee of the Institute of Actuaries and the Faculty of Actuaries—those are the Scottish and English bodies—which was made in 1958. They were not thinking at that time of this legislation. They said:

> Inflation—which it is the business of government to prevent or minimize—

And I think all honourable senators would agree with that.

> —causes hardships to many and to attempt to exempt any one section of the community from its consequences is to overlook the just claims of others. An automatic adjustment in relation to a rising price level, if accorded by the state to one group, would doubtless then be claimed by other groups; but even if it could be limited to a proportion only of the population, it must . . . itself have an inflationary effect. It would tend to perpetuate or even aggravate the malady it sought to alleviate.

I suggest we have already had that experience in this country during World War II when we attempted to tie wage rates into what was then called the cost-of-living index.

Now, there is another objection to indexing these benefits. That was brought out very clearly by Mr. Myers when he was asked about this question. I now quote from Volume 14 of the evidence before the joint committee. He said:

> . . . I did examine the pros and cons of automatic adjustment, and the conclusion to which I came was a purely personal opinion that in balance it was better not to have an automatic adjustment of benefits.

I should interject here that there is no such automatic adjustment in pensions under the O.A.S.D.I. in the United States.

Then he goes on:

> . . . I believe that in an automatic adjustment system the whole benefit structure would become frozen and would have to move up automatically with changes in wage levels, whereas under such circumstances it might be desirable to change the system in some other way rather than just to increase everything uniformly.

He gives several examples. I shall give just one:

> To give you an example of this, suppose that it were decided to place more emphasis on dependants' benefits than on primary benefits. In a system that was not automatically adjusted, when the additional financial resources became available it would be possible to make the changes so as to give more money to the dependants and the survivors than to the primary beneficiaries, while, on the other hand, if a system were automatically adjusted everything would have to move up together.

In any event, I suggest—and I am sure some honourable senators will agree with me—that if we are going to have indexing for the Old Age Security payments, we should at least use the proper index. The consumer price index is not the proper index. Surely, all of us in this chamber hope that productivity will increase and that workers will share in the increased productivity through increased wages. On the other hand, we all hope that the consumer price index will remain stable. Recipients of Old Age Security will not, with the present indexing, receive any share of the increased productivity. At best, they will stand still and will not lag

behind. If we are to have indexing, let us have the proper indexing.

True, the minister said that the mere fact that all these estimates which we have were based on a steadily rising consumer price index—and they are—did not mean that the Government was anticipating that that would take place. I suggest that the mere fact that the government would base its forward estimates on a price index rising from 1½ per cent to 2 per cent in a year, a rate which in 30 years would cut the value of money in half, is very dangerous. It might easily lead those who read quickly to believe that this is what is anticipated, and persuade them to make their plans accordingly, resulting in the occurrence of the very thing which was not desired.

I want to turn to the question of integration for a moment. The honourable Leader of the Government (Hon. Mr. Connolly, Ottawa West) referred to this last night. The minister spoke about it in the White Paper, at page 22, where she said:

> The adjustment of private pension plans cannot be prescribed through the Canada Pension Plan.

She and her officials on a number of occasions have said: Of course, we cannot prescribe how this integration is going to take place. That matter is outside the jurisdiction of the federal Government.

Later on the same page she said this:

> The adjustment of private pension plans to a public program with graduated benefits does not appear to have been a deterrent to the growth of private plans in other countries.

She then went on to refer to the United States. I would like now to make some comments on that.

The minister at various times referred to the integration of the Public Service Superannuation Plan; the honourable Leader of the Government referred to it; and I think we had about half a day's evidence before the committee on the Government's proposal to integrate that plan with the Canada Pension Plan. It was suggested that that might serve as an example for private industry.

In the Public Service Superannuation Plan you are dealing with one of the most generous pension plans in Canada. If there were not integration in the sense that you were going to meld the contributions and the benefits, then civil servants with incomes of about $6,000 a year, and who had served the full 35 years, would retire with a benefit larger than the salary they were receiving immediately before retirement. It is obvious therefore that something must be done in that connection. But, it is one thing for the Government to say how it is going to integrate these benefits, because it always has the sanction of Parliament behind it. Parliament can pass an act saying this is what is going to be done. As a matter of fact, I have no doubt that at the next session such amendments to the various superannuation acts will be brought in. I suggest to honourable senators that it is much more difficult to do that at the bargaining table, where you have not the sanction of an act of Parliament. If the minister would read the public statements of persons like Mr. Burt, Mr. Hamilton and other prominent trade union leaders she would realize that while she is talking about integration they are talking about addition, which is a completely different matter.

It is significant in this connection to note that originally—and this is still the case—the R.C.M.P. and the Armed Forces were exempted from the Canadian Pension Plan. It was explained to us that many members of these forces retired early, and a number of other reasons were put forward as to why it would be difficult not to exempt them. Of course, no account is taken of the difficulties which will be met in private industry. Many private industries have plans for early retirement, as well as the armed forces and the R.C.M.P. There are no escalations in the United States, and that is one reason you can integrate a little more easily. But if you take these two simple things—eliminate the escalation, make the transition period 20 years instead of 10—there is abundant evidence before the committee that that would greatly facilitate the integration of private pension plans.

Both the Province of Ontario and the Province of Quebec wanted a 20-year transition period; possibly for quite different reasons, but the fact is that that is what they proposed. That was the original proposal of the Province of Quebec, and that proposal was only changed after some conferences, about which we know very little, which took place in April 1964.

Nevertheless, when we made these suggestions, we were told in committee that this was impossible, that it would require further negotiation with the provinces, and that we could not wait. Now, I know of no evidence that anybody attempted further negotiation. I would have thought the Province of Quebec would have welcomed it, because it would have built a bigger fund for it, and that is one of its primary purposes.

The Province of Ontario submitted a brief to the special joint committee, and in the introductory remarks, paragraph 2, it said this:

> Although the Government of Canada has indicated on several occasions that the basic principles of the Canada Pension Plan are unchangeable, the Government of Ontario is not prepared to accept this policy as the last word and hopes that the Government of Canada will be persuaded to give favourable consideration to the constructive suggestions offered by Ontario.

One of the suggestions was the change in the transitional period. Of course, Prime Minister Robarts was much too optimistic when he made that statement. The treatment which his recommendations received from the committee was ample evidence that the majority of the members of the committee were not prepared to consider basic changes.

In that connection, I refer honourable senators to the opening statement I made yesterday, that the committee was faced with very narrow terms of reference and with a deadline. It is a long time since committees here sat through a recess and sat three times a day: morning, afternoon and evening—but there was a deadline.

Honourable senators, I turn now to something that I think is not generally understood, that is, what the plan does or does not do. In the interests of brevity, I am going to adopt a statement which appeared in the brief of the Canadian Life Insurance Officers' Association and which is printed at page 715 of the proceedings of the joint committee. I adopt these as my own words, and it is for the purpose of brevity that I read them:

> The salient characteristics of the proposed Canada Pension Plan are:
>
> —no benefits to to-day's aged.

I interject here that they do get the benefit of the consumer price index escalation—which I think we all hope will produce no additional benefit, because we are not looking for inflation in this country. The statement continues:

> —no benefits to those now disabled, widowed or orphaned who are unable to enter the Plan;
>
> —the biggest benefits for the minority who earn $5,000 a year or more;
>
> —the smallest benefits for workers with low or spasmodic income;
>
> —no benefit credits for persons earning less than $600 (or $800) a year or for their dependents;
>
> —the biggest benefits for workers ten years or more from retirement when the Plan commences;
>
> —smaller benefits for workers less than ten years from retirement when the Plan commences.

That is all I need to touch on there.

If honourable senators wish to look at it, there was a chart produced by the Canadian Life Insurance Officers' Association, which is reproduced at page 717 of the proceedings of the joint committee. That chart shows the percentage of 1,880,000 Canadians age 65 and over who at the end of 1976 will be retired. It shows who will be receiving the benefits and who will not. It is assuming what the Government actuary assumes, that the consumers price index will rise by 2 per cent per annum. In order that we can have the over-all picture, it includes the Province of Quebec. It shows that 11 years from now 1.5 per cent of those people will be receiving the maximum pension; 32 per cent will be receiving an average benefit of $45 a month; and the balance, some 66½ per cent, will be receiving no benefit.

Of course, considerable exception was taken to that chart by the protagonists of the bill in committee, and the Department of Insurance was asked to produce some estimates. This is what the department produced:

> Estimated numbers and proportions of age group population in receipt of age retirement pensions under Canada Pension Plan and average amounts of pension.

This excludes the Province of Quebec. I think the inclusion or exclusion of it makes very little difference. The Department of Insurance say that of the male population in 1975, there will be 39 per cent between 65 and 69 receiving benefits with an average pension of $52. They say that of those at age 70 and over, 43 per cent will receive an average pension of $37. As regards females, the respective figures in percentages are 18 per cent and 12 per cent, and the respective pensions are $29 and $21. The estimates go right down to 1990. In 1990, there will still be only 51 per cent of the males between age 65 and 69 drawing pension, but there will be 91 per cent over age 70 drawing pensions.

I suggest that if you work with those figures you will find they come out to within one or two percentage points of the figures on the chart prepared by the Life Insurance Officers' Association. If you look at the position 11 years ahead, you will note that for the 1,880,000 people who will come under the Canada Pension Plan—and this is the wage-related part of this bill—66.5 per cent will be receiving no benefit whatever.

As regards the pension figure which is tossed around, $104, which is the maximum monthly amount, only 1.5 per cent will be receiving that.

Honourable senators, I should like to refer again to the White Paper, which contains some interesting tables. Tables 6 and 7 give examples of pensions for widows at age 65,

with and without dependent children, according to their husbands' earning status at time of death. A widow whose husband had covered earnings of $100 a month will receive $34.38. The widow next door, whose husband had covered earnings of $5,000 will receive approximately double that.

I suggest that in any welfare measure the important thing is to provide the money where the need is. I suggest that the widow of the husband whose covered earnings were $100 a month on the average, probably needs a larger pension than the widow of the husband whose covered earnings were $5,000 a year. Who has the better opportunity to make provision for his widow? I think the answer is obvious.

Honourable senators, other persons have commented on this. Reference was made by the Leader of the Government yesterday evening to the Special Committee on Aging. I wish to pay tribute to all members of that committee. It has already produced some excellent material, which will be useful to students and workers in this field. I have no doubt that in due course it will produce a report of which both the committee and the Senate can be proud.

I have in my hands an extract from the brief of the Government of Nova Scotia to that committee, presented on October 15, 1964. This is what Premier Stanfield says:

> The Canada Pension Plan may seem to offer a solution for these problems.

He is talking about the aged in Nova Scotia.

> Unfortunately, the advantages of the plan have been exaggerated and many of the disadvantages overlooked.

You would almost think I made that statement myself.

> Compulsory coverage has been broadened to include almost all employees and self-employed people—

He is quoting from the White Paper of August 1964, so I do not need to finish that part. He goes on to say:

> We have no conclusive statistics regarding the number of persons resident in Nova Scotia earning less than $600.00 per year, but it is our impression from all of the information at hand that their numbers are very considerable. We must anticipate, therefore, that large numbers of our aged population will not qualify for inclusion in the Canada Pension Plan.

Hon. Mrs. Fergusson: May I ask the honourable senator what he is quoting from? Is he quoting Mr. Stanfield?

Hon. Mr. McCutcheon: This is from the brief of the Province of Nova Scotia which was presented to our committee on aging, and recorded in the proceedings of October 15, 1964.

Hon. Mrs. Fergusson: But I thought you said you were quoting what Mr. Stanfield said.

Hon. Mr. McCutcheon: I said Mr. Stanfield. I am sorry. This is from the brief of the Province of Nova Scotia.

Hon. Mr. Smith (Queens-Shelburne): I think I can straighten that out for the record. This was a statement made by the Minister of Public Welfare of the Government of Nova Scotia, in addition to the brief presented by that government.

Hon. Mr. McCutcheon: Thank you very much. It is a statement of a member of the Government of Nova Scotia.

To continue:

> We have a very considerable number of fishermen, farmers, loggers and marginally employed persons whose actual monetary income is below $600 per year. None of these will qualify under the Canada Pension Plan.
>
> It is pointless to tell these people that because the Canada Pension Plan is based on the insurance principle—

Of course, I take exception to that because it is not based on the insurance principle.

> —and is a contributory plan, these exclusions are just and equitable. This large number of ineligible persons will expect from government and the community the same kind of treatment and retirement income as their more fortunate neighbours who have been included in the Canada Pension Plan.

I will not pursue the quotation any further, except the last part, which says:

> The Government of Canada has obviously not given due consideration to regional differences as they affect Nova Scotia.

Now, I could deal with the administrative problems. I merely say that the government officials estimate they will make one million refunds a year to contributors—not less than one million—and that of course does not apply to the refunds which will be made in the Province of Quebec.

Surely a system could be devised that would save some paper and postage, and the time of a lot of people who will be required to take care of that.

Premier Roblin has pointed out—I intended to quote him but I will not—that there has been no attention paid to priorities

in this matter. He has suggested—and I shall come to this in a few minutes—that amendments to the categorical flat rate pension could be made which would take care of a lot of the objections I have been referring to and which would leave some money over for some of the other priorities, like health and education. There are alternatives, some of which were placed before the committee, but with the deadline we had they did not receive great consideration, because they went to the principle of the bill and all we were permitted to look at was the bill.

I will refer now to page 722 of the proceedings. This was printed before Part IV had been amended—I shall come to that in a moment. There are some alternatives suggested by the Canadian Life Insurance Officers Association, and many other people. These suggestions involve an expansion of the payment of categorical benefits without means tests, the only test being residence and age under the provisions of the Old Age Security Act.

They suggest other adjustments, which are not exclusive to the Canadian Life Insurance Officers Association. They suggested, for example—and members of the committee heard a considerable amount of evidence or received briefs from at least one witness in this matter—that a proper principle is to pay a higher pension as a person's age increases. As the life officers put it, you might pay $75 at age 70, $80 at age 75, $85 at 80, and so on—the reason being that on the average as people get older they have exhausted their resources, are further removed from what we hope is the continual rise in productivity, have relatively lower incomes, and are less able to look after themselves. They require more assistance, and that assistance can be provided for a very small additional amount of money.

The life officers suggested, for example, that we start with $75 a month at age 65 to all single persons, provide for a joint payment to a husband of 65 and wife who is less than 65 by a certain limited number of years, of $125, and so on. They suggested categorical old age benefits starting at 65, which are more generous than the original suggestions of the Government, because at that time the Government was going to pay only an actuarially reduced pension at 65. The life officers said:

> These changes in Old Age Security benefits would cost, the Association estimates, an additional $300 million a year for Canada as a whole. This could be met by an adjustment in the present 4-3-3 tax formula or by a payroll levy. And I am not advocating that that be done.
>
> If financed by such a levy the rate would be considerably less than the 3.6 per cent rate in Bill C-136; it would probably be under 2 per cent.

I want to refer to Part IV of the bill, which has no relation to the Canada Pension Plan at all. Part IV of the bill has been tacked on to the Canada Pension Plan. As honourable senators will see, it is an amendment to the Old Age Security Act and provides essentially that, starting in 1966, the categorical old age pension of $75 a month would be paid to people of 69, and over a period of five years the old age pension of $75 a month would be available to every person aged 65 and over.

The Government can take no credit for the fact that the Old Age Security is now $75. It planned to pay that extra $10 out of the Canada Pension Fund, and it was merely the opposition in Parliament that forced it to change its mind, in October 1963, and add it to the Old Age Security. Also, the Government cannot take much credit for Part IV, which over this transitional period of five years will result in the eligible age for full Old Age Security becoming 65. That is an entirely new provision put into the bill after the committee made its report.

Now, I want to make my position plain, honourable senators. What has happened by the inclusion of Part IV as it is now, were Part IV to be before us as a separate bill, has, in my opinion, removed all objection to delaying the passage of Bill C-136 until proper consideration could be given to that bill and to the principles involved, by a committee with wide terms of reference, including the responsibility for recommendations as to priorities and as to the best method of implementing this massive welfare scheme.

The reason I say that, honourable senators, is that with Part IV as it is before us now, no one would be hurt by postponing the consideration of the Canada Pension Plan. Table 1, at page 9 of the White Paper, sets out the payments that would have been made under the original Canada Pension Plan—that is, this bill before Part IV was amended—over the transitional period. The maximum pension that would be paid in 1968 under the Canada Pension Plan, to a man having covered earnings of $5,000 a year, is $20.83 per month. He is now going to receive $25 a month. So, even if he has to forego the $20.83, he will be better off.

Honourable senators can check the table through and see that except for the higher wage and salary earners, with the adjustments that have been made to Part IV, the other provisions of the bill would not need to take effect until 1971 before anyone was

hurt. Of course, again I am talking only about the pensioners and not of the widowed, disabled and orphans' benefits. But, after all, they are delayed anyway until several years later than the other benefits under the act. So I say there is plenty of opportunity to give this matter thorough consideration without hurting anyone at all. It will not affect the Province of Quebec, because that province will go ahead with its own plan, as it has always intended and is entitled to do.

If the motion that was made in the other place to separate this bill and have a Canada Pension Plan bill and a bill to amend the Old Age Security Act had been acted upon and bills were brought before us in that form, then I would have voted for the amendment to the Old Age Security Act—that is, for Part IV of this bill—and I would have voted against the Canada Pension Plan. Even as it is, I am not faced with any dilemma in the matter because I point out to you that if this bill is defeated it will be no problem for the Government during the next session to introduce a bill to amend the Old Age Security Act in accordance with the terms of Part IV of the present bill, and there would be no problem in sending out the first cheques in 1966 to those who will be 69 in that year. There is no complicated machinery involved.

As I am unable to have the bill divided and to vote for one part and against the other, I shall vote against this bill, with the full knowledge that if the Government wishes—I hope it will, and if it does I will vote for it—it can bring in a separate bill incorporating the provisions of Part IV of Bill C-136, and there will be no problem in passing it and having it made effective at the time originally contemplated.

Hon. Muriel McQ. Fergusson: Honourable senators, first I would like to thank the honourable Senator McCutcheon for his very kind references to me as co-chairman of the Joint Committee of the Senate and the House of Commons which studied the Canada Pension Plan Bill C-136. Although I was present at all the meetings of the committee except two—when I went to New Brunswick to attend the funeral of our late colleague Senator Austin Taylor—I do not feel I am really an expert at all on the bill. However, I am sure it is not the fault of the advisers to the committee who gave painstaking explanations of all the clauses.

I sincerely appreciate having had the honour of serving as co-chairman of this important and interesting committee of the two houses, which studied and made recommendations to the Government regarding Bill C-136, intituled, an act to establish a comprehensive program of old age pensions and supplementary benefits in Canada payable to and in respect of contributors.

In my opinion, this is one of the finest bills that has ever come before the Canadian Parliament, and it gives me great pleasure to feel that I shall have played a small part in helping to make the Canada Pension Plan a part of our Canadian laws, as I hope it will soon be.

Doubtless some of my intense interest in this bill stems from my having had the privilege, prior to my appointment to the Senate, of setting up and administering, with the assistance of an excellent staff, the Old Age Security Act in my own Province of New Brunswick. That experience made me realize what a great difference it makes to people who have reached the latter part of their lives and have enough money to enable them to live in dignity and security, and not to be a burden on their children or other relatives or be dependent on charity or public assistance.

It pleased me that many of the witnesses who appeared before the committee spoke very highly of the results that have accrued and which are still accruing to older people through the Old Age Security.

Honourable senators have no doubt read in *Hansard* of the House of Commons and in the press that Bill C-136 was introduced by resolution of the Minister of National Health and Welfare, the Honourable Judy LaMarsh, into the House of Commons on November 9, 1964. After first reading and some debate on second reading, the honourable the Minister of National Health and Welfare moved, on November 16, that a Joint Committee of the Senate and the House of Commons be set up to study this bill. The motion was adopted unanimously by the House of Commons, and a message was sent to the Senate, which was received and read in the Senate on November 18 last, requesting the Senate to unite with the House of Commons for the study of Bill C-136 and to select some of its members to sit on the proposed joint committee.

Following the reading of the message in the Senate, it was moved by the honourable Senator Connolly, Leader of the Government in the Senate, and seconded by the honourable Senator Hugessen, and carried unanimously, that the Senate do unite with the House of Commons in the appointment of a joint committee for the purpose of studying Bill C-136, and that 12 members of the Senate be designated by the Senate to be members of that committee. Later on the same day, Bill C-136 passed second reading in the House of Commons on a unanimous standing vote.

Subsequent to the bill receiving second reading in the House of Commons, 24 mem-

bers of that house were appointed to the joint committee; and on November 19 the following 12 members of the Senate were appointed by the Senate to sit on the committee: The honourable Senators Blois, Boucher, Croll, Denis, Fergusson, Flynn, Lang, Lefrançois, McCutcheon, Smith (Queens-Shelburne), Stambaugh and Thorvaldson. On December 17, after 19 sittings of the committee had taken place, the honourable Senator Smith (Kamloops) replaced the honourable Senator Lang on the committee.

Honourable senators will be interested to know that the honourable Senators Croll and Smith (Queens-Shelburne), who were Senate members of this committee, were, in 1950, when they were members of the House of Commons, members of the King-Lesage joint committee on pensions which recommended the Old Age Security legislation to the Government. The background of knowledge of these two senators was very helpful to the committee.

In November 1964, the secretary of the committee, on behalf of the committee, sent letters to all national organizations which had appeared before the King-Lesage committee, inviting them to submit briefs to the joint committee if they so wished. An invitation was also extended to the public to make their views on the Pension Plan known to the committee. Many national organizations and individuals did submit briefs; and organizations, through their accredited representatives, as well as a number of individuals on their own behalf, appeared before the committee in support of their briefs and were questioned quite thoroughly by the committee.

Senator Connolly (Ottawa West) has told you that the committee met 51 times, but some of you may not know that although 19 of these meetings were held prior to the Christmas adjournment, 32 were held between January 12 and February 8. Of course this meant that the members of the committee had to be in Ottawa almost continuously during the recess of Parliament. Having had some experience in the past with indifferent attendance at previous joint committees of which I have been a member, I thought it was very wise that prior to the Christmas recess and after the decision had been made by the committee to sit during the recess, authority was requested and received from both the Senate and the House of Commons to reduce the quorum of the committee from 12 to 10, provided both houses were represented. The purpose of this was to prevent embarrassment if, during the recess, witnesses were called to appear before the committee when there were not sufficient committee members present to make a quorum, as was considered quite possible in the case of a committee meeting during a recess. Despite the frequent sittings of the committee during the recess, there never was the slightest danger of lack of the original quorum, and the members of both houses showed very great interest in studying this bill.

The faithful attendance of committee members of the Senate and their contributions to the discussions were really outstanding. I for one would not have missed the experience, even though on many days the committee had three long sittings. While we were sitting we were also receiving briefs prepared by witnesses who were to appear before us on ensuing days. In order to discuss the briefs intelligently with these witnesses, we found it was necessary to read the briefs before the witnesses actually appeared. As you will have observed, if you have read the evidence and the proceedings of the committee, the members did their homework diligently and were well aware of what was in the briefs.

A number of the members of the committee to whom I talked were of the opinion that these almost continuous meetings, while studying the briefs at the same time, resulted in an intense concentration on the bill over a period of time, and gave the committee members a much better grasp of the contents of the bill than we would have had if the meetings had been held when Parliament was sitting and the members had been carrying out this study on a sporadic basis while attending to other matters.

The proceedings of the joint committee were reported in both English and French in 24 volumes which covered more than 2,100 pages. These reports include in their appendices the briefs received by the committee, also many replies to questions and much other information produced to the committee by the technical adviser and other departments of government. They also include many letters and other documents received while the committee was in session, which were ordered by the committee to be printed in the record. This has given all senators, whether they were on the committee or not, the opportunity to become thoroughly familiar with the deliberations of the committee and with the careful, knowledgeable and painstaking explanations of the various clauses of the bill given by the officials from the various departments of government who had been working on this matter for more than two years.

Probably due to my years as a civil servant I feel strongly that civil servants should not be referred to by name either for praise or blame in either of the Houses of Parliament. My main reason for this feeling is that if blamed, they are not in a position to defend

themselves. However, in this case I think there was rather a special circumstance and I consider it only fair to pay a small tribute to the public officials who worked with the committee constantly. The Deputy Minister of Welfare, Dr. Joseph Willard, is an old friend of mine from the days when he and I were employees of the Department of National Health and Welfare, although we have since assumed more responsible positions than we held at that time. In the committee I found Dr. Willard to be the same careful, scholarly and well-informed person whose knowledge and integrity I had admired so greatly when he was Director of Research in that department. Mr. J. A. Blais, now Director of Family Allowances and Old Age Security, and Mr. R. B. Curran, Legal Adviser of the Department of National Health and Welfare, were also friends of former days, who when called upon gave what I thought were very clear and precise explanations to questions directed to them. They were most helpful.

I should mention also Mr. C. D. Allen of the same department, who has given the committee invaluable help. There were other officials who contributed so much to the committee that I feel the attention of honourable senators should be drawn to them. I would mention first Mr. J. E. Osborne, Director of Research for the Department of National Health and Welfare, who was technical adviser to the committee. He was present at all meetings and gave clear and satisfactory answers to the many inquiries directed to him. Mr. Tom Kent, policy secretary to the Prime Minister, was helpful in regard to Government policy. Mr. D. S. Thorson, Assistant Deputy Minister of Justice; Mr. D. H. Sheppard, Assistant Deputy Minister of National Revenue; Mr. E. E. Clarke, Chief Actuary, and Mr. Hart D. Clark, Director of Pensions in the Department of Finance, were available at all times. These people were all thoroughly conversant with the bill and its relationship to the departments in which they were employed, and they came to be looked upon by the committee members as well as by the joint chairmen as knowledgeable and reliable sources of information.

Immediately after the organization of the committee, the Minister of National Health and Welfare, the Honourable Judy LaMarsh, and the Deputy Minister of Welfare, spoke to the committee at length and explained what it was hoped the bill would accomplish.

A clause by clause study of the bill followed, during which many questions were raised by committee members and explained either by Mr. Osborne or other officials assisting the committee. Following that clause-by-clause study, which included an outline of the proposed administration of the act, the actuarial report was considered, and the Chief Actuary explained in what I considered to be a very competent manner the report which had been prepared by him and other members of his staff. The economic report on the bill was amplified and explained by the Deputy Minister of Finance, who told the committee about the effect of the bill on the Canadian economy, and also how the Government proposes to integrate the Civil Service Superannuation Plan with the Canada Pension Plan. This gave the committee information as to how private plans can be integrated with the Canada Pension Plan.

During the 51 sittings of the committee, representatives of 22 organizations appeared before us, as well as 10 individuals who presented their own views on the subject. Toward the end of the hearings, although remarks of some members of the committee led other members to believe that there was a possibility that the Province of Ontario would set up its own plan rather than join the Canada Pension Plan, it was very interesting to learn that the Premier of Ontario had stated in the provincial legislature that it would be in the best interests of the people of Ontario to become a part of the Canada Pension Plan, and that Ontario would participate in that plan.

Shortly after this announcement was made, a brief from the Province of Ontario was submitted to the joint committee. It was presented by Mr. Coward, the Chairman of the Pensions Commission of Ontario, and Mr. D. W. Stevenson, Director of the Economics Branch of the Ontario Department of Economics and Development. The Province of Ontario put forward a number of suggestions which it considered would improve the bill, among which was a suggestion that contributions made by employees and employers under the provisions of the bill might be used to pay benefits to people who had never been contributors to the fund. Although all the suggestions were carefully studied by the committee, it did not agree that moneys collected under the Canada Pension Plan should be paid out to beneficiaries who had not helped to build up the fund.

Altogether, outside of the persons from the various Government departments who helped us, the committee heard 116 witnesses. The terms of reference of the committee did not limit or restrict it in its consideration of the bill, and certainly everyone who had questions to ask or representations to make in relation to the Canada Pension Plan had an opportunity to be heard and, as I have told you, many availed themselves of that opportunity.

It appeared after a time that a number of the presentations were becoming repetitious

and did not break any new ground, probably because every possible angle had been explored. But the members listened to all presentations with the same close attention they had given to presentations which contained arguments not previously brought before them.

Besides hearing the representations of organizations and a number of individuals who had requested an opportunity to be heard, the committee invited four persons recognized as experts in the field covered by Bill C-136 to appear and give the committee the benefit of their extensive experience and wide knowledge regarding these matters. These persons were Mr. Robert Myers, Chief Actuary, Social Security Administration of the United States; Mr. W. M. Anderson, Chairman of the Board of the North American Life Assurance Company; Dr. Robert M. Clark, an economist, who in 1959 prepared and submitted to the government of the day a survey on "Economic Security for the Aged in the United States and Canada"; and Mr. J. E. Kilgour, President of the Great-West Life Assurance Company. Their evidence was listened to with the greatest interest by the members of the committee.

Early in the hearing of briefs it became obvious that those who were critical of the Canada Pension Plan relied mostly on two specific grounds, namely, (1) that under the bill those now on retirement and those soon to retire would not benefit through the plan, and (2) that those who earned less than $600 annually would not benefit. These two criticisms seemed specious to me, for the bill which is based on a contributory wages-related principle would be completely changed in character if payments were to be made under it to people who had not or could not make contributions. However, no objections were made to the presentation of arguments based on these grounds, which I really thought were irrelevant.

The Canadian Life Insurance Officers Association, which represents over 100 life insurance companies, the Life Underwriters Association, and many of the actuaries who appeared before the committee in their individual capacity, although most of them are employees or consultants of insurance companies, all relied particularly on the first ground. They contended that there was no need in Canada for a contributory wages-related pension plan, and they recommended that instead of such a plan the benefits under the Old Age Security Act should be increased to $100, and extended. As honourable senators will see on reading the reports, the critics of the bill were allowed considerable leeway in the presentation of their arguments, even though they sometimes seemed to stray from the principles of the bill.

All committee members, I am sure, agreed that raising the Old Age Security to $100 a month is a laudable objective, but many felt this would be more properly accomplished by other legislation, and the committee could not agree that the payment of such an increase should be made out of Canada Pension Plan funds.

The witnesses for the Canadian Manufacturers' Association which represents many employers of labour, the Canadian Labour Congress which represents many employees, the Canadian Federation of Agriculture amongst whose members are many who are self-employed, the Canadian Welfare Council which is made up largely of voluntary welfare workers, and the Canadian Association of Social Workers whose members are professional welfare workers, all supported the principle of Bill C-136 and made some constructive suggestions. The Canadian Welfare Council recommended that a body similar to a royal commission be set up in Canada to study all social security aspects of Canadian life in which the federal Government has any responsibility. They specified six special areas to which such a body might direct its study, and concerning which it should make recommendations to the Government. To define existing social problems, and to co-ordinate work being done on these various problems by federal, provincial, municipal and voluntary agencies is something greatly needed in Canada, and I trust the Government will act on this excellent suggestion in the near future.

The principle of this bill, as honourable senators know, is to establish in Canada a contributory earnings-related pension plan under which contributors and their dependents will benefit in line with the contributions they have made. There are still many small businesses that cannot afford the setting-up of such pension plans for their employees. There are also many self-employed people who are not now able to secure the protection and security for themselves and their dependents that the Canada Pension Plan will provide.

Evidence was given to the committee that 70 per cent of the labour force in Canada is not covered by any pension plan, and I think that that fact indicates there is a need for such a plan in Canada.

Senator McCutcheon spoke of the many who will be excluded from this plan and who will receive nothing under it, but I draw to your attention the fact that a large number of these people will have already retired before the plan comes into effect. It was

never intended to apply to those already retired, but is a plan to help those now working when they come to the age of retirement.

Another large group of people mentioned by Senator McCutcheon as not being covered are those earning under $600 a year. The whole purpose of the Pension Plan is to make it possible for people, when they retire, to have some income which, together with the Old Age Security payments, will enable them to maintain themselves in a reasonable standard of living comparable to that which they were enjoying before their retirement. It seems to me that people who have earned only $600 or less per year during all their lives are going to be treated very well when they come to age 70—indeed within a few years a person at the age of 65 will receive $900 per annum under Old Age Assistance. This is half as much again as he earned before he retired.

Hon. Mr. Smith (Queens-Shelburne): And added to that will be the wife's Old Age Security payments.

Hon. Mrs. Fergusson: Yes; I omitted that. They will probably be in a much better position than they had ever been in the past.

At its final meeting on February 8, 1965, the joint committee made a number of recommendations. All of these recommendations were studied by the Government and have been accepted, with one exception which is in regard to a recommendation that a 20 per cent dropout be used when calculating the number of years to be used in making up the amount of pension due a beneficiary. The Government has agreed to only a 15 per cent drop-out allowance. The original amount in the Canada Pension Plan was 10 per cent, so it has compromised on half of what the committee recommended. On the other hand, the Government has made provision that the age, when full benefits under the Old Age Security Act will be payable to pensioners, shall be reduced progressively one year at a time from 70 years until in 1970 the full amount of the Old Age Security will be payable at age 65. Payment of Old Age Security at 65 has been requested by many people for some years, and the Government has now made a positive step to implement this request.

No one claims that Bill C-136 is perfect in all details, but the principle is one accepted by many countries and by most Canadian people. It will be necessary to put the proposed act into effect to find out what amendments are necessary to bring it nearer perfection. Amendments will then be introduced, as has been the history of all similar legislation in other countries. It has always been found that some amendments become necessary after the administration has been set up.

The Canadian Welfare Council, although supporting the principle of the bill, would like to see changes in some clauses, but they said they were not prepared to see the bill, which they consider progressive legislation, held up for that reason.

Honourable senators, as joint chairman, I did not consider it was my place to recommend, or even actively to support in committee, the deletion of one clause of the bill which I hope will be among the amendments which will be made to this measure in the future. I refer to the section which lists those excepted from coverage under the act. Section 62(d) excepts employment of a person by his spouse. I realize that this conforms to a similar provision in the Income Tax Act which various women's organizations, with whom I am in complete sympathy, have asked different governments to change, as they feel it lays a heavy burden on many small family businesses. I am sure the organizations to which I refer will feel the same about this clause in the Canada Pension Plan. However, as I said, I did not feel that I, as joint chairman, was in a position to argue this point. Even if I had not held that position, I would not have made my opposition to this clause the basis of objecting to the passing of this bill, which I consider is the most progressive and beneficial legislation that Canadians have had an opportunity to vote for in a very long time.

On December 5 of last year, the *Globe and Mail* carried an editorial headed "A Civilized Society Puts Its Helpless First." The editorial went on to say:

> One of the yardsticks for measuring the civilization of a society is the care which it gives to its weakest and most helpless members.

In this bill, honourable senators, we are making provision not only for pensions which will give adequate protection to older people when they retire and are less able to look after themselves, but that will provide for themselves and their children if they become disabled, and will also make provision in case of death for their widows and orphans who are recognized as being the weakest and most vulnerable and helpless members of society.

Honourable senators, the measure of Canada's civilization has advanced very much within my own memory. I do not remember a time when old people who were no longer useful to society were left to die in a cave or in the snow, as was the custom in some countries where another mouth to feed might cause starvation to all the family. However, I can remember the time when those entrusted with the responsibility of looking after

the poor of a parish, and who were known as "Poor Masters," were only considered as successful in administering their jobs if they could keep expenditures as low as possible, even though this might mean that only the barest minimum to preserve life was supplied to those under their care. I can remember, too, in towns, counties and parishes where there was no "poor house" in which such people could be lodged, and once a year a meeting was held—it was a sort of auction, sometimes on the steps of a public building—where poor people who had no homes and who were dependent on whatever authority had the responsibility of looking after them, were assigned to live with those who would take and support them for the smallest amount of money. Actually, bidding in reverse took place on some of those occasions. This is something that I do remember. Of course, those who could work, buck-sawing wood or scrubbing floors, would be taken at a lower rate than those who could not work and required attention.

Honourable senators, in my lifetime the civilization of our country has made great strides. I think that the bill we are considering is one of the most advanced we have yet had an opportunity to pass. I believe wholeheartedly in this social insurance legislation for the benefit of those earning wages over $600, or earning over $800 if self-employed, which includes provisions for pensions on retirement and supplementary benefits for dependents. I trust that Bill C-136 will receive the favourable consideration and approval of the Senate.

Hon. William A. Boucher: Honourable senators, the Canada Pension Plan will be comprehensive and portable, and is designed to provide for nation-wide retirement, widows, disabled widowers, orphans and disability pensions. Contributions to the fund will commence on January 1, 1966. First pensions will be payable one year later, on January 1, 1967.

All income earners under 65 years of age who earn $800 or more will pay into the plan. The pension provisions will apply to both men and women. A married woman, for example, irrespective of whether or not her husband is in receipt of a pension, will be eligible on retirement to a pension based on her own period of contributions and level of earnings.

Contributions will be 3.6 per cent of income. The full 3.6 per cent will be paid by self-employed persons such as farmers, businessmen, etc. Employers and employees will each pay 1.8 per cent.

No contributions will be made on the first $600 of income and none will be paid on income in excess of $5,000. This means that low-income earners will pay a somewhat lower percentage of total income.

The annual pension will be based on 25 per cent of the pensioners' average annual income, that is, up to a maximum of $1,250 per year or $104.17 per month.

The plan will be fully operative after 10 years of operation. Any person aged 55 at the commencement of the plan who pays in for 10 years will be eligible for maximum benefits at age 65 years.

The plan also contains a proposal which will make available by stages the Old Age Security payment of $75 per month to all at age 65. The procedure envisaged is to reduce, beginning in 1966, the qualifying age for Old Age Security by one year for five successive years, so that on January 1, 1970, all Canadians aged 65 and over will be entitled to Old Age Security payments. This benefit, taken in conjunction with payments from the Canada Pension Plan, means that the maximum retirement income of a person aged 65 will be $179 per month. If, in this example, the pensioner's wife was also 65 years old, she too would receive an Old Age Security pension of $75 per month, making a total retirement income of $254.

A person retiring at age 65 any time within the first 10 years of operation of the plan will receive a benefit in relation to the number of years for which he made contributions. For example, if a person contributed for one year, he would receive one-tenth of the retirement pension to which his earnings entitled him. If he contributed for two years, he would receive two-tenths, and so on.

Anyone from age 65 to 69 years who is in receipt of a retirement pension may have earnings up to $75 per month without any reduction in his retirement pension. At age 70, the retirement pension will be paid, irrespective of the amount of earnings, and he will no longer have to contribute.

The pension will be fully portable between occupations and between provinces. An income earner will pay into the plan, no matter what his job, whether self-employed or an employee, and his pension on retirement will be in no way affected by how often he has changed jobs. It will be based solely on his earnings under the plan over the years.

The plan will also provide pensions for widows, orphans, and disabled persons, as well as a death benefit.

A pension will be paid to all widows caring for their dependent children. A widow under 35 years of age without dependent children will receive no pension.

A widow of 45 years of age or over will receive a pension based on a flat rate of $25 per month, plus 37.5 per cent of the pension her husband would have received at 65 years of age, based on his level of earnings to the

date of his death. This works out to a maximum pension of $64 per month.

A widow under 45 will receive a pension reduced by 1/120 for each month by which she is younger than age 45 at the time she is widowed.

A widow with dependent children will receive a flat pension of $25 per month, plus 37.5 per cent of the pension her husband would have received—at 65 years of age based on his level of earnings to the date of his death—plus $25 per month for the first four children, and $12.50 per month for each additional child.

A disability pension will be paid to anyone disabled, based on a minimum flat rate pension of $25 per month, plus 75 per cent of the retirement pension the person would have received, based on his earnings; that is, the disability can go up to a maximum of $103 per month. A disabled contributor receives benefits in respect of his children at the same rate as does a widow with children.

The pension will be adjusted upward for any increase in the cost of living. This adjustment will be equal to the increase in the cost of living in any year, if such increase is from 1 to 2 per cent. If the increase in the cost of living is less than 1 per cent in any year, there is no adjustment, and if the increased cost of living exceeds 2 per cent, the increase in the pension will nonetheless be limited to 2 per cent.

The original ceiling for the earnings taxed under the plan has been set at $5,000. During the transitional period, this can be adjusted upward for changes in the cost of living. After the first 10 years of operation, it will be adjusted upward by using a long-term moving average of salaries and wages.

By these adjustments in the pension ceiling, it is quite likely that the pension contributions and benefits will triple over a working lifetime of 40 years. The pension level for young people now going into the labour force will probably rise to about $300 a month upon their retirement.

I wish to thank the Prime Minister and the Government Leader in the Senate (Hon. Mr. Connolly, Ottawa West) for giving me the opportunity of serving on the Joint Committee of the Senate and the House of Commons.

Honourable senators, this bill is one of the most important ever to come before the Senate. This measure will, I am sure, be of great benefit to the Canadian people.

Hon. Mr. Connolly (Ottawa West): Honourable senators—

The Hon. the Acting Speaker (Hon. Mr. Gershaw): Honourable senators, may I remind honourable senators that if the leader (Honourable Mr. Connolly, Ottawa West) speaks now, it will have the effect of concluding the debate.

Hon. Jean François Pouliot: Honourable senators, I have just a few words to say. I have listened to everybody who has spoken on the matter, and I congratulate my colleagues, especially the honourable Senator Fergusson, for their very useful contributions.

There is only one question in my mind, and I will make it very short. How will the Parliament of Canada and the Government of Canada be able to look after that scheme and make it a success after all the taxation powers have been given away to the provinces? To me, it is necessary that some taxation powers should be retained by Ottawa in order to operate a scheme of this magnitude.

I was really concerned when I read in one of the official publications of this chamber last year of the increasing proportion of long-term subsidies that are given away to the provinces.

I am all in favour of the autonomy of the provinces, and I said so in Charlottetown in 1949. I have here a clipping that I will send to the Prime Minister of Canada and to each of the premiers of the provinces. The idea is that the provinces, which have exclusive rights, and the Parliament of Canada, which has exclusive rights which are different, should enact legislation within their own respective jurisdictions, and one should not encroach on the jurisdiction of the other. I spoke in Charlottetown at a social club near, not the cradle of Confederation but the shrine of Confederation. Confederation was not born at Charlottetown, as you all know. It is a fiction to say that, and a fiction which has been very costly. However, without reading to you what I said, it could be summarized in this way.

The premier in each province is as independent as the Prime Minister of Canada himself, inasmuch as he remains within the jurisdiction stipulated and defined by the B.N.A. Act, but when there are encroachments on one side or the other, they lose their standing of equal status.

For me, the best legislation is that which is enacted strictly under the provisions of the Constitution itself, and when there is bargaining the spirit of the Constitution is lost and it creates a danger for the future.

That being said, I will send the other copy of the clipping to the Leader of the Opposition and I shall send copies to the Prime Minister of Canada and the premiers of the provinces, with my visiting card.

Hon. Mr. Burchill: Before the honourable Leader of the Government (Hon. Mr. Connolly, Ottawa West) speaks, might I ask

Senator McCutcheon a question? I understood him to say that he was going to vote against this bill, that he is opposed to it. Is he opposed to the principle of a contributory pension scheme for Canada, or is he opposed to the plan devised under this bill?

Hon. Mr. McCutcheon: I am sorry, but I did not get the last part of the honourable senator's question.

Hon. Mr. Burchill: I asked if the honourable senator was opposed to the principle of contributory pension insurance, or opposed to the plan devised under this bill.

Hon. Mr. McCutcheon: I think if the honourable senator will read my remarks tomorrow he will see I made my position quite clear.

Hon. Malcolm Hollett: Honourable senators, it was not my intention to say anything at this stage, which is probably the last stage as far as I am concerned, but there are so many problems which have been presented by critics of this bill that I am concerned, although I am so ill versed in matters of high finance which have to do with this measure, that I hesitate to say very much.

I have listened to the speeches made in this chamber by the Leader of the Government (Hon. Mr. Connolly, Ottawa West), by Senators McCutcheon, Fergusson, Boucher and others, and I have been impressed by them. I have read a good many quotes from people in, shall I say, high places of finance who have criticized parts of this bill, and I am bound to say that we ought to take some cognizance of what these people have said. For instance, I have before me a statement made by the President of the Canada Trust Company, parts of which I think I ought to read. I take it that a man who has become President of the Canada Trust Company knows something of what he is talking about. I refer to the report of the president made at the annual general meeting of that company on February 10, 1965. In speaking about the Canada Pension Plan, he said:

> First, let me say that I feel strongly that the principle of an earnings-related government pension scheme, as proposed under the Canada Pension Plan, is all wrong. I share a widely-held view that the acknowledged responsibility of government to see to it that reasonable security is provided for all citizens past working age, lies in the present pay-as-you-go, flat-rate Old Age Security program, adjusted and amended from time to time as conditions dictate.

He went on to state:

> However, if we are obliged to accept an earnings-related government plan, then of course such a plan must be funded to avoid saddling future generations with undue burdens. It is the control and disposition of this fund that should concern all of us, and very deeply.
>
> In the early stages of operation of the proposed pension plan, contributions will greatly exceed benefit pay-outs. It has been estimated the fund that could accumulate over the next ten years might amount to as much as eight billion dollars...
>
> Under the Canada Pension Plan, it is proposed to siphon off from the savings of the Canadian people—your savings and mine—this colossal sum of up to eight thousand million dollars. That would be by far the largest single investment pool in the nation.

This is by the President of Canada Trust. And he adds:

> The proposition alarms me.

I say, honourable senators, that if it alarms a man in his position it is something that we ought to give very careful consideration to before we pass this measure.

> The proposition alarms me. With all the deference in the world to our elected representatives and able civil servants, I cannot but dread the thought of leaving these billions of dollars for use and investment under conditions in which political and regional considerations might wield the primary influence, with economic considerations a poor second. Governments would be less than human over the years if, with a ready source of funds of this magnitude at their disposal, they did not spend more freely and less wisely than they otherwise would or should.

That is one point which I think should be considered by everyone who is going to be a party to passing this bill. We all want to do everything we can to make it possible for every citizen to have the opportunity to live comfortably in his later years, but it appears to me that certain people do not give a hang what happens to those who are now earning less than $600 a year. They do not give a hang about the thousands of people who are presently on relief. The province from which I come has 5,000 families on relief at the present time—that is approximately 20,000 people. A good many of them will never earn over $600 a year again. Some of them are now almost 70 years of age, some are over 70 years of age and some are younger; but a good many of them will never earn enough to contribute to this fund.

Therefore, these poor people all across Canada—and you have them in every province—will have no opportunity whatsoever to contribute to this pension plan which would make living for them in their later years more comfortable and pleasant. Apparently the Government is not worrying about them, otherwise some provision would have been made in this act which would have taken care of them to some extent. I think this is a place where we ought all to consider very seriously the effect of this legislation all across Canada.

Now I come back to the figure of $8 billion. Senator McCutcheon brought it up to $6½ billion, if I remember correctly, but this man puts at $8 billion the amount that is going to be loaned or funded, or in some way given out to the various governments across the Dominion, and they will guarantee to pay it back, or at least to pay back the interest on it, because I do not expect they will ever pay the principal sum. Unfortunately, however, some of the provinces—and I shall not name any one at the moment—would have to borrow money to pay the interest on this sum. I know of one province which 15 years ago had a public debt of only $3½ million, and today it is over $100 million. It is a very small province, and I shall not mention it by name.

I remember when the possibility of our going into Confederation was talked about, financial experts were sent down from the mainland to tell us what the total cost of running the Newfoundland Government under Confederation would be. The estimate at that time was $24 million. That was 15 years ago; and the other day the Government budgeted for $178 million, and they will have to borrow $20 million to make up that sum. This, I think, bears out what the president of the Canada Trust Company states, that if governments have huge sums at their disposal for investment in schemes of all kinds, some of them pretty cockeyed—and in this I know whereof I speak—I do not know where we as a nation are going to end up.

I am all in favour of a Canada Pension Plan, but I do think it deserves serious consideration by every senator in this house. We are always saying we have to give sober second thought to proposed legislation. Well, for heaven's sake, let us give this a sober second thought. It is all very well to talk about the man earning $5,000 a year, who will get $104 per month when he comes to retirement age. He probably has enough to look after himself anyway. It is the poor people across this country, in the 60, 70, 80, 90 or 100 years they may live, who cannot accumulate enough to give themselves a decent living —these are the ones we should be looking after.

There is another aspect to which consideration should be given. Civil servants will have to contribute to this plan. Has anybody yet calculated how much money the federal Government and the provincial governments and the various municipal governments will have to contribute? Where will the money for their contributions come from? They will have to borrow it, and the citizens will have to pay the interest on that money. We are building up such a colossal financial mess that some day it is going to topple. It will be undermined and will collapse because of its own weight.

I know very little about things financial, but I do listen to men like Senator McCutcheon and the Leader of the Government (Hon. Mr. Connolly, Ottawa West). But here we see two opposed opinions. Surely we must give some consideration to the impact of this Canada Pension Plan, and you and I as senators must give that thought to it now. If we have to vote we must not do so as Liberals or as Conservatives, but we must vote as men who have given a sober second thought to this scheme.

Honourable senators, that is all I have to say on the matter.

Hon. John J. Connolly: Honourable senators—

The Hon. the Speaker: I must inform honourable senators that if the honourable Senator Connolly speaks now it will have the effect of closing the debate.

Hon. Mr. Connolly (Ottawa West): Honourable senators, this bill will be going to the Standing Committee on Banking and Commerce, and a motion to that effect will be made very shortly. I mention that at the outset because consideration given by the Senate to these measures is not restricted to the work done on the floor of this chamber; work is also done at the committee stage. I say that mainly for the public record because we have not had a long debate. For that reason I would point out that the debate is not yet finished. In the committee the ministers and the officials involved will be available for questioning by honourable senators.

At this stage I wish to take only a few minutes of your time because we are really only at the intermediate stage in these proceedings.

First, I should like to thank all honourable senators who have participated in this debate. We were very glad indeed to hear from Senator Fergusson, who was joint chairman of the committee, and from Senator Boucher. Other members of the committee on both sides of the house have not spoken, but this,

I think, is because of the desire to speed up the next stage of the proceedings, and with this aim we are all in agreement. I know we would have had very helpful and illuminating contributions from the other members of the committee and other senators, had they spoken, but some of those contributions will be made in committee.

I am sure, however, you would expect me to say something about the very powerful and massive argument made by Senator McCutcheon both last evening and today. I speak very sincerely when I say that a performance like that indicates the importance of providing in Parliament a forum like the Senate where such discussion can take place. There was a considerable amount of basic economic theory discussed; there was a good deal too of practical fiscal policy outlined. To me, it does not matter whether one agrees or disagrees with everything the honourable senator said. In having said what he did, and in having given not only his great industry but also his great intelligence to these problems, he has made a very valuable contribution to the consideration of this measure and to the work of Parliament.

Some Hon. Senators: Hear, hear.

Hon. Mr. Connolly (Ottawa West): Now I feel that some of the youthful opinions by the present minister fall into the same general category as the youthful opinions of honourable senators too.

I remember when I first came to the Senate, Senator Lambert made a speech in which he twitted Senator Farris about conflicts in opinions expressed by Senator Farris over a period of two or three years, and I remember Senator Farris saying, "Which one do you like? Take your choice." I am not sure which one Senator Lambert chose. Senator McCutcheon has referred to the fact that the plan had many variations. I do not think there can be any question about that, but I think there is one point worth remembering. It is that this field into which the Government and Parliament are embarking with this plan is also a field in which the provinces have primary jurisdiction. Because there was a primary jurisdiction, some amendments to the Constitution had to be sought in order to give the lead, and the changes in the plan have caused some considerable discussions and consideration in the federal-provincial meetings. I do not say this in any critical or carping way. In this country it is important to be able to have such discussions, particularly if they lead to better and more useful national results.

As to the matters of portability, escalation, integration, funding or pay-as-you-go, I think all of the issues raised by Senator McCutcheon are valid, but they are issues on which one can take a stand for or against. But the area of for or against is not always black against white; there are gray areas too. There is much room for compromise in respect to many of these issues in order that the problems raised by provincial authorities may be met, and that the requirements that the federal authorities feel they must establish are satisfied.

Honourable senators, having said that I add the comment that we have had a good, illuminating and objective debate. I commend the bill to the Senate.

The Hon. the Speaker: It is moved by honourable Senator Connolly, P.C., seconded by honourable Senator Vaillancourt, that this bill be now read the second time. Is it your pleasure, honourable senators, to adopt the motion?

Hon. Mr. McCutcheon: On division.

Motion agreed to and bill read second time, on division.

REFERRED TO COMMITTEE

Hon. John J. Connolly: Honourable senators, I move that this bill be referred to the Standing Committee on Banking and Commerce.

In connection with this motion may I say that it has been discussed generally that the committee might meet tonight at 8 o'clock to commence its consideration of this bill. Notices will be sent out forthwith, but I mention this so that honourable senators may know what the intention is.

Motion agreed to.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, April 1, 1965

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

Prayers.

DOCUMENTS TABLED

Hon. John J. Connolly tabled:

Report on the Administration of the Public Service Superannuation Act, Parts I and II, for the fiscal year ended March 31, 1964, pursuant to section 34, chapter 47, Statutes of Canada, 1952-53, and section 49, chapter 64, Statutes of Canada, 1953-54. (English and French texts).

Order in Council P.C. 1965-553, dated March 25, 1965, authorizing under section 21A of the Export Credits Insurance Act, request by the Export Credits Insurance Corporation for payment by Industrias Forestales, S.A., of Santiago, of a portion of the indebtedness due April 1, 1965, pursuant to section 21B of the said act, chapter 105, R.S.C., 1952, as amended 1960-61. (English text).

CANADA PENSION PLAN BILL

AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. T. D'Arcy Leonard, Acting Chairman of the Standing Committee on Banking and Commerce, presented the following report of the committee on Bill C-136, to establish a comprehensive program of old age pensions and supplementary benefits in Canada payable to and in respect of contributors:

Your committee recommend that authority be granted for the printing of 800 copies in English and 300 copies in French of its proceedings on the said bill.

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

Hon. Mr. Leonard: I move that the report be adopted now.

Report adopted.

REPORT OF COMMITTEE ADOPTED

Hon. T. D'Arcy Leonard, Acting Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill C-136, to establish a comprehensive program of old age pensions and supplementary benefits in Canada payable to and in respect of contributors, and had directed that the bill be reported without amendment.

Report adopted.

THIRD READING

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

Hon. Mr. Connolly (Ottawa West): Honourable senators, I move that the bill be read the third time now.

Motion agreed to and bill read third time and passed.

DIVORCE

RESOLUTIONS ADOPTED

The Senate proceeded to consideration of Resolutions numbered 810 to 859, inclusive, which were presented on Tuesday, March 30.

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved the adoption of the following resolutions:

Resolution 810, for the relief of Joseph Lorenzo Lucien Matte.

Resolution 811, for the relief of Joel Rozenblat.

Resolution 812, for the relief of Roger Simonneau.

Resolution 813, for the relief of Myra Belle Feingold Ryerson.

Resolution 814, for the relief of Jean Gerin-Lajoie.

Resolution 815, for the relief of Denis Sproule Flack.

Resolution 816, for the relief of Jacqueline de Muinck Comijs, otherwise known as Jacqueline de Muinck Comys.

Resolution 817, for the relief of William Thomas Lucas Butcher.

Resolution 818, for the relief of Joseph Wenceslas Adrien Gagnon.

Resolution 819, for the relief of Jean Lionel Saumur.

Resolution 820, for the relief of Lucile Gouin Bureau.

Resolution 821, for the relief of Marie Jacqueline Madeleine Pominville Lepine.

Resolution 822, for the relief of Neonila (Nila) Latysh Perederyj.

Resolution 823, for the relief of Doris Leclair Picard.

Resolution 824, for the relief of Henri Paul Gaudreault.

Resolution 825, for the relief of Claire (Mary Clara Ida) Lacoste White.

Resolution 826, for the relief of Patricia Louise Rodriguez Pichnej.

Resolution 827, for the relief of Irene Janet Charlotte Haverland Parkinson.

Resolution 828, for the relief of Marie Marguerite Suzanne Desormeaux Barbeau.

Resolution 829, for the relief of Vilma Kirby Morris.

Resolution 830, for the relief of Margaret McGlinchy Ehrensperger.

Resolution 831, for the relief of Enevio Noce.

Resolution 832, for the relief of Agnes Zmroczek Stanczykowski.

Resolution 833, for the relief of Therese Marie Pauline Weber Watson.

Resolution 834, for the relief of Armand (Armando) Ronco.

Resolution 835, for the relief of Cecile Hammond Sara.

Resolution 836, for the relief of Ralph Bryan Thomson.

Resolution 837, for the relief of Dorothy Jean Abbott Ferrabee.

Resolution 838, for the relief of Clara Elizabeth Duncan Garrow.

Resolution 839, for the relief of Leslie Leonard Dunn.

Resolution 840, for the relief of Dorothy Grace Arnold Penczak.

Resolution 841, for the relief of Mariette Labelle Gauthier dit Marechal.

Resolution 842, for the relief of Peter Doukas.

Resolution 843, for the relief of John Maloney.

Resolution 844, for the relief of Esther Titleman Caplan.

Resolution 845, for the relief of Lucille Amiko Furuya Hartnell.

Resolution 846, for the relief of Ann Campbell Elder Grimsdale.

Resolution 847, for the relief of Matteo Della Malva.

Resolution 848, for the relief of Alan Armour.

Resolution 849, for the relief of Micheline Cecile Pepe McLeod.

Resolution 850, for the relief of Jocelyn Mary Diana Bampfylde Daniell McCay.

Resolution 851, for the relief of Jean H. Deslauriers.

Resolution 852, for the relief of Carole Grace Kathleen Campbell Vassilieff, otherwise known as Carole Grace Kathleen Campbell Vance.

Resolution 853, for the relief of Fannie Hartman Shulman.

Resolution 854, for the relief of Doris Marie Sanford Seymour.

Resolution 855, for the relief of Rose Mary Sudds Burnstun.

Resolution 856, for the relief of Olga Stefik Auger.

Resolution 857, for the relief of Gilbert Antaya.

Resolution 858, for the relief of Muriel Douglas McLaren Barr.

Resolution 859, for the relief of Robert Toupin.

Resolutions adopted, on division.

ESTABLISHED PROGRAMS (INTERIM ARRANGEMENTS) BILL

FEDERAL-PROVINCIAL ARRANGEMENTS RE SHARED PROGRAMS—SECOND READING

Hon. John J. Connolly moved the second reading of Bill C-142, respecting the operation of certain established Federal-Provincial programs.

He said: Honourable senators, the late Mr. Justice Harry Davis of the Supreme Court of Canada used to advise lawyers by saying, "Never open a case so widely that you cannot get it closed." There is a very great danger of my doing that with this bill. Perhaps before I sit down you may find that I have violated the injunction of that very distinguished member of the judiciary.

I suppose it can be said that underlying and basic to this bill is a whole theory of government. It does involve an understanding of the concept of the unitary state as you have it in the United Kingdom and in many other European countries, as opposed to the concept of the federal state, as you have it in the country to our south, and as we have it with differences, of course, in this country. In a federal state the relationships between the provincial jurisdictions and the federal jurisdiction is something of serious consequence when it comes to dealing with problems of national importance. This is particularly true where we have, as we do in

this country, such wide diversity of economic, political, social, linguistic and other conditions.

There is also a practical and an historic background to this bill. We know that in times of national emergency and crisis, like the war and the great depression which this country went through in the thirties, there is a demand for stronger central or unitary control and authority. There is, perhaps at all times, a requirement to set national standards through national policies for various public programs. There is in the Constitution the authority to use the broad federal taxing powers in respect of both direct and indirect taxation to accomplish this purpose. There are other instruments to deal with this far-reaching problem. In wartime the War Measures Act is available, and it helps to do many things which otherwise could not be done except by agreement. But in peacetime, whether there is an emergency or not, the vehicle generally used is that of contract between the provinces on the one hand, and the federal authority on the other. This has been used in certain cases to vest in the federal authority special powers with respect to taxation and the collection of taxes —and the tax rental agreements, with which every honourable senator is familiar, are good examples.

Canadians have come to grips with these issues in a number of ways. Royal commissions, such as the Rowell-Sirois Commission, have reported from time to time. There have been federal-provincial conferences almost without number. There is conflict. But I suppose it is fair to say that high patriotic purpose on the part of both parties has always been foremost in the minds of public men who have had to deal with these matters. But they too have had to be modified by the stern necessities for fiscal power and fiscal authority. The pendulum has swung back and forth between greater federal authority at one time and more provincial autonomy at another.

This has been one of the great debates on the fundamentals of our national life. The purpose, of course, is to promote national unity, national prosperity, national progress and, more especially in respect of the type of measure we have before us today, national standards. Canadians generally, while anxious to see national standards established, realize that these do not necessarily mean national uniformity. The British North America Act itself recognizes regional, racial and social differences. Although this bill is much narrower than one might be led to believe by my remarks, it proposes an adaptation of an approach to regional economic and social problems which face Canada in the sixties.

Within our own immediate lifetime, particularly since the Second World War, we have seen important changes in this country —a rise in the population and an increased urbanization and industrialization of our economy. We have seen also a change in the character of the labour force both in respect of age and of sex. These changes have been pointed up clearly by such agencies as the Special Committe of the Senate on Manpower and Employment and by the recent First Report of the Economic Council of Canada.

Honourable senators, the national problems are heavy, but the local problems are also heavy because of the local responsibility. The provinces are faced with serious issues in respect of the cost of education, roads, welfare, and urban development. The fact of the matter is that the provincial and municipal expenditures have reached the point where they are greater than the federal expenditures.

It might be of value to honourable senators if I were to table a statement showing the totals of federal expenditures for the years 1960, 1961, 1962 and 1963, and an estimate for the year 1964. This shows the figures for provincial and municipal governments for the same years. Before doing so, may I might say, according to this report, which is based upon D.B.S. data, the federal expenditures in 1963 were $7,432,000,000, and the provincial and municipal government expenditures, taken together, for the same year, were $7,365 million. But in 1964 the estimate for federal expenditures is $7,760 million and the estimate for provincial and municipal government expenditures taken together, for 1964, is $7,920 million. This table might be of value.

Hon. Mr. Smith (Queens-Shelburne): May I ask the leader if he intends to have this incorporated as part of today's *Hansard*, instead of merely tabling it as a document?

Hon. Mr. Connolly (Ottawa West): If I may have permission, it could go into *Hansard*.

The Hon. the Speaker: Honourable senators, is it agreed that this table form part of today's *Hansard*?

Hon. Senators: Agreed.

The table follows:

GOVERNMENT REVENUE AND EXPENDITURE, 1960-1964

Millions of dollars.

	Federal Government					Provincial and Municipal Government				
	1960	1961	1962	1963	1964[1]	1960	1961	1962	1963	1964[1]
Tax revenue	5,542	5,738	5,884	6,124	6,846	3,146	3,456	4,224	4,602	5,056
Contributions to social insurance and government pension funds.	487	510	518	533	562	264	277	293	305	314
Investment income	382	409	450	497	576	681	725	790	836	922
Transfers from Federal Government	—	—	—	—	—	994	1,128	1,134	1,165	1,234
Total Revenue	6,411	6,657	6,852	7,154	7,984	5,085	5,586,	6,441	6,908	7,526
Expenditure on goods and services	2,730	2,982	3,024	2,927	3,060	4,039	4,277	4,685	5,149	5,436
Transfer payments to persons and subsidies	2,185	2,227	2,372	2,405	2,476	1,170	1,452	1,590	1,737	1,966
Transfers to other levels of government	994	1,128	1,134	1,165	1,234	—	—	—	—	—
Interest on public debt	753	786	865	935	990	342	388	444	479	518
Total Expenditure	6,662	7,123	7,395	7,432	7,760	5,551	6,117	6,719	7,365	7,920
Deficit	−251	−466	−543	−278	224	−466	−531	−278	−457	−394

[1]First six months, seasonally adjusted annual rates.

Source: National Accounts, Income and Expenditure, DBS.

Source: "Economic Surveys—Canada", Organization For Economic Co-operation and Development, Paris, December 1964.

Hon. Mr. Connolly (Ottawa West): Honourable senators, the bill before us deals with a certain number of joint programs which have been operated by contract between the federal and provincial authorities. These programs are quite apart from the general arrangements which operate in respect of federal-provincial fiscal arrangements and which are covered by the bill of that approximate name.

Honourable senators might find it useful to look at page 12 of the bill, schedule I. I should like to indicate the programs involved in this bill, as set out in schedules I and II, those being the only programs with which we are concerned this afternoon.

In column I, you see the programs of schedule I. The first is the hospital insurance program under the Hospital Insurance and Diagnostic Services Act. It is estimated that the cost to Ottawa of this program for all of the provinces in the fiscal year 1964-65 will be $419 million.

I will mention at this moment only three of the second group of programs, namely, Old Age Assistance, the Blind Persons Act and the Disabled Persons Act. The cost of those three programs to the federal authority for the same fiscal year is estimated at $73.3 million.

The cost of the fourth item in that group, under the Unemployment Assistance Act, is $114.8 million.

The next group of programs is under Technical and Vocational Training. The cost of that program to the federal authority in 1964-65 is estimated at $18.4 million.

The fourth group, the health grant programs, at the bottom of page 12, would cost the federal Government in the fiscal year 1964-65 an estimated $31 million.

I would ask honourable senators also to look at Schedule II on page 13. The Agricultural Lime Assistance Program would cost the federal Government, in the same fiscal year, $1.6 million. The Forestry programs would cost some $8 million. The Hospital Construction program would cost some $19.7 million. The Camp Grounds and Picnic Areas program is estimated at some $200,000. The Roads to Resources program in the same fiscal period would cost $8.6 million. This bill deals with those joint programs and no others.

I would point out to honourable senators that there is both a federal and a provincial jurisdiction to embark upon those programs. They are programs in which both federal and provincial authorities share the cost. I think it is fair to say that in every program the initiative was given by the federal Government of the day. I think generally it can be said that the purpose was not only to accomplish the program itself but also to set a national standard for national requirements.

The basic proposal of the bill is that in cases where the province has jurisdiction—and it has jurisdiction in respect of each of these programs—for these current joint programs in which the province participates, the federal authority will alter the present federal-provincial agreement and will provide by another agreement for compensation to the province on a basis to be agreed upon within the four corners of this act, but without changing the financial burden on either the federal authority or the provincial authority during an agreed interim period.

There is another proviso, that the provinces must agree to operate the program. The interim period ends, depending upon the requirements of the program, for certain programs in 1965 and in the case of other programs 1967, and in the case of others 1970.

After the provinces make agreements and take over some or all of these programs, there will be an element of more local authority, local responsibility. I think it can reasonably be claimed that there will be greater efficiency, and perhaps also greater economy, because the provincial authorities are closer to these programs and to the area in which they are being conducted.

The compensation which the federal authority proposes to make is to be done either by way of tax abatement or by a cash payment, or by both. This would be set out in the contract.

Honourable senators, I think it might be helpful if I spent a few minutes talking about the meaning of the terms "tax abatement" and "equalization payments", because these concepts are basic to the proposals in the legislation.

The basis of the formula of tax abatement and of equalization payments is to be found in the Federal-Provincial Fiscal Arrangements Act, chapter 58 of the Statutes of 1960-61. The principle of tax abatement can perhaps generally be described in this way: Under the exercise, the federal Government agrees to abate, to give credit, to give a tax deduction to the taxpayer in respect of a certain portion of the personal income tax, or the corporate income tax, or the estate tax, or all three, by a certain number of percentage points of that tax. In this way the provinces are free to impose in lieu of those federal taxes such taxes as they require for their own purposes—in this case, for these programs. In so doing, the provinces can impose these taxes without increasing the over-all rate applicable to an individual taxpayer or a corporate taxpayer in a given province.

This arrangement was established under the Federal-Provincial Fiscal Arrangements Act of 1961.

The abatement rates in 1965 for individual income tax were 21 percentage points; corporation income tax, 9; estate tax, 75. For 1966, the comparable figures are 24, 9 and 75.

I should also state that arrangements were then made with the federal Government for collection of taxes by all of the provinces.

The matter of equalization payments was also a concept embodied in the Federal-Provincial Fiscal Arrangements bill.

I would like, if I have permission, to put on *Hansard* a table which may help honourable senators to appreciate the statement I am now about to make. There is a wide variation in the per capita tax yield for all three classes of taxes in the various provinces. For example, in Ontario the approximate tax yield on one per cent of individual income is $10 million; Quebec, $5 million; British Columbia, $2 million; Alberta, $1 million; Prince Edward Island, $42,000. That is an example of the differences in tax yields in individual income taxes for the various provinces I have mentioned. The per capita yield is comparable to that. The highest per capita tax yield is Ontario, and the second highest is British Columbia. The figures on this table indicate that for individual income tax the per capita yield in Ontario is $1.63; British Columbia, $1.47; Quebec, $1.03.

I do not think I need to illustrate the same idea in respect of corporate income tax or estate tax. The figures are comparable. However, I think it may be valuable to honourable senators if I could have the permission of the house to put the table on record.

Hon. Senators: Agreed.

The table follows:

Estimated collections for the year 1964–65 for individual and corporation income and estates tax, by Provinces

	Individual Income		Corporation Income		Estate Tax	
	1%	per capita	1%	per capita	1%	per capita
	$(000)	$	$(000)	$	$(000)	$
Nfld	217	.44	512	1.04	5	.01
P.E.I.	42	.39	61	.56	1	.01
N.S.	504	.66	706	.92	54	.07
N.B.	334	.54	584	.94	20	.03
Que.	5,757	1.03	9,684	1.74	335	.06
Ont.	10,657	1.63	16,214	2.47	557	.09
Man.	1,023	1.06	1,498	1.55	51	.05
Sask.	773	.82	1,031	1.10	22	.02
Alta.	1,615	1.12	2,590	1.80	64	.04
B.C.	2,544	1.47	3,864	2.23	157	.09
	23,466		36,744		1,286	

Hon. Mr. Connolly (Ottawa West): The legislation, again to which I have been referring and not this legislation, provides that the provinces with lowest per capita tax yield in the three fields—individual income tax, corporate income tax and estate tax—receive payments from the federal treasury to bring them up to the average of the two highest provinces, Ontario and British Columbia. These payments that these provinces receive are called equalization payments.

Now, there is an exception to this rule. It arises out of the fact that Alberta, Saskatchewan and British Columbia are said to be free of what is called deadweight debt, because of the high level of revenue they receive from natural resources. I interject that perhaps the word "revenue" is one that they do not accept as valid; perhaps "payment" would be more acceptable. For these three Provinces the equalization payments are reduced by 50 per cent of the amount by which the payments from natural resource sources, averaged over a three-year period, exceed the national average. Perhaps I could simplify it by saying that so far as these three provinces are concerned the equalization payments to them are cut down by a certain percentage of the receipts they have from natural resources.

Having diverted the attention of the Senate from this bill, may I now return to it. I know I have not been as clear as I should be. This is not an easy type of bill to explain.

The tax abatement portion in this bill is to apply only to personal income tax collected in the province concerned. In other words, in this bill we are concerned only with personal income tax abatement and not with corporate income tax or estate tax abatement. As I have indicated, the equalization payments come out of the general revenues of Canada.

The principles both of tax abatement and equalization payments will apply to the programs outlined in Schedule I—that is, the four programs mentioned on page 12. For the programs in schedule II, on page 13, it is proposed by the bill that the federal Government will pay cash compensation. But whether the method adopted is that of tax abatement or cash compensation, the cost to the federal Government will be the same as under the present shared cost programs. For example, in Quebec, under Schedule I, I am informed that the compensation allowed for the programs in Schedule I, on the basis of tax abatement, will be $209 million. In Schedule II, the cash cost to the federal treasury will be $8.5 million. As I have already indicated, the interim periods for certain programs end in 1967, and for others in 1970.

I should add that a more permanent arrangement for these joint programs, and to enable the provinces to take them over and operate them, is under study now by the Tax Structure Committee of the Federal-Provincial Conference. It is expected that early in 1966 a report will be made on that matter.

I should also say that the bill provides that there shall be no contracting out in respect of certain areas:

(i) the capital assistance portion of the vocational and technical training program;
(ii) the cost of training of the unemployed;
(iii) the cost of training in co-operation with industry; and
(iv) research and demonstration portions of the national health program.

If a province contracts out of all the programs itemized, the federal tax will be abated a further 20 points in that province. This abatement, together with the 21 per cent abatement authorized by the Federal-Provincial Fiscal Arrangements Act, to which

I have already referred, means that a total abatement in the taxation year 1965 of 41 per cent can take place. If the province is "prescribed" under the Youth Allowances Act, it could be 44 per cent. In the taxation year following, the tax abatement will amount to 44 per cent or 47 per cent, respectively.

The level of the tax abatement associated with each program has been determined by the relationship between the value of a 1 per cent tax abatement in that province and the cost of the federal share of the program in question in Ontario. It was most convenient to use Ontario as the standard, because the yield of the individual income tax is highest in that province. It was desirable to avoid an abatement whose value would exceed the former federal share of the program out of which the province had contracted. For example, the tax abatement associated with the hospital insurance program has been set in the bill at 14 percentage points.

The question is, how do you get to 14 percentage points? This is the explanation I am given. In the current year the federal share of the hospital insurance program in Ontario is estimated at $150 million. The amount of individual income tax collected in Ontario is estimated at $1,070 million. 1 per cent of this is $10.7 million. This $10.7 million is approximately 14 per cent of the cost of the hospital insurance program in Ontario, and the Ontario figures provide the best basis for calculation, for the reasons I have just given.

I have a useful table which sets out something of the equalization payments associated with a standard rate of 1 per cent on individual income tax. I think it might be useful to honourable senators if again, in this case, I could have permission to put it on the record. I do not presume to read it to the Senate because I think it would be confusing to do so.

Hon. Senators: Agreed.

The table follows:

Table showing equalization associated with a standard rate of 1% of individual income tax

	Individual Income Tax		Equalization
	standard rate=1%	per capita	Deficiency of per capita yield from level of two highest
	$(000)	$	
Nfld.	217	.44	1.15
P.E.I.	42	.39	1.20
N.S.	504	.66	.93
N B.	334	.54	1.05
Que.	5,757	1.03	.56
Ont.	10,657	1.63	—
Man.	1,023	1.06	.53
Sask.	773	.82	.77
Alta.	1,615	1.12	.47
B.C.	2,544	1.47	.12
	23,466		

NOTE: The two provinces with the highest per capita yields are Ontario=$1.63 and B.C.=$1.47. The average yield of a 1% individual income tax in these two provinces sets the level to which the yield of the same tax in the other provinces will be equalized=

$$\frac{\$10,657,000+2,544,000}{\text{Ont. Pop.}+\text{B.C. pop.}}=\frac{13,201,000}{8,285,000}=\$1.59$$

Hon. Mr. Connolly (Ottawa West): Honourable senators, so far as the general explanation is concerned, I think I can do no more. I realize that we are talking about a very complicated mathematical formula. Therefore, I think it would be helpful if the bill were sent to a committee where honourable senators could ask questions of the officials. I am afraid I have confused things rather badly for you this afternoon. However, I think what I have said will stand up as a record, and might be useful on other occasions.

It may be helpful if I deal briefly with the sections of the bill. Sections 3 to 5 deal with the standing program set out in schedule I. In section 3, subsection 2, the province undertakes to operate these programs up to the agreed standard, which generally speaking is

the existing standard. The deadline for an agreement to be made will be October 31, 1965. Under subsection 4 of section 3 the federal authority is relieved of any responsibility for the programs other than the tax abatement or cash payment after the agreement with the province has been made. As I have said, research and demonstration projects within the health grant programs are by section 4 excluded from the operation of the act.

Hon. Mr. Brooks: By that section you said there would be no opting out of those activities by the provinces. Does not the federal Government claim the sole right of acting under that program? There has been research, for instance, in the medical field, and I think the federal authority gives the sole attention to that and the provinces would not be opting out anyway.

Hon. Mr. Connolly (Ottawa West): It would appear that the thinking behind the exclusion of certain portions of these programs is, as the leader opposite indicated, not that the province has not authority to do it, but rather that these portions of these programs can better be carried on and directed by the federal authority.

Under section 5, subsection 1 of the bill, the non-welfare portion of unemployment assistance is not included. By section 6, the number of units of tax abatement applicable to each program is set out.

By section 7, in addition to the tax abatement, the federal authority may make an equalization payment to a province in respect of a program. The formula which would control that payment is described in sections 7 and 8. If you think I have done badly in this explanation, you should read those sections!

Section 9(1) provides for adjustment payments, and subsection 2 provides for the recovery of overpayments. Section 10 provides that when an agreement with a province covers only technical training or health grants, the federal Government may pay out cash in each case instead of providing for tax abatements.

The special programs in schedule I on page 13 are covered by section 11 to the end.

Section 11, subsections 1 and 2, provide that by agreement these five programs may be continued or there may be a substitution. The section also authorizes Parliament to appropriate the amounts to cover the cost to the federal treasury. Subsection 4 of that section gives authority for the minister to pay out the appropriate amount to the appropriate province.

By section 12 provision is made for auditing the expenditures made in any of these programs.

Section 18 deals with tax abatement and equates a tax abatement to a payment by Canada. There are consequential amendments in the Income Tax Act provided for in section 19.

Honourable senators, I realize I have taken a great deal of time on this explanation.

Hon. David J. Walker: Honourable senators, I had no idea how the Leader of the Government was going to outline this legislation. I am glad he and not I had this task. It is a very complicated bill, and for anyone to suggest that it can be explained easily would be a gross exaggeration.

There are many distinguished senators on the other side who no doubt recall Sir Wilfrid Laurier. There may be some who have sat at his feet, and others younger, like the Honourable the Speaker, who perhaps sat on his knee. But we had an admiration for him and we still have, because he was very much a Conservative in many ways; and we enjoyed the principles which he often enunciated, particularly those connected with fiscal policy. One of his maxims was: it is a sound principle of finance and a still sounder principle of government that those who have the duty of expending the revenue of a country should also be saddled with the responsibility of levying and providing it. Now, this is a principle that has been followed for a generation, and the tax experts still adhere to it.

In parts of this bill some of these principles have been forgotten. The advice of Sir Wilfrid Laurier has not been followed, and under the statutory provisions of this bill certain programs can be administered solely by the province, that is, by any province. As the Leader of the Senate (Hon. Mr. Connolly, Ottawa West) has pointed out, there is provision for tax abatement with a very intricate formula, together with a tax equalization formula, or, in the alternative, under clause 10, to which he has referred, the province may receive from the Dominion a sum of money equal to the tax abatement. This payment will be paid annually on the rendering of accounts by the province.

In other words, there is provision for tax abatement, or for payment by the dominion because some of the provinces are not as wealthy as others, and thus tax equalization payments, and finally adjustment payments for operating costs under clause 11 will enable the province to administer a program under its control, or to substitute a provincial program, which, in the opinion of the appropriate minister, is analogous to the present ioint program of the dominion and province.

This is a very important consideration. A cash payment would be made to the dominion equal to the amount which the province would pay, had the program continued as a joint program. The cost, of course, would be audited and the accounts submitted in the usual way. In other words, the dominion says to the province, "We will allow you to administer the program directly yourselves and to substitute your own provincial program, and we will pay just the same as if it had remained a joint program."

Now, before the dominion pays out any money it must satisfy itself that the money was spent for the purposes provided for in the act and under the agreement. Coming back to Sir Wilfrid's principle that he who spends shall be the one required to tax, if you are going to spend $1, you had better raise the dollar yourself, otherwise it might not be spent properly.

Therefore, honourable senators, there are weaknesses in this bill. The first one is that once you get these interim programs under way, even though they prove to be unworkable or inefficient, it becomes very difficult to do away with them, because of the pressure of public opinion. As all of you know, since most of you have had great experience before coming to this place, the pressure of public opinion is something to contend with particularly in matters involving money. Let me give you an example.

Suppose a province, in consideration of running its own program, obtained a tax abatement from the federal Government, and then a conflict arose between the province and the federal Government as a result of which both parties, at the end of the interim period—and keep in mind these are very short interim periods—thought that the program should not be renewed. You can imagine the consternation there would be in every province where it happened if the province ceased the tax abatement, and restored the extra taxation to the federal income tax.

Suppose, too, that a province opts out of a contract. The honourable Leader of the Government (Hon. Mr. Connolly, Ottawa West) has indicated that a province can opt out under this program by as much as 44 per cent of its income tax. By the way, "opt out" is not a very good expression; it is a slang expression which, as you know, means "contract out". Suppose a province contracts out of so many programs, and is granted a tax abatement in respect of each of them. Will this not result in such a province occupying a very large share of the income tax field, in fact, as much as 44 per cent? The day will come when such a province would feel rather independent of federal control, and would carry on its own program in its own way, or not at all.

This is the way the province would explain it. It would say, "We have a very large taxing power. We have 44 per cent. What are you going to do about it?" Should the dominion then step in to recapture this abatement? If it did, the provincial clamour that would ensue would make it politically unwise—and I am putting this very modestly—for the dominion to attempt to do so. The dominion will have lost too much financial leverage when the plan is then made permanent. The effects that can result from this bill are very subtle and can cause much difficulty.

Thirdly, human nature being what it is, and manifesting itself as it does in government, if the federal Government is going to pay with money collected through taxes from the people of Canada for a program in a province to be administered by the province, and the money is to be spent by the province, is it unlikely that the province which does not collect the taxes will spend on the program generously, carelessly and, if I may say so, recklessly? I am not speaking of your province, of course. After all, they do not collect the money; they get it from the dominion.

I know that there are hard and fast formulae to restrict this, as the honourable Leader of the Government has explained, but if the province does not live financially within the formula, who will stop it from returning to Ottawa to complain—and you are into the realm of politics again—"Look at what this program is costing us? We must have more money. Let us change the formula." And in saying this, the province would mean, "Change it in favour of us." Or, to put it in another way, the province can say, "Give us a deficiency grant."

These are, I respectfully suggest, some of the weaknesses of this bill. I will not attempt in the short time at my disposal to outline them all.

Fourthly, if a province runs the program itself, and not jointly with the federal Government, I predict the result will be an ever-increasing spiralling of costs. How can it be otherwise?

Fifthly, the provinces cannot afford all the programs provided for here. That would be impossible. Why not wait until the priority to be given to the various programs is determined by a federal-provincial conference? The federal Government would then be in a position to draft an act that could be put into effect.

Sixthly, in spite of the formulae, what if a province makes portability of pensions difficult? I know that the provinces say they

are not going to do that, but when some of them start running this program themselves, it will be a very easy thing to make it very difficult for a newcomer, be he a newcomer to the west or to the east, to obtain the benefits of portability of pension.

Finally, even with the tax abatement option, as the honourable Leader of the Government has so well pointed out, the federal Government is still paying a great deal with no representation as to how the money is spent. The rules are there, but the rules will be carried out by the province, and not jointly with the dominion.

As an example, the Leader of the Government in this chamber has given us a breakdown of Schedule I showing what all this has cost as shared programs. I calculate the figure to be $651 million. You might say that there is going to be tax abatement, and Sir Wilfrid Laurier's principle will then be alive again, because the province that spends is the province that taxes. Under the tax abatement program the province will collect so much tax by way of income tax, but the reason I have so much doubt about this program is that out of the $651 million, all the dominion Government experts hope can be collected by way of tax abatement is $469 million. The remaining $182 million has to be paid on behalf of the dominion. All these programs, which up to the present have been shared programs, will no longer be shared programs. When the province takes them over and runs the show, the dominion Government will be paying on all of those programs a taxation equalization payment of $146 million, and adjustment payments of $36 million which, with the $469 million in tax abatements, amounts to $651 million.

Once they are taken over by the province there is no representation. Up until now it has been a joint program; and, as the Minister of Public Works for several years, I watched a joint program work with great particularity, namely, the Trans-Canada Highway program. That was a joint program, and the problems we had with the provinces were tremendous. Goodness knows how we could ever have worked it out if it had not been a joint program and the provinces had been alone by themselves without any representation by the dominion. The spending of federal money in the province by the province and without representation by the dominion is going to be a great problem. Honourable senators can see what a serious matter this can be.

What is the matter with the joint programs? I know it is a very nice thing to be able to say that Prince Edward Island is an autonomous province and Ontario is an autonomous province, but he who spends should levy the taxes, and if he does not levy the taxes he should be willing to have a joint program in some respects, in any event, particularly to safeguard the federal money that is being spent.

Perhaps you will say that there is no alternative to this. I did not gather that the honourable Leader of the Government said that. Perhaps there is. But why the mad rush on the part of the Government of Canada—not on the part of this Senate, but on the part of the Government of Canada—to get this bill passed? It riddles the principles enunciated by Sir Wilfrid Laurier, it riddles the principles used by most tax authorities and, at the very best, it is a hodgepodge of political expediency.

Honourable senators, this opting out legislation should be referred to the Tax Structure Committee, a committee of experts and laymen set up by the Federal-Provincial Conference in October last. Its terms of reference included "the general policy to be followed in respect of shared-cost programs."

This committee has been instructed to report to the resumed conference in early 1966, just a year away or perhaps less than that; and its recommendations will form the basis for discussions to bring the federal-provincial agreements up to date, in keeping with the needs of today.

Therefore, since Bill C-142 simply authorizes agreement on the temporary basis for a transitional or an interim period, and specifies the duration of that interim period, why not hold the bill until we have a report by this excellent committee, which has the confidence not only of the federal authority but of all 10 provincial authorities as well. Let us wait for the committe's report, and let it refer specifically, under its terms of reference to this very problem of contracting out of the shared programs. It is a tremendous problem, as the Leader of the Senate has pointed out, and is difficult to understand. We will be in a veritable jungle of problems if this bill goes through as it is at the present time, without the advice of that great committee.

We have managed to get along so far with the provinces since 1867, and we hope to do so at least until 2067. During the years I spent in the cabinet, I had no idea that there was to be the tremendous outcry that we hear about today. We had none of that. We got along beautifully with the provinces, and I challenge anybody on the other side to find any instances where we had any insuperable problems with the provinces. We got along for nearly 100 years, and we will get along for another 100 years. On this important principle of contracting out of the shared programs, why cannot we wait another year for this report, in order that,

when we do pass this bill, it may be passed in an amended form, as a result of that committee's report?

I cannot understand the unseemly haste of the Government to get this bill through. Were they contemplating an election this year, in June, I could understand it. Perhaps that was the original reason for haste. I cannot understand any other reason for it. It would make good window dressing in an election. But, according to the Prime Minister, that day is over now; there will be no election in June; there will be no election until next year. Why not wait, then? The Government of the day will still be able to spread this window dressing with a proper bill, implemented after the result of a proper report.

Hon. Mr. Choquette: I think that is good advice.

Hon. Mr. Connolly (Ottawa West): Perhaps a bigger window?

Hon. Mr. Walker: Perhaps by that time the Leader of the Senate may have an active portfolio in the Government. I cannot help thinking today, noting the able manner in which he dealt with this bill, that the cabinet would be greatly improved if the honourable leader were given an important portfolio.

Hon. Mr. Connolly (Ottawa West): Do not be too hard on me now.

Hon. Mr. Walker: I never could be—I think you are too hard on yourself. Now that the election has been postponed indefinitely, let us wait for the tax experts' report and let us be guided, not by the politicians' advice but by the advice of the experts.

Hon. Mr. Connolly (Ottawa West): Would the honourable gentleman mind if I asked a question at this point? He talks about the provinces spending the federal money and spending money that they do not collect. In respect of the programs in schedule II, which are to be paid for on a cash basis, I follow him and I agree—although they are short programs and they are relatively small amounts. But would he not agree that, on the question of tax abatement, the whole theory is that provinces will impose the tax themselves and spend the money—they can even impose a higher tax, they can even tax for a greater amount, if they wish to expand the program? I just wonder whether that point is clear enough.

Hon. Mr. Walker: I believe Senator Roebuck was talking to the Leader of the Government at the moment when I was making that point.

Hon. Mr. Connolly (Ottawa West): Not to me.

Hon. Mr. Walker: In any event, my answer is this. I am glad the honourable leader raised this point again, because it gives me a chance to emphasize it. Of the $651 million worth of shared programs, the only tax abatement—that is, the amount of the tax which will be collected by the provinces—will be $469 million; and again the dominion will have to step in and pay $182 million more, being $146 million for equalization payments and $36 million for adjustment payments. That is my point.

Hon. Mr. Connolly (Ottawa West): To that extent, that is quite right.

Hon. Mr. Walker: Thank you very much.

Hon. M. Grattan O'Leary: Honourable senators, it is not my intention to prolong this debate unduly. Certainly, I do not intend to try to follow the Government Leader in his heroic attempt to explain what was meant by these various clauses. I think that in all modesty I may claim to have some slight knowledge of the English language, but I must confess that, reading these clauses, they were about as clear to me as the proverbial black cat in a coal bin on a moonless night. As I read the clauses, I wondered what the immortal Churchill would say about jargon of that kind. I do not know who writes clauses like this, but I wonder if the man has been apprehended; and, if he has not been apprehended, I would suggest that, following recent distinguished precedent, we offer a reward for his capture.

Hon. Mr. Connolly (Ottawa West): That does not always succeed.

Hon. Mr. O'Leary (Carleton): Nor is it my intention to follow the distinguished Senator Walker in his comprehensive analysis of this bill. Personally, I see three basic objections to the bill and to its implications, especially at this time. I shall make no attempt to explain what the bill does. It is fairly clear, when you finally get through the verbiage, that what we have here is not in fact an opting out bill, as was heralded so long and so loudly by the press. There is nothing in this bill to permit any province to walk out of anything. All that happens with respect to this bill is that in the case of some 17 shared-cost programs, the provinces are given the privilege of supplementary agreements under which the financial and administrative circumstances surrounding the bill, the administration of the bill, may be or could be made more favourable to them.

Honourable senators, it could well happen that these supplementary agreements could result in gain, (a) by providing the same

services at lower cost or, (b) by providing better programs at the same cost. But, honourable senators, these are imponderables. These at best are only possibilities, or perhaps only vagrant hopes. In view of the fact that most of these programs expire within a few years, some of them within two years, we have the right to ask the Government, who asked for this bill? What public body in Canada asked for this bill? What public men asked for this bill? Certainly if we turn to the record we get very little answer.

There was a dominion-provincial conference in this country last June, and following that conference, on August 15, seven months ago, the Prime Minister of Canada wrote to the ten provincial premiers asking them, in effect, what they thought of the proposition contained in the bill as we have it today. Well, what happened? Premier Stanfield of Nova Scotia replied that the matter would be studied. That was seven months ago, and so far as the record shows there has not been a word from him since.

Premier Ross Thatcher of Saskatchewan wrote mainly to ask two questions. He wanted to know, (a) what was meant by the phrase "contracting out provinces must continue to carry on programs of this nature"; and, (b) what would be the amount of cash compensations to be paid in respect of type C programs.

There is no record of any reply to those questions by Mr. Thatcher. There is no word of any acceptance from the Premier of Alberta. There is nothing whatever on the record to show the position taken, if any, by the Premier of Ontario. There is no record of a word from the Premier of Prince Edward Island. Nothing has been produced to show a word of acceptance from the Premier of British Columbia. Only from the Premier of Quebec, Mr. Lesage, and from the Premier of New Brunswick, Mr. Robichaud, has there been acceptance of what is meant by this bill. Apart from these two, there is nothing but a curtain of secrecy and silence—and about this I shall have something to say later on.

But there is something more, and this was pointed out by Senator Walker. On Tuesday, in the other place, the Honourable Mr. Gordon said—I am quoting now from *Hansard*, and my honourable friend made the same point in his speech on second reading:

> The provinces, of course, have copies of this bill, and are fully familiar with it and have been for some time. They have probably decided what they want to do by now, although they have not informed me to that effect.

So even up to the moment, not one of the premiers, except Mr. Lesage and Mr. Robichaud, have indicated they wanted this bill at all.

Honourable senators, in the light of these circumstances, I suggest that this bill presents the possibility of only one province, the Province of Quebec, accepting these proposed new agreements, and accepting them with an attending danger, the danger involved in the further isolation of Quebec from the rest of Canada—a danger pointed out in this house on July 27, when Senator Flynn said:

> I feel that this possibility of option offered for all practical purposes to the Province of Quebec alone encourages the isolation of that province at a time when it is already encouraged by other circumstances, and this at the expense of Canadian unity. I feel that this optional system is a bad thing.

Honourable senators, it is a bad thing. I repeat, there is nothing about opting out, as commonly understood, in this bill; but, honourable senators, it does tend in that direction, and the direction is dangerous.

Professor K. C. Wheare, the noted Oxford authority on federal government, lays it down in his great work "Federal Government"—a revised edition has just come off the press:

> The capacity of states to form and work a federal union depends upon some agreement to differ, but not to differ too much.

I submit, honourable senators, that this business of opting out, or any legislation tending towards opting out, does differ too much for the safety of a federal state.

I wonder how many members of this honourable house realize that opting out is a purely Canadian innovation, a purely Canadian device, something that has never happened before in the whole history of federalism? It is the first time that an attempt was made to keep a federal state together by permitting any of its units to opt out from general legislation.

There is another circumstance which must make us wonder about this bill, as Senator Walker pointed out. A dominion-provincial committee on tax structure has been set up—a committee of experts—to deal with and recommend basic priorities, to try to determine in what fields tax revenue should be raised, and how and where it should be spent to the best general advantage.

The Leader of the Government (Hon. Mr. Connolly, Ottawa West) spoke of the vital need for national standards. Honourable senators, that is precisely what this tax struc-

ture committee is about. That committee is now working and is expected to report within the next year.

I ask this house, what is the wisdom, what the common sense, of a bill of this kind at this time? Why at this time of danger? Why at this time of anxiety and heartsearching? Why these crash programs? Why this sick haste? Surely the past two years should have taught us that this business of rash advances over unreconnoitered ground, followed so often by humiliating retreat, is the wrong way to govern.

There is a third area which makes me feel that this is a bad bill in its implications and in its principles. It is my final and great objection that a bill of this kind is arrived at largely by secret arrangements and discussions between the dominion Government and the provinces. We are setting up in this nation a new area of government—government not by Parliament, not through public debate and discussion, but by dominion-provincial conferences, held mostly behind closed doors.

Honourable senators, we heard Mr. Gordon, the Minister of Finance, say to the House of Commons this week:

> The provinces, of course, have copies of this bill, and are fully familiar with it and have been for some time.

What does that mean? It means that the premiers of the provinces were told about this bill before Parliament was told about it. Parliament was presented with a *fait accompli* and told, in effect, "You accept what we have agreed to with the provinces, and if you don't, you defeat this Government and you face a general election."

Honourable senators, for more than half a century I have watched the work of government in Canada, and I must say that in recent years, under all governments, I have been dismayed by the constant and accelerated erosion of the place, the powers, and the prestige of Parliament.

We have today a powerful bureaucracy. We have boards, committees and commissions, all with vast powers. We have a sprawling empire of Crown corporations over whose operations, often affecting the lives of all of us, Parliament exercises but little superintendence. We have the ever-growing power of the executive; and now, superimposed upon all of this, we have a new area of government through dominion-provincial conferences, with their decisions often reached behind closed doors.

Honourable senators, I submit to you with all the seriousness I can command, that this means peril, peril not only for our federal system but peril as well for our whole democratic and parliamentary way; and I say to you, that this Senate, in pursuing its historic role of prudence, of care for national unity, should condemn and reject this bill.

Hon. John J. Connolly: Honourable senators—

The Hon. the Speaker: I must inform honourable senators that if the honourable Senator Connolly (Ottawa West) speaks now, it will have the effect of closing the debate.

Hon. Mr. Connolly (Ottawa West): Honourable senators, neither of the honourable senators who have spoken on this bill has indicated his wishes in respect of a committee. I am certainly quite agreeable that the bill should go to committee, if that is the desire of the house. That committee could meet tomorrow morning. It could meet this afternoon, but I understand there are other meetings which might conflict with it. I would not suggest that it meet tonight, because tonight there is a national event many people think should be witnessed by senators. If there is any desire for a committee it could be indicated to me, as I have only a few remarks to make.

Frankly, I think the contributions made by both Senator Walker and Senator O'Leary (Carleton) have been very valid. I do not agree with all they say—they would not expect me to. I do not think the position that Senator Walker describes in respect of the fact that the spending power will not be the taxing power is quite precisely as he suggests it is. I think that the purpose of this bill meets the ideals which he attributes to Laurier, namely, that the power that spends is the power that should tax.

We should remind ourselves that these programs lie within provincial jurisdiction. What is sought to be done under this measure is to say to the provinces concerned: You have been contributing and we have been administering these joint programs in every province. Now, having achieved certain standards, this is a program which you could run yourselves. We will not tax for it hereafter. You do the taxing. You take over the program, and you run it on that basis.

With regard to the terms "opting out" and "contracting out," Senator Walker says that one of them, at least, is a slang expression. Perhaps they are inappropriate terms. But the fact of the matter is that what is proposed by the legislation is that in certain given programs outlined in the bill, where the provinces have jurisdiction, it is now proposed that with the experience gained in the programs thus far, they should run them until the expiry of the interim period. Since the provinces have been developing their public services, they have the know-how to do these

things. Perhaps in the beginning of the program they did not always have these capacities.

Senator O'Leary (Carleton) makes quite a point—and I think this is one that everyone must think about—as to the continuing, indeed the increasing importance, of the federal-provincial conferences. I believe none of us takes second place to him in our desire to see the prestige of Parliament maintained. Perhaps this does not lie in my mouth, though it always did before I became a member of the Government, but we deplore the increasing power of the executive, and as a member of the Senate I can say that to my colleagues. I think the trend is something which in the democratic state we have to watch. The second chamber has a special purpose in watching that trend.

We deplore too the extent and increase of bureaucratic control. But I do say this, honourable senators, that in modern Canada, the importance of the jurisdiction and of the responsibility of the provinces is something that has been growing. The importance of the federal-provincial conference is going to continue to grow apace. This is a fact of life. All of us in Parliament must be prepared to live and work with it.

There were years when the result of federal-provincial conferences was more deadlock than anything else. We must all work on both sides of both houses for a better understanding of the responsibilities of the provinces. The provinces too must participate in the promotion of the national welfare.

I have attended only two of these conferences, and some of my friends on the benches opposite have attended many. I have talked to the premiers—not premiers who profess my political faith. I think they are very conscious, and they say so, of the desirability of not weakening the federal authority to the point where the unity of the country is threatened. I think they would agree that there was a period, since the beginning of the war, when the provinces sought more and more fiscal autonomy and authority, and they were a bit careless of what harm, when pushed too far, this could do, not only to the federal authority but to the country and, indeed, to their own position.

I believe that to point up these things, as this debate has pointed them up, is a good thing for Parliament and the Senate. It has been the kind of debate you would only get in the Senate. I do appreciate the contributions that have been made by the gentlemen opposite. I think we are going to have these problems before us for many years to come. The more we know about them and the more we understand them, the better it will be for the country.

Senator O'Leary (Carleton) asked, who is asking for this kind of legislation? He indicates that the Province of Quebec is very interested, that the Province of New Brunswick is also interested, but that the other provinces are not.

Well, I do say that there are very special reasons why the Province of Quebec should be interested in running these programs over which it has jurisdiction in the way proposed by this measure. Whether we like it or not here—and I do not think we dislike it—the Province of Quebec is a very special part of this country. It has a different social, economic and political—in the good sense of the word—problem constantly to contend with. To recognize this is to do little more than to recognize the principle of Confederation upon which this country was founded.

Perhaps Quebec will be the only province which contracts out of all these programs. Other provinces may contract out of some. Programs about to be spent might well be taken over by the provinces and run to their conclusion. I believe the opportunity to do this should be made available in a certain restricted number of programs, as is proposed in this legislation. Certainly the tax structure committee will be looking at this whole area in the interests of the permanent federal-provincial fiscal arrangements.

I commend the bill to the Senate.

Motion agreed to and bill read second time.

THIRD READING

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

Some Hon. Senators: Now.

Hon. Mr. Walker: You know the old saying, if it is going to happen, it might as well happen now.

Hon. Mr. Connolly (Ottawa West): I reject the comparison but I like the idea.

I move that the bill be now read a third time.

Motion agreed to and bill read third time and passed.

BUSINESS OF THE SENATE

Hon. John J. Connolly: It would appear that there is very little prospect of the interim supply bill being available from the other place this afternoon. In the circumstances, I think it appropriate that the Senate adjourn now until tomorrow afternoon at three o'clock.

Hon. Mr. Brooks: Has the honourable leader any idea when the supplementary estimates are likely to come over?

Hon. Mr. Connolly (Ottawa West): I wish I could tell you. However, I think all would agree that we should be here tomorrow afternoon in the hope that whatever other legislation is to come will be available at that time. As all honourable senators know, I can give no guarantee on such matters.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

*Friday, April 2, 1965

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

Prayers.

THE LATE GENERAL H. D. G. CRERAR

TRIBUTES

Hon. John J. Connolly: Honourable senators, yesterday Parliament, and indeed the entire nation, was saddened to learn of the death of General H. D. G. Crerar, one of the most gallant, distinguished and successful members of the Canadian army, a man who had a career of great distinction in the public service of this country.

I understand it is the intention of certain honourable senators to speak about General Crerar today. I draw the attention of the Senate to his untimely death.

Hon. C. G. Power: Honourable senators, because I had some relationship with General Harry Crerar for a number of years both as Acting Minister of National Defence and as Associate Minister of National Defence during the war, and had occasion to learn something of his character and mentality, I feel I should tell the members of the Senate a little of the impression which he made upon me. He was not what is so often called a brass hat inasmuch as his thinking was not altogether along the lines of the department or of the service with which he was concerned. He had a very real understanding, somewhat uncommon among people of his class, of the difficulties which a minister might have with Treasury Board in matters related to military expenditures; also with Ministers of Finance, and above all with the House of Commons. This was particularly so prior to the war when that house was composed to a large extent of pacific-minded individuals who freely criticized any expenditure relating to military affairs. He understood fully the situation which a minister, endeavouring to pilot army estimates through the House of Commons, would encounter.

I had occasion to see him overseas several times. What impressed me most was his deep concern for the morale and welfare of the troops under his command. This may be only a small thing, but I remember his speaking to me at length of the bad effect letters from home were having on the troops when those letters were filled with distressing details of the hardship being suffered because the quantity of sugar allowed under the wartime regulations was not sufficient. Such letters brought great howls of derision from the soldiers in the field, who sometimes did not know where their next meal was coming from.

He felt also that there was a tendency on the part of relatives, friends and others to write of the social difficulties which arose at home when soldiers' wives permitted themselves certain exercises of indiscretion. He felt very strongly that something should be done to impress upon people at home that his men in the field and at the front had troubles of their own, and it was quite unnecessary for them to be told of what they considered much lesser evils from those they suffered.

He was in every respect a very human man. He became a great leader. He did credit to his country. He was above all a good Canadian. I offer my condolences to the members of his family.

Hon. A. J. Brooks: Honourable senators, it has been most interesting to listen to the honourable senator from Gulf (Hon. Mr. Power) tell us of his old friend, the late General Crerar. I did not have the opportunity of knowing General Crerar as well as Senator Power, but I did meet him on a number of occasions during the two wars. He was a great soldier and one whose name, I am sure, will go down in the history of this country.

As we all know, the history of Canada has not been so much of war as it has been of the exploits of our people in taming the wilderness and the vast expanses of this country; the building of towns and cities, and the development of our great natural resources. I am sure all honourable senators will agree with me that we have every reason to be proud of our success and accomplishments in this regard.

Honourable senators, Canada took part in two of the greatest wars of history, not for the purpose of conquest but, as we thought, for the preservation of peace and freedom. As to what success was attained in those two wars, it is not my intention to comment on this afternoon. In the First World War, as honourable senators know, Canada raised a civilian army of over half a million men. The Canadian Corps became the finest fighting force in all the allied troops. That is no idle boast; it is something which was recognized by our allies in the war. General Crerar played an important part in that war and, as you will recall, our troops were led by another great Canadian, Sir Arthur Currie.

In the Second World War history repeated itself. Canada again raised nearly half a million men. Those men were trained by civilian officers, for the most part, and of course they were civilians themselves in uniform until

*See p. 1520.

they became again a great force in the allied army.

I met General Crerar during World War II. He had made a reputation for himself as a young officer in the First World War, and he had remarkable success in command of our troops in the Second World War. As Senator Power has told us, he had the qualities of a great leader. He had courage and good judgment, and he was well trained, much better trained than most officers who took part in that war, because he had trained himself as a soldier from his youth.

Probably best of all, General Crerar earned the respect and confidence of his men. He also had the respect and confidence of the generals and officers with whom he was associated from the allied armies.

I notice that many have paid tribute to his memory, including Field Marshal Earl Alexander who was a former Governor General of Canada and who is considered by many as the greatest general of World War II. General Alexander knew General Crerar well and his tribute is a most sincere one.

Honourable senators, there is another matter which I would like to mention. General Crerar did not write a book, as far as I know, nor did he write many articles; he did not criticize or try to belittle any of those with whom he was associated—a practice, I may say, which has become too common, in my opinion, with certain other generals.

I am satisfied that Canada will give General Crerar a very high place in its history, one which he has well earned and well deserved. I desire to join with my good friend Senator Power in paying this short tribute, and also in expressing my words of sympathy to Mrs. Crerar and other members of General Crerar's family.

PRIVATE BILL

WORLD MORTGAGE CORPORATION—COMMONS AMENDMENTS CONCURRED IN

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons returning Bill S-32, to incorporate World Mortgage Corporation, and acquainting the Senate that they have passed this bill with the following amendments, to which they desire the concurrence of the Senate:

1. Page 2, Lines 1 to 30. Delete.
2. Page 2, Line 31. Renumber clause 9 as clause 7.
3. Page 2, Lines 32 and 33. Delete the words "except as otherwise provided herein".

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

Hon. Mr. Connolly (Ottawa West): Honourable senators, I move, for honourable Senator Leonard, that these amendments be taken into consideration now.

Honourable senators, this is a private bill and I really have no business participating in the debate. However, since it was dealt with in the other place last evening, and since the sponsor in the Senate, (Hon. Mr. Leonard) was not to be here today, I was in touch with him this morning to ascertain his wishes.

I am informed that he has spoken to his principals, and that his principals are quite satisfied to delete clauses 7 and 8 as they were originally in the draft bill, on the ground that the amendments to the Insurance Trust and Loans Companies Act now change the position, in so far as these sections are concerned. Senator Leonard tells me that the bill as it is now amended, while perhaps not entirely satisfactory to his principals, is nonetheless one that they would like to see passed in this truncated form.

Amendments concurred in.

APPROPRIATION BILL NO. 1, 1965

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-150, for granting to Her Majesty certain sums of money for the public service for the financial year ending 31st March, 1966.

Bill read first time.

SECOND READING

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

Hon. John J. Connolly: Honourable senators, I move that the bill be now read the second time.

Hon. Mr. Brooks: May I ask if copies of the bill have been distributed?

Hon. Mr. Connolly (Ottawa West): Yes. I made special inquiries this morning and was informed that copies would be placed on file in the desks of honourable senators.

Honourable senators, this is the first interim supply bill for the fiscal year, which began yesterday, April 1, 1965. The bill provides the Government with supply for two months for all items of the estimates. In other words, if this bill is passed, the Government will have supply for the months of April and May. The main estimates were tabled in this house on March 23 of this year.

Since the present session of Parliament is about to close, as soon as possible in the next

session of Parliament, which will begin almost immediately, a motion will be made to refer the estimates tabled on March 23 to the Standing Committee on Finance, with a view to having that committee peruse the estimates, as has been the custom in this house for many years past.

May I begin the few remarks I have to make by saying that in no instance is the total amount of any item of estimates being released by this bill. May I also say that the bill comes to us in the usual form for interim supply bills.

Honourable senators, I give the assurance, which is customarily given when bills of this kind are dealt with in the Senate, that the passing of this bill will not prejudice the rights of any member to criticize any item in the estimates when such estimates come up for consideration, either in this house or in the Standing Committee on Finance. The usual undertaking is hereby given that such rights and privileges will be respected and will not be curtailed or restricted in any way as a result of the passing of this measure.

I think it would be convenient for all honourable senators if we looked first at the schedules of the bill rather than the bill itself. I have already indicated that the general purpose of the bill is to grant the Government two months' supply; in other words, to grant two-twelfths of the total of the main estimates. However, there are certain items in certain departments where more than this one-sixth is required, and these extra amounts are indicated in the schedules.

May I first direct the attention of honourable senators to Schedule A, which deals with an additional amount of $8,344,666.67, being eight-twelfths of a certain item, namely, item No. 15 in the Department of External Affairs. This item deals with Canada's contribution to the United Nations Special Fund, the United Nations Expanded Program for Technical Assistance to Underdeveloped Countries, the United Nations High Commissioner for Refugees, the United Nations Children's Fund, the United Nations Relief and Works Agency for Palestine Refugees in the near East, the Refugee Program of the Inter-Governmental Committee for European Migration, the World Food Program, and Defence Support Assistance for non-NATO countries.

An additional proportion of eight-twelfths of this item in the Department of External Affairs is asked for to meet the request of the United Nations that as much as possible of our contribution to the special fund and the technical assistance programs be paid, and also because $2.4 million of the $2.9 million included for the Defence Support Assistance Program, covering delivery to Malaysia of four Caribou aircraft, is due under the contract before the end of May. That is all that I have to say about Schedule A.

Hon. Mr. Brooks: Is there anything in connection with the Congo?

Hon. Mr. Connolly (Ottawa West): Unless it should fall under the general description which I have given, I should not think so.

Schedule B requests an additional five-twelfths of item 20 in the Department of External Affairs in the amount of $456,458.34. This item provides for contribution to the program of the NATO Science Committee; payment to the International Civil Aviation Organization; grants to the International Committee of the Red Cross; contribution to the United Nations Training and Research Institute, and our assessments for the Laos International Commission and the United Nations Emergency Force in the Middle East. Perhaps this is the item to which the honourable Senator Brooks referred. The additional proportion is requested to enable Canada to relieve the financial problem of the United Nations by paying a large proportion of the Emergency Force assessment immediately.

Schedule C provides for an additional four-twelfths of item 5 in the vote of Atomic Energy, in the amount of $533,333.34. This vote provides for assistance to universities in the field of atomic energy research. Present arrangements call for the payment of 50 per cent of the grants to be made early in the fiscal year. It is necessary that this additional amount be released if this commitment is to be lived up to. I think this is a customary request at this time.

Schedule D asks for an additional three-twelfths of item 10 of the National Research Council items, in the amount of $7,675,000. Item 10 provides for the payment of scholarships and grants in aid of research in Canadian universities. A large proportion of these grants and scholarships is paid early in the fiscal year, and for that reason the extra amount is required at this time.

Schedule E proposes that an additional two-twelfths of certain items listed be granted, and the amount would be $7,314,783.34. This proposal would apply to the following items. Under Legislation is item 20 for the general administration expenses of the House of Commons. As honourable senators know, the House of Commons has been very busy. It is in session and will continue to be in session for some time, so additional amounts are required to meet the current costs being incurred. Under the Department of Mines and Technical Surveys is Vote 25 dealing with geological research. Additional money is required at this time of the year

because the geological investigations in the field and in the laboratory are being prepared. The preparatory work is being done now, so early in the fiscal year these additional amounts are needed to get the field work, particularly, under way.

Item 30 under the Department of the Secretary of State is also included in this list. An additional amount is required just now to clear a carryover of accounts incurred in connection with the Memorial Building at Charlottetown, Prince Edward Island, and also because there has been an acceleration in the pace of work in central Ottawa in connection with the construction of the Performing Arts Centre being developed here.

In the Department of Transport there is an additional amount required in item 95. This item deals with capital subsidies for the construction of commercial and fishing vessels in accordance with regulations of the Governor in Council. The vote provides for payments not exceeding 35 per cent of the cost of work performed under a contract in accordance with laid-down regulations. An additional proportion is requested to meet payments on 34 ships under construction. These payments are expected to amount to $8.4 million in April and May.

Schedule F proposes that an additional one-twelfth of the main estimates, under certain items, be granted in the amount of $7,784,533.34. One of the items to which this would apply would be item 5 in the Department of External Affairs. This vote provides for the salaries and other expenses of personnel serving abroad. I am informed that it is customary to ask for additional amounts at this time so that expenses in various parts of the world can be met and processed in an orderly way.

In the Department of Justice the proposal would apply to item 1, and particularly for pre-financing the costs incurred in the administration of justice in the Northwest Territories. I may say that these items are refundable from the funds to become available to the Northwest Territories Commission.

The proposal of this schedule would apply also in respect of the running costs connected with the sittings of the Senate. The Senate has been and, of course, will continue to be in session in the early part of the fiscal year.

In the Department of Mines and Technical Surveys there are five items—Nos. 10, 15, 45, 50 and 60—all of which generally concern survey activities which are to be carried out in the spring and summer months. The expenditures for this work are heaviest in the earlier part of the fiscal year, and for that reason this additional amount is required.

Hon. Mr. Brooks: May I ask the honourable Leader of the Government why it is only one-twelfth in Schedule F and two-twelfths or more in all other schedules? I am thinking particularly of the general administration of the Senate and these others. It seems to me that if they need two-twelfths in the other place, we would certainly need two-twelfths here.

Hon. Mr. Connolly (Ottawa West): The thought occurred to me, to ask for the additional amount. I believe the custom is that the administrators of the department—in this case, of the Houses of Parliament concerned—indicate to the treasury officers what their requirements will be. I understand that so far as the Senate is concerned, we can get along very well with, first of all, the general two-twelfths plus the additional one-twelfth until the end of May.

Hon. Mr. Brooks: I just want to make sure we have money enough, that is all.

Hon. Mr. Connolly (Ottawa West): I think they are quite satisfied that it is adequate. This is only one-twelfth additional. The Senate is also being voted, as is every department, two-twelfths, so in fact one-quarter of the requirements for the year is being allocated by this bill.

Hon. Mr. Brooks: That is just by way of comparison.

Hon. Mr. Connolly (Ottawa West): I must say to the Leader of the Opposition that I really do not know why they need the additional one-twelfth on the other side, but they may have problems we do not know too much about.

If I may continue with respect to Schedule F, item 5 in the Department of National Revenue falls within this category, and I have a note here to the effect that in the first quarter of the fiscal year that department finds itself in a peak period of operation in all district offices, particularly those of the Income Tax Branch. We can all understand this, because our tax returns must be filed before the end of this month and they will be very busy during that period.

Likewise in the Department of Trade and Commerce, the same observation would apply to item 15 which deals with the Canadian Government Travel Bureau. Additional moneys are required to meet the expenses of the spring and summer advertising campaigns, accounts for which are received by the Travel Bureau in April and May.

In addition to this there is a certain borrowing authority which is sought by this bill. As honourable senators know, the Financial Administration Act requires that no money

shall be borrowed or security issued by or on behalf of Her Majesty without the authority of Parliament.

The authority to borrow for the purposes of refunding maturing issues is found in section 43 of the Financial Administration Act. The authority for the Government to raise new money through the issue of securities must, however, be obtained annually. At the beginning of each fiscal year a bill of this kind provides for the cancellation of any unused borrowing authority under the provisions of previous appropriation acts. In addition, this bill seeks new authority for the Minister of Finance to raise money in the ordinary way by issue of securities. The types of securities usually issued are treasury bills, marketable bonds, and Canada Savings Bonds.

I should add that by Appropriation Act No. 1, 1964, and Appropriation Act No. 9, 1964, borrowing authority was provided up to an amount of $1,750 million. To date this authority has been utilized but only to the extent of $1,204 million, so that the unused portion, which is $546 million, will no longer be available. It will be cancelled by this bill.

If honourable senators are interested I shall recapitulate the total borrowing authority in previous financial years:

Fiscal Year	Total Borrowing Authority
1959-60	$1½ billion
1960-61	1½ billion
1961-62	2 billion
1962-63	2½ billion
1963-64	2 billion
1964-65	1¾ billion

As I have said, the present bill is in the usual form. Section 2 provides for not only the two-twelfths of the general estimates but by subsection (a) it also provides for the additional two-twelfths of which details are set out in schedule A. Subsections (b), (c), (d), (e), (f) and (g) cover the authority in respect of the various schedules of which I have already spoken.

Hon. Mr. Burchill: May I interrupt my friend to have one point clarified? Did I understand the honourable leader to say that section 2 authorizes two-twelfths and that the schedules authorize an additional two-twelfths?

Hon. Mr. Connolly (Ottawa West): Yes.

Hon. Mr. Burchill: I ask that because the section reads "being the aggregate of...."

Hon. Mr. Connolly (Ottawa West): The authority would be for a total of $762,547,-249.03. That is the total already authorized. To repeat what I have said, this is made up of two-twelfths of all items to be voted in the main estimates in an amount of $730,-438,474. Then there are the following amounts provided for in Schedules A to F. Would the honourable senator like me to list them in detail?

Hon. Mr. Burchill: No, it is not necessary.

Hon. Mr. Connolly (Ottawa West): I have already put the figures on *Hansard*. I hope I have answered the question adequately and that the point is clear.

Hon. Mr. Brooks: It is all set out on page 2.

Hon. Mr. Connolly (Ottawa West): Yes, in the lettered subsections of section 2.

Section 3 of the bill provides that the amount to be paid in respect of any of the items may be paid or applied only for the purposes of and subject to the terms and conditions of the specified items.

Section 4 deals with commitments. Where authority is given to enter into a commitment, it may only be entered into in accordance with the terms of such item and to the extent of the amount specified, if the Comptroller of the Treasury so certifies.

Section 5 deals with the loan provisions, and the authority granted for loans is $1 billion. I have no doubt that a future appropriation bill will seek further borrowing authority, but at the moment the extent of the borrowing authority which Parliament is asked to grant is $1 billion.

Subsection 2 of section 5 provides for the lapse of prior borrowing powers. I have already referred to this and I have indicated the amount which will lapse as a result of this bill.

Section 6 of the bill provides that the amounts paid or applied under the authority of this act shall be accounted for in the public accounts in accordance with the Financial Administration Act.

If honourable senators have questions to ask that I can answer, I shall be happy to do so.

Hon. Walter M. Aseltine: Honourable senators, I am not a financial expert by any means, and I do not suppose that the Leader of the Government (Hon. Mr. Connolly, Ottawa West) is either, despite the fact that he has given us an excellent explanation of this interim supply bill. It is his responsibility to introduce such bills, just as it was my responsibility when I occupied a similar position on the other side of the house.

I well remember the first interim supply bill that I sponsored and explained in 1958. I dealt with it in a manner similar to that in which the honourable Leader of the Government has dealt with this bill this afternoon.

Hon. Mr. Connolly (Ottawa West): All I know I learned from you.

Hon. Mr. Aseltine: I thought I had done a pretty good job.

Hon. Mr. Roebuck: So you had.

Hon. Mr. Aseltine: And when the Honourable W. Ross Macdonald got up to speak after I had finished he congratulated me quite sincerely and then, to my surprise, started to take me all apart. What he said is to be found on page 17 of the *Debates of the Senate* for 1958, and it reads as follows:

> Honourable senators, yesterday afternoon the Leader of the Government (Hon. Mr. Aseltine) tabled in the house the estimates for the fiscal year ending March 31, 1959. We have just had a chance to glance at these estimates since they were tabled, and I am sure we were all astounded to learn the total amount the Government proposes to spend during the fiscal year upon which we have now entered. On page 3 of the estimates it will be observed that the total estimated expenditures for this year are $5,179,343,555, and this amount does not include old age pension payments of $555 million. When that figure is added to the estimates which have been tabled in this house, the total proposed expenditure is $5,734,343,555. That is an increase of $318 million over the total expenditures of last year.

The honourable senator also said on that occasion as reported on the next page:

> So during the current financial year we shall spend probably $6 billion, the largest annual federal expenditure ever made in Canada.
>
> The present Government, which has been in power for less than a year, has become the most fabulous spender of public funds of any government that has ever administered the affairs of our country; and if the bill before us is a simple bill, its simplicity consists only in its enormousness.

He made some further remarks to the effect that during my explanation of the bill I had smiled once or twice, and he expressed the thought that this was a terrible thing to be smiling about.

Honourable senators, that is just a preamble to what I intend to say. We have had tabled in this house the estimates for the fiscal year 1965-66 which total $7,399,700,000. That amount does not include any supplementary estimates that may be brought before us during the year. If another $500 million is added for supplementary estimates the total is increased to nearly $8 billion. Not included in the 1965-66 totals are the outlays for Old Age Security payments amounting to $905 million, and loans, investments and advances totaling $202,144,800. Therefore, when everything is added together, it seems that the federal Government will probably spend more than $9 billion in the current fiscal year, and that is about $3 billion more than what was spent in the fiscal year 1958-59.

That is not all. The public debt has been going up by leaps and bounds, and the public debt charges at the present time amount to $1,101,056,400 annually. When I think of that sum I am reminded of what President Hoover of the United States is reported to have said on one occasion:

> Blessed are our children because they will inherit the national debt.

I do not intend to go into all of the items that have been so fully dealt with by the honourable Leader of the Government (Hon. Mr. Connolly, Ottawa West). We shall have plenty of opportunity in the future to examine the estimates in detail. This bill is the one usually presented at this time of the year, and the amounts it authorizes are just portions of the total amounts.

The Leader of the Government has stated that the estimates will be referred to the Standing Committee on Finance. That, I agree, is a good thing to do. I hope that that committee will be set up and get to work as soon as possible after the new session commences. Last year it investigated and dealt with the Glassco Report, with the result that honourable senators received a great deal of valuable information. I hope that in the coming session we shall be able to deal with other financial matters, even though we do not actually deal with the individual estimates of any department.

I regret the fact that Senator Crerar is not here today. I was sorry to learn a short time ago that he had suffered a heart attack, and would not be with us until sometime in May. He always took delight in telling us what he thought of the spending of our governments, federal, provincial and municipal. He was not bashful either in telling us what he thought about financial matters. We can look forward, I hope, to his being back with us soon and giving us one of his enlightening speeches.

That is all I wish to say today. My purpose in rising was to point out the huge amount of money we are going to spend in this fiscal year. As I have said, it amounts to some $9 billion. Perhaps it is necessary, but it is a great deal of money. I hope it will be well spent.

Hon. Mr. Roebuck: Before the honourable senator resumes his seat perhaps he would give us some further figures. Would he tell us the amount of revenue that was derived

at the time he was Leader of the Government in this chamber, and the anticipated amount of revenue in this current year? I would like to know the growth in revenue as well as the growth in expenditure so that I may be able to grasp the whole situation completely.

Hon. Mr. Aseltine: That will be something for the Standing Committee on Finance to go into.

Hon. John J. Connolly: Honourable senators—

The Hon. the Speaker: I must inform honourable senators that if honourable Senator Connolly speaks now it will have the effect of closing the debate.

Hon. Mr. Connolly (Ottawa West): Honourable senators, I should like, first of all, to thank Senator Aseltine for having taken part in this debate. He has referred to the speeches made when he was on this side of the house and we were over there. I think if one were to go back over the years one would find a pattern of that kind of discussion, particularly with respect to interim supply bills. These, of course, provide for interim advances to the Government to allow it to meet the public expense as it falls due.

Personally, I am always delighted to hear Senator Aseltine take part in our debates. When he was Leader of the Government he made it very easy for all of us to engage in debates on financial and other matters.

He has referred to the increase in the public debt and to the increase in public expenditures. Senator Roebuck's point is a valid one. The nation and the economy is growing. In the normal course of events the G.N.P. continues to grow and, of course, public and private expenditures continue to mount. This year the increase in capital investment alone is going to be 17 per cent over what it was last year. Last year it was 7 per cent over what it was the year before. Even in the private sector of the economy these increases are taking place year after year. We should carefully consider whether or not we are reaching the limit of our capacity to look after such expenditures. None the less, this kind of growth is salutary and all those interested in the development of this young and in so many respects wealthy nation should be pleased about the trend, particularly in the field of investment.

I am glad that Senator Aseltine referred to the work of the Finance Committee. I feel personally that it is not necessary for us to wait until the House of Commons has dealt with the estimates for our Finance Committee to begin its work. The work of the committee, in many sessions, even in the short time during which I have been in the Senate, has been of a high order, epsecially in the studies which the committee undertook last year and in previous years.

I remember in particular that when Senator Crerar was chairman some highly valuable reports were produced by that committee. Some of those reports were so valuable that they were favourably commented upon even by the Ottawa *Journal*. I am sure that high standard of performance will continue to characterize the work of the Finance Committee of the Senate.

Although it is not my business to make this reference, we are all pleased to hear Senator Aseltine's reference to our colleague Senator Crerar. I was talking to him the other day and am happy to report that he is coming along very well. He said he was having some difficulty with his left hand. I told him that a young fellow like himself had better get busy and get the left hand in shape, because it is the hand that guides the golf club. With this he agreed very readily.

Motion agreed to and bill read second time.

THIRD READING

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

Hon. Mr. Connolly (Ottawa West): Honourable senators, I move that the bill be read the third time now.

Motion agreed to and bill read third time and passed.

DOCUMENT TABLED

Hon. John J. Connolly tabled:

Report of the National Harbours Board, including its Accounts and Financial Statements certified by the Auditor General, for the year ended December 31, 1964, pursuant to section 32 of the National Harbours Board Act, chapter 187, and sections 85(3) and 87(3) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French texts).

BUSINESS OF THE SENATE

Hon. John J. Connolly: Honourable senators, word has just come to me that the other place is still engaged in discussing certain public business and has not yet finished consideration of a bill which deals with supplementary estimates for the last fiscal year. In such circumstances, I think the Senate might take recess now to reassemble at the call of the bell. I am not able to suggest a time, and honourable senators understand why. It might be satisfactory to all if we reassemble when the bell rings.

Hon. Mr. Roebuck: Not later than 6 o'clock.

Hon. Mr. Connolly (Ottawa West): It would not be later than 6 o'clock.

The Senate adjourned during pleasure.

At 6.15 p.m. the sitting was resumed.

BUSINESS OF THE SENATE

Hon. Mr. Connolly (Ottawa West): I understand that the House of Commons has decided to sit beyond today's closing hour of 6 o'clock. They have adjourned until 7.30. There seems to be a disposition to try and conclude their consideration of the supplementary estimates today. I do not know what time we could expect the bill to arrive here, but perhaps it might suit the convenience of all of us if we adjourned now to reassemble at the call of the bell at approximately 8.30 p.m. Would that be satisfactory?

Hon. Mr. Brooks: As far as I can see, Mr. Leader, that would be satisfactory. Your guess is as good as mine, and my guess is as good as yours.

Hon. Mr. Connolly (Ottawa West): It is only a guess, and not even an educated guess.

The Senate adjourned during pleasure.

Saturday, April 3, 1965

At 1.45 a.m. the sitting was resumed.

APPROPRIATION BILL NO. 2, 1965

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-151, for granting to Her Majesty certain sums of money for the public service for the financial year ending 31st March, 1965.

Bill read first time.

SECOND READING

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

Hon. John J. Connolly: Honourable senators, I move that the bill be now read the second time.

I am sure that all honourable senators will be glad to know that these are the last supplementary estimates for the fiscal year 1964-65. I have prepared and had distributed to all honourable senators a memorandum. I must apologize, because there is a change in the figures. Perhaps I could come to that in a moment, and in the meantime I could go through the memorandum because it indicates precisely what stage we are at in connection with the appropriation bills for the past fiscal year.

The first appropriation act granted two months' supply in the amount of $684,120,-260.18. The second one, which was Act No. 5, granted interim supply for the month of June in the amount of $338,136,717.59. The next, Appropriation Act No. 6, granted interim supply for July, based on both the main and supplementary estimates in this case, in the amount of $469,308,421.26. Appropriation Act No. 7 granted the balance, four months, of two special items in the Supplementary Estimates (A), in the amount of $183,433,000.67. Honourable senators may remember that this was the special bill which came to us and dealt with the Columbia River and with certain superannuation arrangements for personnel of National Defence as a result of the amalgamation of the forces. Appropriation Act No. 8 was interim supply for August, September and October and was based on the main and supplementary estimates to that date, in the amount of $1,037,030,109.84.

Appropriation Act No. 9 granted interim supply for November and December. It too was based on the main and supplementary estimates, and was in the amount of $740,-710,974.77. Appropriation Act No. 10 granted the balance of the main and supplementary estimates A, B and C, in the amount of $1,053,832,908.69.

The total granted by Parliament up to that time was $4,506,572,393.00.

As I have said, this bill is the final supplementary estimates bill and is known as Supplementary Estimates D. It purports to grant—and here there is a change in the figure of the estimate—$345,781,048. Honourable senators will notice that there is a difference in the figures of $6. I shall explain this difference in a moment. Therefore the grand total is $4,852,353,441.

The bill is in the usual form, and Supplementary Estimates D upon which this bill was based were tabled in the Senate on March 23 of this year when details of the items were given.

Now I would like to refer to certain deletions that have been made in the other place this day. These were all dollar items. Before doing so I wish to refer to an item on page 5 which is not a deletion. Under the Department of External Affairs item 33d for external aid has been amended, and I wonder whether honourable senators opposite would wish me to read the second as amended?

Some Hon. Senators: No, no.

Hon. Mr. Connolly (Ottawa West): It is a very long section but I would be happy to read it if anybody desires it.

Hon. Mr. Choquette: Nobody desires it.

Hon. Mr. Connolly (Ottawa West): Agreed. Then I come to page 6 in which item 18d and item 21d have been deleted. On page 7 item 23d, which is connected with the Department of Finance, has been deleted. On page 10 item 3d connected with the Department of National Revenue has been deleted. On page 14 item 75d with respect to the Air Transport Board has been deleted, and on page 16 under Loans, Investments and Advances, under the Department of Trade and Commerce, item L38d with respect to Northern Ontario Pipe Line Crown Corporation has been deleted.

Honourable senators will notice that the bill contains six sections. Section 1 is the title section. Section 2 provides for the grant of the amount of money, namely $345,781,048. Section 3 indicates that the amount authorized by the act to be paid or applied in respect of an item may be paid or applied only for the purpose of the item. Subsection (2) provides—and this is a customary section in a final appropriation bill—that the provisions in each of the items are deemed to be enacted by Parliament on the 1st day of April 1964, in other words at the beginning of the calendar year to which these estimates apply.

Section 4 of the bill, which again is a customary item, provides that where authority to enter into commitments is given, the commitment may be entered into in accordance with the terms of the items provided the Comptroller of the Treasury certifies as to the appropriateness of the commitment pursuant to the item.

Section 5 provides that the amounts appropriated by the act may be paid at any time on or before April 30, 1965. Such payment shall be deemed to have been made in and shall be charged to the fiscal year ending March 31, 1965. In other words, the officials will have approximately one month to disburse the moneys granted by this legislation.

Section 6 provides for an accounting of all moneys paid out pursuant to this bill in the public accounts in accordance with the appropriate provisions of the Financial Administration Act.

Honourable senators, that is a general explanation. There are, of course, a great many items in these 13 pages. If there are any questions I shall do my best to answer them based upon the information I have, although I am sure that honourable senators are quite familiar with the items in the schedules.

Hon. A. J. Brooks: Honourable senators, at this stage of the session, and at this time of night—

Hon. Mr. Connolly (Ottawa West): Morning.

Hon. Mr. Brooks: Yes—at this time of the morning, it would not be appropriate for me to make any extended remarks. I must say, however, that it is very unfortunate the Senate is not in a position to discuss this bill in an appropriate manner. I am not at all blaming the honourable Leader of the Government in the Senate, but it does seem to me that this session could have been allowed to run a day or two longer so that this bill could have been considered in the other place in a respectable manner, and we would have had an opportunity to debate it as we should. It is impossible for us to do that, because we cannot go into this bill in any detail at this late hour.

The honourable Leader of the Government has given us a good explanation and, as he has said, we have a fairly good understanding of this bill. However, there are very important items about which honourable senators might have wished to ask some questions. I had noted about a dozen myself, but I shall not go into them at this time. Under the Department of Agriculture there is an amount of $61 million, which is almost half the total in the general estimates. However, like other honourable members of this chamber, I can look in *Hansard* of the other place for the answers to most of our questions, even though it was never intended that we should get our information in that way.

This is the last bill to come before us and we are, I believe, at the end of the session. I can be excused for saying that in my opinion this has been the most frustrating, futile and inept session of the Parliament of Canada, and I hope that it will be a long time before we see another one like it.

In passing these estimates we are dealing with money that has already been spent, so in discussing them at length we would be flogging a dead horse. For that reason, possibly, we do not need to take the interest in them that we should. The points raised and the corrections made in the other place tonight were very necessary. Some items, as the honourable Leader of the Government has told us, have been stricken out. Those items should not have been there. I know that Senator McCutcheon intended to deal with them if the other place had not done what it did.

Honourable senators, I shall say nothing more. The best thing we can do is to bring this long and difficult session to an end. I would not want to keep it alive any longer. It was my hope that the next session would

not commence immediately; that we would be afforded enough time to get the bad taste of this session out of our mouths, and that the next session would start after the Easter recess. In my opinion that would have been more appropriate.

With these few words, honourable senators, I shall say that my colleagues and myself on this side of the house do not oppose second reading of this bill.

Hon. M. Wallace McCutcheon: Honourable senators, I do not intend to delay the passage of this bill but I should say that had it not been for the reduction of the estimates from $345,781,054 to $345,781,048 I might have spoken for some considerable time this evening.

As the estimates were presented to us, they included something which was unique in the presentation of estimates to Parliament. I am referring, first of all, to vote 18d, which is a $1 vote, to amend the Public Service Superannuation Act, the Canadian Forces Superannuation Act and the Royal Canadian Mounted Police Superannuation Act, and it goes on:

> Subsection (2) of section 32 of the Public Service Superannuation Act is repealed and the following is substituted therefor:

It goes on to introduce a new subsection, and new subsections to the other two acts that are mentioned. The item, of course, is a $1 item. As a matter of fact, the $6 that the House of Commons has saved tonight for the public of Canada has been saved because the Government of Canada was trying to legislate through the estimates.

There never was a more flagrant attempt, at the last minute, to put legislation through under the guise of estimates. People may say that this bill was delayed in the House of Commons, that it was a quarter to two in the morning before it came here, and people may say it was delayed here. However, never has a situation arisen where you amend statutes, you repeal a subsection, you enact another subsection in each of three statutes, you appoint two new members to a board—notwithstanding the provisions of the act. One would almost think that the present Government was living in those happy days of 1956 when they could do whatever they liked and nobody worried about it. They have learned nothing, and they have forgotten nothing.

Honourable senators, that is all I have to say. Fortunately, in the other place tonight, under some considerable pressure, we saved $6 of the taxpayers' money, as it is prescribed in the estimates; but the important thing is we saved the authority of Parliament.

Hon. Mr. Brooks: We prevented the establishment of a precedent.

Motion agreed to and bill read second time.

THIRD READING

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

Hon. Mr. Connolly (Ottawa West): I move third reading now.

Motion agreed to and bill read third time and passed.

PROROGATION OF PARLIAMENT

NOTICE

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

GOVERNMENT HOUSE
OTTAWA

April 3, 1965

Sir,

I have the honour to inform you that The Chief Justice of Canada, in his capacity as Deputy of His Excellency the Governor General, will proceed to the Senate Chamber at 2.15 a.m. today, the 3rd April, 1965 for the purpose of proroguing the Second Session of the Twenty-Sixth Parliament of Canada.

I have the honour to be,
Sir,
Your obedient servant,
A. G. Cherrier
Assistant Secretary to the
Governor General

The Honourable
The Speaker of the Senate

The Senate adjourned during pleasure.

ROYAL ASSENT

The Honourable Robert Taschereau, Chief Justice of Canada, Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned and being come with their Speaker, the Honourable the Deputy of the Governor General was pleased to give the royal assent to the following bills:

An Act to amend the Criminal Code. (Habeas Corpus).

An Act to incorporate Association of Universities and Colleges of Canada.

An Act to establish a comprehensive program of old age pensions and supplementary benefits in Canada payable to and in respect of contributors.

An Act to amend the Companies Act.

An Act respecting the operation of certain established Federal - Provincial programs.

An Act to incorporate World Mortgage Corporation.

The Honourable Alan A. Macnaughton, Speaker of the House of Commons, then addressed the Honourable the Deputy of His Excellency the Governor General as follows:

May it please Your Honour:

The Commons of Canada have voted certain supplies required to enable the Government to defray the expenses of the public service.

In the name of the Commons, I present to Your Honour the following bills:

An Act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1966.

An Act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1965.

To which bills I humbly request Your Honour's assent.

The Honourable the Deputy of His Excellency the Governor General was pleased to give the royal assent to the said bills.

PROROGATION SPEECH

The Honourable the Deputy of His Excellency the Governor General was pleased to close the Second Session of the Twenty-sixth Parliament with the following speech:

Honourable Members of the Senate:

Members of the House of Commons:

The second session of the Twenty-Sixth Parliament opened on February 18, 1964, and you have been in session for a longer time than any other Parliament in our history. You have enacted much important legislation and approved many government actions of great significance for Canadians.

Canada was honoured by the presence of Her Majesty The Queen, and of His Royal Highness The Duke of Edinburgh last October, when we commemorated the conferences held a century before which paved the way to Confederation.

In the past year there was a very substantial increase in the number of people employed in Canada. Unemployment was reduced to the lowest level for many years. Economic growth has accelerated. The 1964 expansion in the Gross National Product was the largest percentage increase to be achieved since 1956. The incomes of Canadians have risen to new high levels. Exports have greatly improved, including particularly exports of manufactured products. Interest rates have been held at relatively low levels and monetary conditions have assisted business expansion. The Government's budget deficit has been sharply reduced.

The first report of the Economic Council of Canada, analysing the great potentialities for the expansion of the Canadian economy between now and 1970, has been laid before you. My ministers are assessing the policies required to meet the challenge of these potentialities.

My Government has agreed with the governments of all the provinces to recommend a measure whereby all amendments to the Constitution of Canada will in future be enacted in Canada.

You have made an important reform by providing that independent commissions shall undertake the redistribution of electoral districts for the House of Commons, on a basis that will rectify many disparities in the representation of the people.

Following the recommendation of a special committee representative of all parties in the House of Commons, you have expressed your approval of a distinctive Canadian Flag. By Royal Proclamation this flag, in the Canadian colours of red and white and bearing the Canadian emblem of the maple leaf, was inaugurated on February 15, 1965. My ministers are convinced that, through the years, the flag will constitute an important contribution to Canadian unity and Canadian identity.

With Her Majesty's consent, and in accordance with your recommendation, the Royal Union Flag will be flown on appropriate occasions to symbolize Canada's membership in the Commonwealth and our devotion to the Crown.

You have enacted legislation authorizing the integration of Canada's three armed services and have approved a White Paper on the reshaping of Canada's defence policy to improve the effectiveness of our contribution to peace-keeping and international security.

The preliminary report of the Royal Commission on Bilingualism and Biculturalism has been laid before you. My ministers have been gratified to observe the improving understanding of problems arising from the reality and importance of the dual character of our country.

In the spirit of co-operative federalism, my Government has held important conferences with the governments of the provinces, and close consultation has greatly improved the co-ordination of federal and provincial policies.

You have enacted legislation whereby the abatement of federal tax on personal incomes, in favour of the provinces, will be increased during the next two fiscal years. You have also enacted legislation whereby my Government may make, with provinces which so wish, alternative financial arrangements respecting certain established programs the cost of which is shared by my Government.

The federal-provincial conference has established a tax structure committee which is reviewing the fiscal needs and relationships of federal and provincial governments.

You have approved an address to the Queen as a result of which the British North America Act was amended to provide that Parliament may legislate concerning benefits, for disabled persons and for survivors, supplementary to old age pensions.

Following this constitutional amendment, you have enacted legislation to establish the Canada Pension Plan, for the comprehensive provision of retirement pensions which will be fully portable and which will be kept in line with changes in earnings and in the cost of living. In the same legislation you have provided a measure of income maintenance for contributors who become disabled and for the widows and children of contributors who die.

In the same legislation also, you have provided that the old age security pension will in future be paid from age 65 and that the basic amount of the pension will be increased if the cost of living rises.

You have enacted legislation whereby allowances of $10 a month are paid in respect of children aged 16 and 17 who are not working, either because they are unable to do so or because they are receiving full-time education.

You have adopted a measure whereby my Government may guarantee bank loans to university students and pay the interest on these loans during the years of study; this program is being administered in co-operation with the provinces.

You have enacted a measure to establish a labour code for industries under federal jurisdiction. The code provides for a minimum wage of $1.25 an hour and for standards respecting hours of work and holidays.

The cash income of Canadian farmers rose in 1964 to a record level. Exports of wheat were the largest ever. Revisions in dairy policy were reflected in increased production, especially of cheese, better sales and prices, and the elimination of the butter surplus.

You have enacted a measure establishing a new type of farm credit, so that partnerships of farmers may borrow for the purchase of machinery to be used co-operatively.

You have enacted legislation to double the size of loans which may be made by the Farm Credit Corporation and of loans by chartered banks guaranteed under the Farm Improvement Loans Act.

You have adopted a measure whereby my Government may provide re-insurance of the major portion of the disaster risk to any province establishing a crop insurance program.

You have approved increased assistance to farmers in eastern Canada and British Columbia purchasing feed grains.

My Government is expanding the work of ARDA and has made with the provinces a new agreement respecting programs for the five years beginning 1 April, 1965.

You have approved an increase in Canada's contribution to the World Food Program.

In 1964 Canada's fisheries established records both in the quantities landed and the value of the catch to fishermen. A federal-provincial conference on fisheries development gave impetus to a widespread program of industrial development in the fisheries.

You have adopted a measure establishing a twelve-mile fishing zone.

You have approved increases in veterans' pensions and allowances, enabling their recipients to maintain their standards of living and to share in the benefits of a more buoyant economy.

By amending the National Housing Act you have broadened the range of financial assistance available for urban renewal and low-rental housing.

My Government has concluded an agreement with the United States respecting free trade in automobiles and their components. The agreement makes possible for the industry programs designed to achieve substantial improvements in efficiency, production and employment.

You have approved the payment of subvention assistance on the movement of Canadian coal for a period of five years from 1 April 1965, and have authorized loans for coal production assistance for a further period of four years.

You have enacted legislation whereby divorce bills can be dealt with more expeditiously.

My Government has initiated inquiries directed to the re-assessment of immigration policy and procedures.

My ministers have made further progress in the study and implementation of many of the recommendations and suggestions of the Royal Commission on Government Organization.

We must note with regret that in the past year there has been little progress in reducing international tensions. In recent weeks, some tensions have been heightened. My Government has continued to make constructive

efforts towards peace and good neighbourliness.

You have approved the participation of Canadian troops in the United Nations Force in Cyprus. Though no long-term solution to this problem is yet in sight, the United Nations Force has been successful in controlling armed conflict.

You have approved the Columbia River Treaty and its protocol which my Government subsequently ratified. These arrangements are of mutual benefit to Canada and the United States, providing this country with large supplies of low-cost power and increasing opportunities for employment.

My Prime Minister attended the Conference in London of Commonwealth Prime Ministers to discuss matters of common concern, including the establishment of a Commonwealth Secretariat.

My Government convened a conference of experts to exchange experience on the practical and technical problems of peacekeeping. The Commonwealth Education Conference was held in Ottawa.

In the search for international understanding and co-operation, my Prime Minister and his colleagues have visited and received a number of leaders of other countries, including the Presidents of Ireland and the United States, the Prime Ministers of Britain, Japan, Malaysia and Trinidad and Tobago; the Chancellor of the Federal Republic of Germany; the Foreign Ministers of Australia, Belgium, Britain, France, Germany and Norway; and the Secretaries-General of the United Nations and of NATO.

Canadians recently joined with the people of Britain, the Commonwealth and the world in paying final tribute to Sir Winston Churchill, to whom so much was owed by all free men.

Members of the House of Commons

I thank you for the provision you have made for the public services in the current fiscal year.

Honourable Members of the Senate,
Members of the House of Commons,

May Divine Providence continue to bless our country.

INDEX

Abbreviations

1r, 2r, 3r	=first, second, third reading
amdts	=amendments
com	=committee
div	=division
m	=motion
neg	=negatived
ref	=referred
rep	=report
r.a.	=royal assent

Acadians, 61-63
Société Nationale des Acadiens, 62-63
Acts passed during the Session

PUBLIC ACTS

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CHAP. Bill No.
1. Appropriation Act No. 1, 1964 ... C-84
2. Trans-Canada Air Lines Act C-2

ASSENTED TO APRIL 3, 1964

3. Appropriation Act No. 3 1964 .. C-87

ASSENTED TO APRIL 6, 1964

4. Appropriation Act No. 2, 1964 .... C-86

ASSENTED TO APRIL 13, 1964

5. Appropriation Act No. 4, 1964 ... C-89

ASSENTED TO MAY 21, 1964

6. Blue Water Bridge Authority Act . S-4
7. Customs Tariff, An Act to amend the C-92
8. Estate Tax Act, An Act to amend the C-94

ASSENTED TO MAY 28, 1964

9. Appropriation Act No. 5, 1964 .... C-99

ASSENTED TO JUNE 18, 1964

10. Bank Act and the Quebec Savings Banks Act, An Act to amend the C-98

PUBLIC ACTS—*Continued*

ASSENTED TO JUNE 18, 1964—*Continued*

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11. Crown Corporations (Provincial Taxes and Fees) Act C-95
12. Farm Credit Act, An Act to amend the C-100
13. Income Tax Act, An Act to amend the C-91
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15. National Housing Act, 1954, An Act to amend the C-102
16. Ste-Foy-St-Nicolas Bridge Act ... S-21

ASSENTED TO JUNE 30, 1964

17. Appropriation Act No. 6, 1964 .. C-105
18. Export Credits Insurance Act, An Act to amend the C-101
19. Roosevelt Campobello International Park Commission Act S-26

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20. Appropriation Act No. 7, 1964 .... C-109
21. National Defence Act, An Act to amend the C-90
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23. Youth Allowances Act C-108

ASSENTED TO JULY 28, 1964

24. Canada Students Loans Act C-110

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CHAP.		Bill No.
25.	Appropriation Act No. 8, 1964 ...	C-116

ASSENTED TO AUGUST 13, 1964

26.	Federal-Provincial Fiscal Revision Act, 1964	C-111

ASSENTED TO SEPTEMBER 16, 1964

27.	Farm Improvement Loans Act, An Act to amend the	C-119

ASSENTED TO OCTOBER 15, 1964

28.	Crop Insurance Act, An Act to amend the	C-129
29.	Farm Machinery Syndicates Credit Act	C-121

ASSENTED TO NOVEMBER 5, 1964

30.	Appropriation Act No. 9, 1964	C-135

ASSENTED TO NOVEMBER 20, 1964

31.	Electoral Boundaries Readjustment Act	C-72
32.	Harbour Commissions Act	S-10
33.	Newfoundland Acts respecting Harbours and Pilotage	S-40

ASSENTED TO DECEMBER 2, 1964

34.	Main Supply Bill—Appropriation Act No. 10, 1964	C-140

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35.	Combines Investigation Act and the Criminal Code, An Act to amend the	C-141
36.	Judges Act, An Act to amend the .	C-112

ASSENTED TO MARCH 18, 1965

37.	Canada-Japan Income Tax Convention Act, 1965	C-146
38.	Canada Labour (Standards) Code .	C-126
39.	Canada Shipping Act, An Act to amend the	S-7
40.	Insurance, Department of, An Act to amend certain Acts Administered in the	C-123
41.	Canadian National Railways Financing and Guarantee Act, 1964	C-137
42.	Coal Production Assistance Act, An Act to amend the	C-147
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CHAP.		Bill No.
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